Spice Mobility Limited
CIN No.-L72900DL1986PLC330369
Regd. Office: 622, 6th Floor, DLF Tower A, Jasola Distt Centre,
New Delhi – 110025 | Tel: 011 41251965
www.spicemobility.in | complianceofficer@smobility.in

spice

Date: 15.02.2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip Code: 517214

Sub: Re-submission of Annual Report for the year ended 31st March, 2018

Dear Sir(s),

This is with reference to the mail dated 14th February, 2019 along with the Letter reference number: LIST/COMP/517214/Reg. 34- Mar 18/1120/2018-19 of your Exchange regarding Non – Submission of Annual Report for the Financial Year 2017-18.

We wish to inform you that 30th Annual General Meeting of the Company was held on Wednesday, the 14th November, 2018 and we uploaded the Annual Report for the financial year 2017-18 along with Notice of 30th Annual General Meeting on 16th November, 2018.

We are surprised to receive your aforesaid mail reporting Non – Submission of Annual Report for the Financial Year ended 31st March, 2018. As advised, we are re-uploading the Annual Report of the Company for the financial year 2017-18 along with Notice of 30th Annual General Meeting.

We request to please take the said information on your record and acknowledge the receipt of the same.

Thanking you.

Yours faithfully,
For **Spice Mobility Limited**

Spice Mobility Limited 622, 6th Floor DLF Tower A, Jasola Distt. Centre New Delhi-110025

M. R. Bothra
Vice President- Corporate Affairs
& Company Secretary

Encl: - Copy of the Annual Report and AGM Notice.

Spice Mobility Limited
CIN No.-L72900DL1986PLC330369
Regd. Office: 622, 6th Floor, DLF Tower A, Jasola Distt Centre,
New Delhi - 110025 | Tel: 011 41251965
www.spicemobility.in | complianceofficer@smobility.in

spice

Date: 16.11.2018

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip Code: 517214

National Stock Exchange of India Limited
Exchange Plaza, Plot no.C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip Code: SPICEMOBI

Sub: Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith a copy of the Annual Report of the Company for the financial year 2017-18 along with Notice of 30th Annual General Meeting held on Wednesday, the 14th November, 2018.

Kindly take the above information on record and acknowledge receipt of the same.

Thanking you.

Yours faithfully,
For **Spice Mobility Limited**

Spice Mobility Limited 622, 6th Floor DLF Tower A, Jasola Distt. Centre New Delhi-110025

M. R. Bothra
Vice President- Corporate Affairs
& Company Secretary

Encl: - Copy of the Annual Report and AGM Notice.

DiGiSPICE

ACCELERATING DIGITAL TRANSFORMATION

ANNUAL REPORT 2017-18

Spice Mobility Ltd.

DiGiSPICE

Important Information for Shareholders holding shares in Physical Form

The Securities and Exchange Board of India ("SEBI") vide its ***Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018*** *has amended the Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 whereby it has been mandated that after 180 days from the date of the said Circular, expect in case of transmission or transposition of securities,* ***requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.***

In compliance with the aforesaid amendment, any request received on or after 5th December, 2018 for transfer of equity shares of the Company held in physical form will not be proceeded by the Company.

In view of the aforesaid, all the shareholders holding shares in physical form are advised to convert their shareholding from Physical form to Demat form with a Depository Participant of their choice in order to continue the benefit of liquidity of their shareholding.

Please note that as per the aforesaid amendment w.e.f. 5th December, 2018, transfer of equity shares of the Company would be carried out in dematerialized form only.

Contents

Spice Mobility Limited

DiGiSPICE

Chairman's Statement

Dear Shareholders,

It gives me immense pleasure to connect with you all again. The financial year 2017-18 was the year when we exclusively began our journey towards becoming a Digital Technologies and services company as we exited from our hardware retail business this year.

It was also during the year that we decided to move our Digital services business into the listed Company i.e. Spice Mobility Limited through a Scheme of Arrangement. Going forward, Spice Mobility will house the operating business of Digital solutions and services. We have also rebranded ourselves as "DiGiSPICE" defining ourselves more appropriately as a digital solutions company. Post the on going scheme, we will get ourselves reclassified as a "Technology services" company unlike earlier when we were classified as a Hardware company.

We also as a part of the scheme are setting up our Digital Financial services business, 'Spice Money' as a subsidiary of Spice Mobility. We will, therefore, have 2 main operating businesses now at Spice Mobility: DiGiSPICE, a digital technology services play and Spice Money, a digital financial services play.

DiGiSPICE:

In our digital services business, we are mainly focussed on building digital solutions for 3 main customer verticals: 1) Telecom, Media and Technology, 2) Banking, Financial services and Insurance and 3) Government. Our goal is to ensure that we help entities within each of these customer groups in their "Digital Transformation" journey. Our initial focus has been on markets within Asia and Africa mainly due to our telco legacy. This year we also opened up our office in Dubai to focus on the Middle East market which has charted out a very aggressive digital journey for themselves.

Driven by the accelerated growth in adoption of smartphones and mobile data globally and more so in the emerging markets, the enterprises are waking up to the potential of re-defining engagement models with their customers and using data as a key enabler for their businesses. As per IDC, the global digital transformation spends are projected to be USD 1.3 Trillion in 2018, an increase of 16.8% over the previous year. Further, they have forecasted a CAGR of 17.9% in global digital transformation spends during 2017 to 2021.

In this financial year, we have built new digital solutions for our telco customers particularly in the area of mobile apps. We work closely with our customers on a managed services model helping them to grow revenues. The platforms that we have deployed at telcos across markets now serve over 311 mn customers on a monthly basis.

We have also focussed during the year on building new capabilities particularly in the Digital payments space. We are seeing a significant drive towards Digital money across markets and we are well placed to enable enterprises to build digital payment solutions for their customers. By the close of the financial year, we were able to deploy our "ProDigi" financial services platform for a leading fintech player in SE Asia based out of Indonesia. This is an anchor partnership that we have in the region that we expect to grow in this current financial year.

Governments across the region are looking to leverage digital technologies to serve their citizens better. We are proud to be partnering with a government in the region in building an ambitious G2C digital engagement platform at scale. We at Digispice are positioning ourselves to be a global key enabler in furthering governments' agenda to engage with citizens digitally.

Our start-up culture brings to our customers a sand boxing approach with the right risk-value proposition that enables them to experiment, conduct quick POCs and arrive at the right solution. Given our DNA

Chairman's Statement

of working on revenue sharing arrangements with our telecom customers – more as partners than vendors, we bring a differentiated proposition to the table, also enabling us to build deep domain expertise in the areas that we build solutions in.

Going forward, we are looking to invest in strengthening our capabilities in the areas of customer experience engineering, analytics and automation.

Spice Money:

At Spice Money, we are committed to our journey of financially empowering a billion users. Our focus is to leverage mobile tech to enable "banking services at the doorstep" of every citizen of our country.

We made significant progress at Spice Money in the financial year 2017-18. Our Gross Transaction Value (GTV) grew by 83% on the back of growth in our Customer Service Point (CSP) network which reached 70,000 by end of the year . During the year, 8.2 Mn customers availed Spice Money services growing 82% from 4.4 Mn last year.

We now have a Pan-India presence across most districts of India. We are building deep presence within the semi-urban and rural consumer markets. These are the markets where the last mile banking infrastructure is significantly missing and we at Spice Money are committed to bridging this gap using mobile tech.

Banking Infrastructure

Per Million Population	Metro and Urban India	Semi Urban and Rural India	India average	China	USA
Bank Branches	139	49	77	163	348
ATMs	305	110	171	669	1344

Going forward, at Spice Money, we are looking to invest in technology, data science and product development to achieve our objectives of financial inclusion.

Moving ahead

We are very excited by the two spaces of Digital Technology services and Digital financial services and see significant headroom of growth in both these spaces across markets. Our strategic focus in these areas should start translating into building sustainable value for all stakeholders in the next few years.

Corporate Social Responsibility

I would like to update you on some of the key outcomes that we have been able to drive under our social entrepreneurship platform, Ek Soch which is operating in 6 key disctricts in Eastern UP. During the year, we engaged with 500+ youth who worked on 1000+ self led intiatives towards building solutions to community problems. We provided mentorship and basic training to 100+ MSMEs in the region. We also worked with our partners to enable 300 farmers across 21 villages to drive better farm productivity. In additon, our partner programmes in the space of education have engaged with close to 2,00,000 students as well as trained about 3,000 teachers. Going forward our focus will continue to be to work on programs around youth engagement, micro enterprise productivity and growth, rural productivity and growth, women empowerment and livelihood and education.

I would like to thank the entire Spice employee family for their hard work and dedication over the last one year, all our partners for their strong commitment and support and most importantly to you, our shareholders, for your trust in all our endeavours. I thank you for your continued patronage and assure you of our commitment towards building long term value for all our stakeholders.

With Best Wishes,

Dilip Modi
Executive Chairman

COMPANY INFORMATION

Spice Mobility Limited

BOARD OF DIRECTORS

Mr. Dilip Modi – *Executive Chairman*
Mr. Hanif Mohamed Dahya
Mr. Subramanian Murali
Mr. Suman Ghose Hazra
Mr. Umang Das
Mr. Shrenik M Khasgiwala

Company Secretary
Mr. M. R. Bothra

Chief Financial Officer
Mr. Madhusudan V.

KEY COMMITTEES OF THE BOARD

I) Audit Committee

Mr. Suman Ghose Hazra – Chairman
Mr. Hanif Mohamed Dahya
Mr. Subramanian Murali
Mr. Umang Das

II) Nomination and Remuneration Committee

Mr. Umang Das – Chairman
Mr. Subramanian Murali
Mr. Suman Ghose Hazra

III) Stakeholders Relationship Committee

Mr. Subramanian Murali – Chairman
Mr. Suman Ghose Hazra

IV) Corporate Social Responsibility Committee

Mr. Dilip Modi – Chairman
Mr. Subramanian Murali
Mr. Umang Das

CIN: L72900DL1986PLC330369

Registered Office
622, 6th Floor, DLF Tower A, Jasola Distt. Centre,
New Delhi -110025
Phone: 011-41251965
E-mail : complianceofficer@smobility.in
Website : www.spicemobility.in

Corporate Office
Spice Global Knowledge Park, 19A & 19B, Sector 125,
Noida, District Gautam Budh Nagar, U.P.-201301
Phone :0120-3355131

Statutory Auditors
M/s. Singhi & Co.
Chartered Accountants
Unit No. 1704, 17th Floor, Tower B
World Trade Tower, DND Flyway
C-01, Sector – 16, Noida – 201301

Internal Auditors
M/s. GSA & Associates
Chartered Accountants
16,DDA Flats, Ground Floor
Panchsheel Shivalik Crossing,
Near C Block Shivalik, New Delhi – 110017

Registrar & Share Transfer Agent
MAS Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area
Phase-II, New Delhi-110 020
Phone : 011-26387281/82/83
Fax : 011-26387384
E-mail : info@masserv.com

Bankers:
HDFC Bank Limited
IndusInd Bank Limited

Symbol/Scrip ID at NSE /BSE
NSE Symbol : SPICEMOBI
BSE Scrip ID : 517214

Green Initiative: In order to enable the Company to send various documents through electronic mode, the members of the Company are requested to register/update their e-mail addresses with the Company in case the shares are held in Physical mode and with the concerned Depository Participant in case the shares are held in Demat mode.

BOARD OF DIRECTORS

Mr. Dilip Modi
Executive Chairman

Mr. Dilip Modi was appointed to the Board on 21st August, 2006 as Director and has been Chairman of the Company since 18th February, 2014. He has been appointed as Executive Director w.e.f. 30.11.2015 and designated as Executive Chairman of the Company.

Mr. Dilip Modi is one of India's most successful young entrepreneurs and has pioneered several new technologies in the mobility and technology sector in India. As a young entrepreneur, Mr. Modi is passionate about creating usable and affordable technologies that can help improve lives of people across Asia and Africa. Driven by his firm belief that technology can become a key enabler for achieving inclusive growth in the country, his group's current business interests in the digital technologies, fintech and mobility spaces exemplify this vision by furthering the digital and financial inclusion goals.

In the last two decades, he has created a strong portfolio of businesses within the mobility and technology sector, starting from successfully launching India's first mobile service – Modi Telstra in 1995 that also hosted the very first mobile phone call made in India. After a successful divestment of Modi Telstra in the year 2000, he launched Spice Communications in Punjab and Karnataka, which soon became one of the most valuable and enduring brands in the two highly profitable mobile markets of the country.

As Executive Chairman of Spice Mobility, Mr. Modi leads the Group's businesses spread across Asia and Africa in the mobility & digital technologies space.

Mr. Dilip Modi has been closely involved in industry forums and has held the position of Chairman of the Cellular Operators Association of India (COAI) and has also had the honour of being the youngest ever President of ASSOCHAM (Associated Chambers of Commerce), working on key industry programs such as "Making Inclusive Transformation Happen". His efforts in the industry were duly recognized as he was conferred the "Youth Icon Award" by the Gujarat Chamber of Commerce and Industry.

An alumnus of the prestigious Imperial College in London, Mr. Modi completed his Master's in Business Administration with a specialization in Finance. He also holds a First Class Bachelor of Science Degree in Management Technology from Brunel University, London.

Mr. Hanif Mohamed Dahya
Independent Director

Mr. Hanif Mohamed Dahya was appointed to the Board on 26th August, 2013 as an Independent Director.

Mr. Hanif Mohamed Dahya, Wally, serves as the Chief Executive Officer of The Y Company, LLC. Mr. Dahya is an Investment Banker with 16 years of experience on Wall Street. He began his career with E.F. Hutton and Company, Inc. He served as Principal and Partner of Sandler O'Neil and Partners. He served as a Manager and Managing Director of mortgage-backed securities for Union Bank of Switzerland, Head of Mortgage Finance and Managing Director of LF Rothschild and Company, Inc. He was an Independent Non-Executive Director of Cellebrum Technologies Limited (now known as Spice Digital Limited) and S i2i Limited, Singapore.

Mr. Dahya is currently a Director of New York Community Ban Corp. Inc. and New York Commercial Bank. He also served as a Director of CFS Investments New Jersey, Inc., a subsidiary of CFS Bank.

Mr. Dahya holds Masters in Business Administration Degree of Harvard Business School, Cambridge, Massachusetts, USA and obtained his bachelor's degree in technology from Loughborough University of Technology in the UK.

DiGiSPICE

BOARD OF DIRECTORS

Mr. Shrenik M Khasgiwala
Non Executive Non Independent Director

Mr. Shrenik M Khasgiwala was appointed to the Board w.e.f. 17th May, 2018 as an Non Executive Non Independent Dierctor.

Mr. Shrenik is Founder of Laniäkéa Holdings, a private multi-family office, which overseas proprietary capital and partners with Ultra High Networth families and high potential entrepreneurs for creating new wealth, preserving wealth across generations, unlocking value in current businesses, setting up new businesses, stewarding family investments and coaching new generation entrepreneurs within the family.

Mr. Shrenik has more than 23 years of experience covering investing (Brand Capital), scaling businesses (Enam), advising (A.T. Kearney) and auditing (BDO Lodha) businesses and entrepreneurs across a wide range of industries.

Mr. Shrenik was the youngest Business Director at Bennett Coleman and Company. He leads investments at Brand Capital into new-age consumer focused verticals, including healthcare, education, financial services, logistics, consumer durables, FMCG, technology, retail, entertainment, travel and apparel.

As Executive Director at ENAM Securities, Mr. Shrenik led investment banking relationships and assignments in industries such as Construction, Sugar, Refractories, Media, Technology, Aviation and Ship building. At ENAM, Shrenik was the owner of the firm's Tata Group relationship and also set up ENAM's first international office.

He has led management consulting assignments in Energy, Petrochemicals, Agro chemicals, Software, Media and BFSI working with A.T. Kearney. He has also led audit and advisory work at BDO Lodha & Co. across several industries.

Mr. Shrenik is a commerce graduate from Sydenham College, a Chartered Accountant and holds a PGDM from IIM Bangalore. He was a visiting graduate at the University of Washington Business School in Seattle. He also holds a Certificate in Investment Management from the Securities and Investment Institute, UK.

Mr. Subramanian Murali
Non Executive Director

Mr. Subramanian Murali was appointed to the Board on 7th May, 2015 as Non Executive Director.

He was associated with leading organizations such as A.F. Ferguson and HCL Group of companies in several senior positions.

Over more than 33 years of experience in industries like IT, Office automation, Telecom and Mobility, he has gained extensive knowledge and expertise in the areas of fund raising, M&As, Business restructuring, Process Re-engineering, Business turnarounds, Corporate Finance and management.

Presently, Mr. Murali is Executive Director-Finance of Spice Connect Group. He has been associated with the group for 10 years and is actively involved in Shareholders value creation, Business planning, Corporate Finance, Capital allocation, Treasury management, Management review and overall productivity of all resources within the Spice Connect Group.

His association with the group helped in managing different business cycles ranging from start ups, steady state growth, rapid and exponential growth, slow downs and closures.

Mr. Murali is a Fellow Member of the Institute of Chartered Accountants of India ("ICAI").

BOARD OF DIRECTORS

Mr. Suman Ghose Hazra
Independent Director

Mr. Suman Ghose Hazra was appointed to the Board on 7th May, 2015 as an Independent Director.

Mr. Ghose is a former General Counsel and Executive Vice President – Legal of HCL Infosystems Ltd.

Mr. Hazra began his career in the year 1976 as Zonal Accounts Officer of Tata Iron & Steel Co. Ltd. He specializes in area of Taxation including Income Tax, Sales tax / VAT, Excise Tax, Service Tax, Custom Duty, Merger, Acquisition, Disinvestment and successfully handled CBI and FEMA/FERA cases. He has helped several Indian companies in the process of acquisition and sale.

He has actively issued necessary guidelines to various regions/plant on all India basis for the compliance with the various statutory requirements under Indirect Taxation. He has also participated as a member in the High Powered Committee on Electronic Commerce and Taxation appointed by the Central Board of Taxes, Department of Revenue, Ministry of Finance, New Delhi.

He was a Legal Consultant and Senior Advisor to MAIT.

Mr. Ghose is a Fellow Member of the Institute of Chartered Accountants of India (“ICAI”) and a member of Institute of Cost & Work Accountants of India (“ICWA”). He is a Law Graduate also.

Mr. Umang Das
Independent Director

Mr. Umang Das was appointed to the Board on 7th May, 2015 as an Independent Director.

Mr. Das has over 48 years of diversified experience. He holds various prestigious positions in the industry viz. Chairman of the Broadband India Forum (Policy & Regulatory), Chairman of the National Council of Digital Society of ASSOCHAM, Co-Chairman of Committee on Telecom and Broadband of CII. He is also an active member of the Managing Committees of CII and FICCI advising on Telecom matters and is the Vice Chairman of the Tower and Infra Providers Association of India (TAIPA).

Socially, he is extremely well networked and involved in several CSR related initiatives and also Director of Skill Building in Rotary International District 3011 and a Member of Telecom Sector Skill Building Council.

In the year 2008, Mr. Das joined the SREI group as Managing Director & CEO of SREI Infocomm Services Ltd., spearheading all new business initiatives of the group in the field of Total Telecom Infrastructure enablement for mobile operators.

Prior to this, from 1987 onwards he pioneered the Telecom Business in India in the Private Sector by establishing the Telecom business of Crompton Greaves and subsequently he took over as the Managing Director of Spice Telecom and thereafter as Group President of Spice Global Businesses.

Presently, he holds the position of Special Advisor at American Tower Co (Formerly called Viom Networks) and is actively responsible for establishing Shared Telecom Infra Business End to End.

Mr.Umang Das is a veteran and amongst the pioneers of the telecom industry in India.

Mr. Das is an alumnus of the prestigious Indian Institute of Management, Ahmedabad and holds a degree in Electrical Engineering from the Delhi College of Engineering.

DiGiSPICE

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Financial Statements for the financial year ended on 31st March, 2018.

FINANCIAL RESULTS

The consolidated and standalone financial performance of the Company for the financial year ended 31st March, 2018 is summarized below:–

(Amount In Rs. Lakhs)

PARTICULARS	For the Financial Year ended 31.03.2018		For the Financial Year ended 31.03.2017	
	Consolidated	Standalone	Consolidated	Standalone
Total revenue from continuing operations	**29373.98**	**778.50**	28840.25	17089.96
Earnings before finance costs, tax, depreciation & amortization and exceptional items from continuing operation	**1887.55**	**(667.77)**	4549.99	406.40
Share of (profit)/loss of associates and a joint venture	**78.60**	**-**	45.20	-
Depreciation and amortization expense	**1697.16**	**494.32**	2020.01	696.75
Finance costs	**205.37**	**12.63**	27.37	19.46
Exceptional items	**6746.23**	**(807.89)**	812.09	8453.93
Profit/(Loss) before tax from continuing operations	**(6839.81)**	**(366.83)**	1645.32	(8763.74)
Tax expenses				
Current Income Tax	**816.40**	**-**	1320.03	-
MAT Credit Entitlement for the year	**-**	**-**	-	-
Income Tax adjustment for earlier years (net)	**116.31**	**-**	(61.03)	(13.34)
Deferred tax charge/ (credit)	**(126.77)**	**-**	(235.50)	
Profit/(Loss) for the Year from continuing operation	**(7645.75)**	**(366.83)**	621.82	(8750.40)
Profit/(Loss) for the Year from discontinued operation	**3176.04**	**-**	(4471.77)	-
Total Profit/ (Loss) for the year	**(4469.72)**	**(366.83)**	(3849.95)	(8750.40)
Other comprehensive income for the year	**131.38**	**2.87**	(642.05)	3.19
Total comprehensive income for the year	**(4338.33)**	**(363.96)**	(4492.00)	(8747.21)
Share of Minority in profits / (losses)	**(915.00)**	**-**	(483.34)	-
Profit / (Loss) for the year attributable to equity shareholders	**(3423.33)**	**(363.96)**	(4008.66)	(8747.21)

PERFORMANCE REVIEW AND STATE OF THE COMPANY AFFAIRS

The Company, through its subsidiaries, is engaged in the following businesses:

a) Digital Technology services - offering managed services, Enterprise Messaging, Mobility Software Solutions, etc. with digital services being the central focus. The operations cover various countries including India, Africa, Bangladesh, South East Asia and Latin America. The Company is also working with various enterprises in developing and managing technology platforms connecting and managing their customers.

b) Digital financial services (Fintech) under the brand name "Spice Money", providing assisted financials services to the semi urban and rural population of India to drive financial inclusion in the country. Some of the services offered by the Company are domestic Money transfer, Bill payments, Ticketing etc. operating under licenses issued by RBI, UIADI, IRCTC etc.

BOARD'S REPORT

Discontinuation of retail business: During the year, the Company, in line with its vision to transform into a Digital Technology services company, exited the hardware and multi brand retails business, which was operated under the brand "Spice Hotspot". The financial results of this business for the year is reported under "Discontinued Operations" in the consolidated financials.

The Company, at the standalone level, has achieved a total Income of Rs.778.50 lakhs for the year ended 31st March, 2018 (Previous year Rs.17089 lakhs). The Company has incurred a loss of Rs.367 lakhs for the year ended 31st March, 2018 as against a loss of Rs.8764 lakhs in the previous year ended 31st March, 2017.

The Company, at the consolidated level, achieved a total income of Rs.29374 lakhs for the year ended 31st March, 2018 as against Rs.28840 lakhs for the previous year ended 31stMarch, 2017. The loss after tax at the consolidated level for the year ended 31st March, 2018 is Rs.7646 lakhs (Previous Year Profit of Rs.622 lakhs) which includes loss of Rs.6746 lakhs on account of exceptional items pertaining to "Discontinued Operations" and other one-time charges.

COMPREHENSIVE SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND ITS SUBSIDIARY COMPANIES

The Board of Directors of the Company in its meeting held on 22nd December, 2017 subject to necessary approvals, approved Comprehensive Scheme of Arrangement between Spice Mobility Limited, Spice Digital Limited, Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective Shareholders and Creditors.

The said Scheme, inter alia, involves:

a. Demerger of Digital Technology Services (DTS) Business Undertaking of Spice Digital Limited into Spice Mobility Limited; and

b. Amalgamation of Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited with Spice Mobility Limited.

The restructuring proposed under the said Scheme is expected to build a stronger and sustainable business and would result in consolidation of similar business under one entity and also enable the Company to achieve its ambition of becoming a leader in digital technologies in India and other emerging markets.

Further, the FinTech Business is at a nascent stage and has tremendous scope to grow in the future. It would also require significant investments in marketing, brand building, creating reach etc. The Restructuring proposal will help manage this business in a separate entity to enable getting growth capital and strategic investors into the business.

Pursuant to the directions of the Hon'ble NCLT, a meeting of the Equity Shareholders of the Company will be held on 15th October, 2018 for the purpose of approving the proposed Scheme.

SALE OF ENTIRE STAKE IN OMNIVENTURES PRIVATE LIMITED

Omniventures Private Limited (OVPL) was a wholly owned subsidiary of the Company and had two subsidiaries namely Spice Online Private Limited (SOPL) and Hotspot Sales & Solutions Private Limited (HSSPL) through which the Retail Business was being operated.

The Multi brand retail business of the Company had been continuously incurring losses and in spite of various steps taken by the management in the past, had not yielded desired results due to inherent challenges in the retail industry as a whole in terms of intense competition, falling margins, emergence of online channels etc. The Board of directors in its meeting held on 22nd December, 2017 had approved the sale of entire stake in OVPL and after obtaining the approval from the shareholders, the Company exited from Retail Business. Consequently, OVPL, SOPL and HSSPL ceased to be the subsidiaries of the Company.

SHIFTING OF REGISTERED OFFICE

The Board, subject to necessary approvals, had approved to shift the registered office of the Company from the State of Uttar Pradesh to the National Capital Territory (NCT) of Delhi. As required under the provisions of Companies Act, 2013, the Company obtained the approval of the shareholders through Postal Ballot. Subsequently, after getting the approval of Central Government (Power delegated to Regional Director), the Company has shifted its registered office to Delhi.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company, as of March 31, 2018, has 26 subsidiaries and 4 associates (including a joint venture) of its subsidiary companies. The highlights of the principle subsidiaries are given below:

•**Spice Digital Ltd.** - This Company is in the business of Digital Technology & Solutions and has a global presence, operating through its subsidiaries, both direct & step down subsidiaries. It achieved consolidated revenue of Rs.28115 Lakhs for the year

BOARD'S REPORT

ended 31st March, 2018 (31st Mar 2017- Rs. 25011 lakhs). It reported a consolidated Profit after Tax of before exceptional items Rs.59.6 lakhs vis-a-vis Rs.1340 lakhs in the previous year ended 31st March, 2017. The Consolidated PAT for the year ended 31st March, 2018 is loss of Rs.6136 lakhs (Previous year Profit of Rs.528 Lakhs).

•**Hotspot Sales & Solutions Pvt Ltd**. – This Company is in the Multi Brand Handset Retail business operating through more than 100 retail stores across the company and **was a step down subsidiary till 12th Feb 2018.** Hotspot achieved revenue of Rs.33342 lakhs for the period ended 12th Feb, 2018 (till the day it was a subsidiary) and the loss after tax is Rs.2310 lakhs.

Results of retail business through Hotspot Sales & Solutions Pvt Ltd. have been shown as part of "Discontinued Operations" in the consolidated financials of the Company.

The detailed performance and financial position of each of the subsidiaries and associate companies are given in Form AOC-1 attached to the Consolidated Financial Statements for the year ended 31st March, 2018 which forms part of the Annual Report.

TRANSFER OF AMOUNT TO RESERVES

The Company has not transferred any amount to the Reserve during the Financial Year ended 31st March, 2018.

DIVIDEND

In view of losses during the year under review, your directors do not recommend any dividend to the shareholders.

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) as amended from time to time, all shares in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more are liable to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.

Accordingly, the Company has transferred 5,38,257 equity shares pertaining to the Financial year ended 2008 – 09 and 37,562 shares pertaining to the Financial year ended 2009 – 10 to the IEPF. The unclaimed and unpaid dividend relating to the financial year 2010-11 is due for transfer to the IEPF in the month of November, 2018.

As required under the said Rules, the Company has sent individual letters to the shareholders who have not claimed or encashed their dividend for seven or more consecutive years. The detail of shares due for transfer to the IEPF is available on the website of the Company viz. www.spicemobility.in.

Once the aforesaid unclaimed dividend/ shares are transferred to IEPF, the concerned shareholders can claim both the unclaimed dividend as well as the shares transferred to IEPF from the IEPF Authority by making an application in the prescribed Form and manner under the applicable Rules.

LISTING OF SECURITIES

The Equity Shares of the Company are presently listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing Fee for the financial year 2018-19 has been paid to both the Stock Exchanges.

HOLDING COMPANY

As on 31.03.2018, Spice Connect Private Limited, the holding Company, holds 74.36% of the issued share capital of the Company.

SUBSIDIARY COMPANIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year, the Company has acquired additional 10.78% stake in Spice Digital Limited (SDL), a subsidiary of the Company, taking its total stake to 99.98% in that Company. The entire stake in Kimaan Exports Private Limited (KEPL) has been sold to SDL, consequent to which KEPL has become a step down subsidiary of the Company.

During the year, SDL, a subsidiary of the Company, has acquired the balance 0.10% stake in Mobisoc Technology Private Limited, making it a 100% subsidiary of SDL and has also acquired 30% stake in Luharia Technologies Private Limited, which, subsequent to the closure of Financial Year has been sold by it. Further, during the year SDL has divested its entire stake in Sunstone Eduversity Private Limited and Spice Labs Private Limited, a step down subsidiary of the Company, has divested its entire stake in Exponentially I Mobility, a Limited Liability Partnership (LLP).

During the year, Omnia Pte. Limited, Singapore ('Omnia'), a step down foreign subsidiary of the Company, has purchased 100% stake in PT Spice Digital Indonesia, ('Indonesia'), another step down foreign subsidiary of the Company, from S Global Services Pte. Limited, Singapore ('SGS').

BOARD'S REPORT

Further, during the year SGS and Spice VAS (Africa) Pte. Limited, ('SVA'), both step down foreign subsidiaries of the Company, incorporated and existing under the laws of Singapore, have entered into a Share Subscription and Purchase Agreement, whereby SGS transferred its entire shareholding in the Omnia Pte. Limited, another step down foreign subsidiary in Singapore to SVA against issue of SVA's shares to SGS, as agreed between SVA & SGS. Consequently, after allotment of shares as agreed between SVA & SGS, Omnia Pte. Limited and its subsidiary i.e. PT Spice Digital Indonesia, Indonesia has become subsidiaries of SVA and step down subsidiaries of SGS and will continue to be the step down subsidiaries of the Company, and SGS stake in SVA has increased from 70% to 80%.

The Memorandum of Understanding (MOU) entered in the previous year between that Spice VAS (Africa) Pte. Limited, Singapore ('SVA') and SVA (Mauritius) Pvt. Limited, Mauritius ('SM'), both step down foreign subsidiaries of the Company, for transfer of SVA entire stake in 7 foreign subsidiaries to SM was terminated. Accordingly, all the 7 subsidiaries continue to be the step down subsidiaries of the Company through SVA.

Pursuant to Section 129 (3) of the Companies Act, 2013 and Indian Accounting Standard - 110 issued by The Institute of Chartered Accountants of India, Consolidated Financial Statement presented by the Company include the Financial Statements of its Subsidiaries and Associates Companies.

Upon receipt of request, the Annual Accounts of the Subsidiary Companies and the related information will be made available to the shareholders of the Company. These documents shall also be available for inspection at the registered office of the Company during the business hours up to the date of ensuing Annual General Meeting.

AUDITORS AND AUDITORS' REPORT

M/s. B S R & Co., LLP, (Firm Registration Number 101248W/W-100022), Chartered Accountants, who was appointed as the Statutory Auditors of the Company in the 29th AGM held on 26th September, 2017, has resigned as the Statutory Auditors of the Company w.e.f. September 26, 2018 due to the reason that the cost estimated by them and the proposed fee is not commensurate with the efforts and time needed to carry out the audit, resulting a casual vacancy in the office of the Statutory Auditors of the Company. The Board of Directors, on the recommendation of the Audit Committee, has filled up the casual vacancy caused due to the aforesaid resignation by appointing M/s. Singhi & Co. (Firm Registration Number 302049E), Chartered Accountants, as the Statutory Auditors of the Company, to hold the office w.e.f. October 5, 2018 till the conclusion of the ensuing AGM of the Company. Since, the said casual vacancy in the office of Statutory Auditors was by way of resignation of Statutory Auditors, the appointment to fill the said vacancy by the Board also need approval of the shareholders of the Company.

On the recommendation of the Audit Committee, the Board, in its meeting held on October 5, 2018 has, also subject to the approval of the shareholders, recommended the appointment of M/s. Singhi & Co. having Firm Registration Number 302049E as the new Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of ensuing 30th AGM till the conclusion of 35th AGM to be held in the year 2023. Accordingly, the requisite items relating to the appointment of M/s. Singhi & Co., Chartered Accountants, to fill the casual vacancies and also to appoint as the Company's Statutory Auditors, have been included in the Notice of AGM for approval of the members. The Company has received a confirmation from M/s. Singhi & Co., to the effect that their appointment, if made, would be in accordance with the provisions of the Companies Act, 2013 and they have also confirmed that they are not disqualified for appointment as Statutory Auditors of the Company.

The Auditors' Reports for the financial year 2017 – 2018 do not contain any qualification or reservation. The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

During the year, no incidence of fraud as defined under Section 143(12) of the Companies Act, 2013, which is required to be disclosed under Section 134(3) (ca) of the Companies Act, 2013, has been reported by the Auditors to the Board of directors of the Company.

CASH FLOW STATEMENT

In conformity with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the year ended on 31st March, 2018 as prepared under the provisions of Indian Accounting Standard -7 as notified under Section 133 of the Companies Act, 2013 is attached as a part of the Financial Statement of the Company.

NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR

During the financial year ended on 31st March, 2018, five meetings of the Board of Directors were held on 19th May 2017, 8th August 2017, 3rd November 2017, 22nd December 2017 and 14th February 2018. The details of number of meetings of the Board and its various committees attended by the directors are given in Corporate Governance Report.

BOARD'S REPORT

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Director in its meeting held on 17th May, 2018, on the recommendation of Nomination and Remuneration Committee, has appointed Mr. Shrenik M Khasgiwala, in the category of Non – Executive Non – Independent Director and Ms. Jayashree Vaidhyanthan in the category of Independent Director. Mr. Shrenik M Khasgiwala has been appointed as Additional Director and holds office up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director. The resolution for his appointment as a Director liable to retire by rotation is being placed for approval of members.

On the recommendation of Nomination and Remuneration Committee, the Board has, subject to the approval of shareholders, re-appointed Mr. Dilip Modi (DIN:00029062) as an Executive Director of the Company for a period of three year w.e.f. 30th November, 2018 and decided to continue him as Executive Chairman of the Company. Mr. Dilip Modi is also an Executive Director of Spice Connect Private Limited, the holding Company and receives remuneration from that Company. Mr. Dilip Modi retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. His re-appointment as Executive Director is also due for approval of the shareholders at the ensuing Annual General Meeting.

Ms. Preeti Malhotra resigned as the Director of the Company w.e.f. 21st February, 2018. Subsequent to the year end, Ms. Jayashree Vaidhyanthan, resigned as Independent Director of the Company w.e.f. 12th August, 2018.The Board of Directors places on record its sincere appreciation for guidance provided by them during their tenure as Directors of the Company.

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume, details of experience and other Directorships / Committee memberships/ Chairmanships held by the Directors in other Companies, whose re-appointment is due in the forthcoming Annual General Meeting (AGM) of the Company, forms part of the Notice convening the 30th AGM.

As per the provisions of Companies Act, 2013, Mr. Dilip Modi, Executive Director, Mr. Madhusudan V., Chief Financial Officer and Mr. M.R. Bothra, Company Secretary are the Key Managerial Personnel of the Company.

DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company familirises its directors about their role and responsibilities at the time of their appointment through a formal letter of appointment. Presentations are regularly made at the meetings of the Board and its various Committees on the relevant subjects. All efforts are made to keep Independent Directors aware of major developments taking place in the industry, business the company operates in and relevant changes in the law governing the subject matter. The detail of programs for familiarisation of Independent directors can be accessed on the Company website at the link http://spicemobility.in/Familiarization_programme.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

(i) in the preparation of annual accounts for the financial year ended 31st March, 2018, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at 31st March, 2018 and of the loss of the Company for the period ended on that date;

(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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the annual accounts on a going concern basis;

(v) the Directors have laid down proper internal financial controls to be followed by the Company and such internal financial control are adequate and were operating effectively; and

BOARD'S REPORT

(vi) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis (MDA) Report forms an integral part of this Report.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is enclosed as a part of this Annual Report. The Company has appointed M/s. Sanjay Grover & Associates, Practising Company Secretaries, to conduct the Corporate Governance Audit of the Company. A Certificate from them regarding compliance with Corporate Governance conditions as stipulated under the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

SECRETARIAL AUDIT

As required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sanjay Grover & Associates, Practising Company Secretaries, to conduct the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report received from them forms part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place an established internal financial control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Self-certification exercise is also conducted by which senior management certifies effectiveness of the internal control system of the company. Internal Audit has been conducted throughout the organization by qualified outside Internal Auditors. Findings of the Internal Audit Report are reviewed by the top Management and by the Audit Committee invariably and proper follow up actions are ensured wherever required.

The Audit Committee ensures that the Company maintains effective risk management and internal control systems and processes. It provides its feedback and recommendation on the relevant matters to the Board. The Company has designated and implemented Risk And Control Matrix (RACMs) including therein the process wise controls. The Statutory Auditors and Internal Auditors evaluate the system of Internal Controls of the Company and report to the Audit Committee. Appropriate steps are taken to bridge the gaps observed by them. The Auditors have reported that the present systems and processes of internal controls are adequate and commensurate with the size of the Company and nature of its business.

CHANGE IN INTERNAL AUDITOR

During the year, M/s. Bansal Dalmia & Company, Chartered Accountants, resigned as Internal Auditors of the Company. The Board, on the recommendation of Audit Committee, in its meeting held on 14th February, 2018 has appointed M/s. GSA & Associates, Chartered Accountants, to act as Internal Auditors of the Company for the remaining part of the Financial year 2017 – 2018 (i.e. from 14th February, 2018 to 31st March, 2018) and for the Financial year 2018 – 2019.

AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company had constituted the Audit Committee. The Audit Committee comprises of the following Directors:

1. Mr. Suman Ghose Hazra – Chairman
2. Mr. Hanif Mohamed Dahya – Member
3. Mr. Subramanian Murali – Member
4. Mr. Umang Das – Member

The details of the terms of reference, meetings held during the year, attendance of directors at such meetings etc. are provided in Corporate Governance Report.

BOARD'S REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board had constituted a Corporate Social Responsibility (CSR) Committee and on the recommendation of CSR Committee the Board approved the CSR Policy.

The CSR Committee has also been entrusted with the responsibility of monitoring the implementation of the framework of the CSR Policy, recommending to the Board the amount of expenditure to be incurred on CSR activities and ensuring that the implementation of the projects and programs is in compliance with the Corporate Social Responsibility Policy of the Company.

The Corporate Social Responsibility Committee comprises of the following members:

1. Mr. Dilip Modi – Chairman
2. Mr. Subramanian Murali – Member
3. Mr. Umang Das – Member

During the year, the CSR Committee met once i.e. on 8th August, 2017. All three members attended the meetings. Though the Company was not required to spend any amount on CSR activities during the year 2017-18, as required under Companies (Corporate Social Responsibility Policy) Rule, 2014, Annual Report on Corporate Social Responsibility Activities for the year 2017 -18 is attached (Annexure- 1).

BOARD FINANCE COMMITTEE

The Board had constituted a Board Finance Committee and entrusted the said Committee with the functions to approve the borrowings, making of loans, creation of charge on the assets of the Company etc. The said Committee is also advised to open, close and make changes in authorities for the operation of the bank accounts. The said Committee consists of Mr. Dilip Modi as Chairman and Mr. Subramanian Murali and Mr. Suman Ghose Hazra as members of the Committee. During the year, the said Committee met twice i.e. on 26th September, 2017 and on 1st November, 2017 and all the members of the Committee were present in the meeting.

SHARE AWARD AND WELFARE COMMITTEE

The Board, with a view to facilitate the disposal of equity shares held by the Independent Non Promoter Trust and Independent Non Promoter (Spice Employee Benefit) Trust and deal with other related matters, had constituted 'Share Award and Welfare Committee'. The said Committee consists of Mr. Umang Das as Chairman and Mr. Hanif Mohamed Dahya and Mr. Suman Ghose Hazra, Independent directors, as members of the Committee and during the year had a meeting on 19th May, 2017.

EXTRACT OF THE ANNUAL RETURN

In compliance with Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 is attached (Annexure – 2) as a part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013 are provided in the Notes forming part of the financial statements.

MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

PUBLIC DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits in terms of Chapter V of the Companies Act, 2013.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year, the Company has entered into various transactions with related parties. All related party transactions are undertaken in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

All related party transactions are placed before the Audit Committee for its approval. The quarterly disclosures of transactions with related parties are made to the Audit Committee for its review. As required under the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee has granted Omnibus approval for appropriate related party transactions in accordance with the criteria laid down for the purpose.

BOARD'S REPORT

The 'Policy on Related Party Transactions' dealing with such transactions and 'Policy on Material Subsidiaries' as recommended by the Audit Committee and approved by the Board of Directors are uploaded on the website of the Company viz. www.spicemobility.in

All related party transactions entered during the financial year were in the ordinary course of business except the sale of investment in Kimaan Exports Private Limited, a wholly owned subsidiary, to Spice Digital Limited, another subsidiary company and were on arm's length basis. There were no material related party transactions entered by the Company with Directors, KMP's or other persons which may have a potential conflict with the interest of the Company.

The details of the transactions with related parties are provided in the Notes to financial statements.

During the year, the Company has entered into a transaction which is on arm's length basis but not in the ordinary course of business, the details of which are given below in Form AOC – 2 as prescribed under Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014:

Details of material transaction at arm's length basis

S. No.	Particulars	Information
a	Name(s) of the related party and nature of relationship	Spice Digital Limited, a subsidiary company
b	Nature of transactions	Sale of investment in Subsidiary
c	Duration of the transactions	One time Transaction
d	Salient terms of the transactions including the value, if any:	Sale of shares of a subsidiary company, based on an independent valuation for a total consideration of Rs.6276 lakhs
e	Date(s) of approval by the Board, if any	16th March 2017
f	Amount paid as advance, if any	Full Consideration received

The above related party transaction was entered into after getting the approval of shareholders as required under Section 188 of the Companies Act, 2013.

VIGIL MECHANISM

The Company, as required under Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has established "Vigil Mechanism / Whistle Blower Policy" for Directors and Employees of the Company.

This Policy has been established with a view to provide a tool to directors and employees of the Company to report to the management genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code or the Policy. This Policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct is noticed or suspected.

This Policy also provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee is authorized to oversee the Vigil Mechanism/ Whistle Blower Policy in the Company. The Company has not received any reference under the said policy during the year.

The Whistle Blower Policy is available on the Company's website at the link http://spicemobility.in/Vigil_Mechanism_Whistle_Blower_Policy.pdf

RISK MANAGEMENT POLICY

The Board of Directors, on the recommendation of Audit Committee, had adopted a Risk Management Policy for the Company to lay down the procedure to inform the Board members about the risk assessment and minimization. The Company is not mandatorily required to constitute a Risk Management Committee. As a good practice, the Company regularly reviews the existing risk management system and major risks associated with different businesses of the Company. The Audit Committee oversees the Risk Management function and reviews the prevailing risk management framework in the Company periodically. The Board of Directors of the Company, on the recommendation of the Audit Committee, takes appropriate measures, reviews the major risks associated with the Company and takes all requisite measures to minimize them.

BOARD'S REPORT

REMUNERATION POLICY

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee of the Company, had framed a Policy for Nomination and Appointment of Directors. As required under Section 178 of the Companies Act, 2013 read with the Rules made thereunder and the Listing Regulations, the Nomination and Remuneration Committee also recommended to the Board a Remuneration Policy for remuneration, including ESOP, to Directors, Key Managerial Personnel and Senior Management Personnel and other employees of the Company, which was duly approved by the Board. The Board on the recommendation of the Committee appoints the Senior Management Personnel from time to time. The Remuneration Policy for Directors, Key Managerial Personnel and other employees is attached (Annexure -3) to this Report.

EMPLOYEES STOCK OPTIONS

Keeping in mind the objectives of attracting key employees of the Company and inducing key employees to continue with the Company and encourage them to increase their efforts to make the Company's business more successful, the Nomination Remuneration Committee of the Company has recommended to the Board 'SML Employees Stock Option Plan- 2018' ("ESOP Plan"). The Board of Directors of the Company, subject to the approval of members of the Company and such other approval as may be necessary, has approved ESOP Plan and issuance of a maximum of 2,53,18,220 Equity shares of Rs. 3/- each of the Company under the said Plan.

The Company has obtained the requisite approvals of members of the Company by way of Postal Ballot on 12th February, 2018. The Company has also obtained the in- principle approval for the said Plan from both the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited. The Company has not granted any ESOP till 31st March, 2018.

Subsequent to the closure of Financial Year 2017- 2018, the Nomination and Remuneration Committee of the Company in its meeting held on 18th September, 2018 has approved the Grant of 2,13,81,000 stock options under ESOP Plan of the Company at an exercise price of Rs. 13.25 per share to the eligible employees as defined under the said Plan. Each option entitles the holder to apply for one equity share of Rs. 3 /- each as per the terms of the ESOP Plan.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and the read with the Companies (Amendment) Act, 2017, the Nomination and Remuneration Committee has specified the manner for effective evaluation of performance of Board, its Committee and individual Director. The Board of Directors has carried out evalution of performance of each of them. The NRC reviews its implementation and ensure the compliances thereof. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee, has also formulated a framework containing, inter–alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The Committee has selected certain additional criteria for evaluation of Executive Director.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committees, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of role and responsibility by the Board and its Committees, frequency of the meetings, regulatory compliances and Corporate Governance etc. Similarly, for evaluation of individual Director's performance, the questionnaire covers various aspects like his/her attendance at the meeting of Board and its Committees, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

Board members had submitted their response on a scale of 1 (outstanding) to 5 (poor) for evaluating the entire Board, Committees of the Board and of their peer Board members, including Chairman of the Board.

The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non - Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Board of Directors has carried out evaluation of every Director`s performance including the Executive Director. The performance evaluation of the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

SEXUAL HARASSMENT POLICY

As required under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, the Company has a Policy on Prevention of sexual harassment of women at workplace and matters connected therewith and has also complied with the provisions relating to the Constitution of Internal Complaints Committee.

No case of Sexual Harassment was filed or registered during the year under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further, Company ensures that there is a healthy and safe environment for every women employee at the workplace and made the necessary policies for safe and secure environment for women employees.

BOARD'S REPORT

ORDERS PASSED BY THE REGULATORS OR COURTS, IF ANY

No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached (Annexure- 4) which forms part of this report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) thereof for the time being in force, the details of remuneration etc. of Directors, Key Managerial Personnel and employees covered under the said Rules is attached (Annexure- 5) which forms part of this report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standard – 1(Secretarial Standard on meetings of Board of Directors) and Secretarial Standard – 2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENTS

Yours Directors would like to express their grateful appreciation for assistance and cooperation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, Staff and Workers of the Company at all levels.

For and on behalf of the Board of Directors of
Spice Mobility Limited

Date: 5th October, 2018
Place: Noida

Dilip Modi
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Market Opportunities

The mobility industry is expected to create a total economic value of Rs 14 trillion (US$ 217.37 billion) by the year 2020. It would generate around 3 million direct job opportunities and 2 million indirect jobs during this period.

Rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India over the next five years, creating new business opportunities. The monthly data usage per Smartphone in India is expected to increase from 3.9 GB in 2017 to 18 GB by 2023.

India will emerge as a leading player in the virtual world by having 700 million internet users of the 4.7 billion global users by 2025, as per a Microsoft report. Internet economy expected to touch Rs 10 trillion (US$ 155 billion) by 2018, contributing around 5 per cent to the country's GDP.

The Government of India is working to digitally connect the rural and remote regions in the country and driving financial inclusion through the digital medium. During the last financial year the Government of India also launched a unique mobile application 'UMANG' through which citizens across the country can be directly connected to several Government departments to avail various citizen services.

Worldwide spending on digital transformation (DX) technologies (hardware, software, and services) is expected to be nearly $1.3 trillion in 2018, an increase of 16.8% over the $1.1 trillion spent in 2017. A new update to the Worldwide Semi-Annual Digital Transformation Spending Guide from International Data Corporation (IDC) forecasts DX spending to maintain a strong pace of growth over the 2016-2021 with a compound annual growth rate (CAGR) of 17.9%. In 2021, DX spending is expected to nearly double to more than $2.1 trillion creating huge opportunities for digital transformation across the globe.

Focus on Digital Solutions by the Company

Over the last 12 months the company has completely transformed itself into a Digital Solutions company, focusing its management and capital resources towards the high potential digital solutions business. The company is now running its digital businesses under two business units and brands.

As a part of the transformation process the Company exited all the loss-making hardware businesses and is now focusing on creating the right corporate and organization structure which will act as a foundation to its hyper growth aspirations in the Digital Solutions space.

Currently the Company, through its subsidiaries, operates in two business areas.

1. DiGiSPICE – Offering Digital Solutions for Enterprises, Banking, Financial Services and Insurance (BFSI) & Governments.
2. Spice Money – A Financial Technology business unit offering financial services to Semi Urban and Rural India customer in a technology enabled assisted model.

DiGiSPICE

During Jan 2018, the company re-branded its services business as DiGiSPICE, signaling a clear intent of developing Digital solutions as a core focus area. The company has been serving mobile service operators in markets of India, South Asia, South East Asia and Africa enabling them to offer innovative value added services to their customers using latest technologies. As the customers have started to consume content and services over digital apps, the company has forayed into offering digital services to the mobile operators and its customers. Additionally, the company has also created marquee digital solutions for the government as well as the BFSI (Banking financial services and Insurance) customers.

The company intends to leverage the latest digital technologies like big data, analytics, Artificial Intelligence (AI), block chain etc. to offer cutting edge solutions to its customers. Given that there is high pace of adoption of digital by end users (smart phones and mobile internet) across emerging markets that the company is present in, the company is confident that its entry into digital solutions business will enable high growth, profitability and sustenance in the coming years.

Some of the Digital products and solutions deployed by us at various enterprises are as below:

Vodafone Music, Ghana | Indobeats, Indonesia | MTN Radio | Beats, Kenya | Yaari, India | Cnema | AG Pay | Mziiki

Company's digital foot print and reach is spread across the globe as indicated below.

Spice Money

Spice Money is a business unit that has been carved out as a separate entity (as per the Scheme of Arrangement filed with NCLT). Spice Money is a tech-enabled hyper local payments player offering multiple services to "Bharat" (semi-urban and rural India). With a dense footprint in semi-urban and rural India, Spice Money aims to become India's leading financial services player in "Bharat" based on strong technology, use of analytics and partnerships in a digital-with-a-human assisted model.

Through its innovative 'Phygital' (physical reach with Digital support) approach using a digital platform, it enables the next door kirana store to offer services like cash-in, cash-out, money transfer, bill payment, top-ups, railway and flight ticketing etc. "Bharat" is growing faster than urban India, yet the banking infrastructure hasn't been able to catch-up to serve the underserved as seen in the table below:

	Urban India	Semi-Urban and Rural
Bank branches per million population	139	49
ATMs per million population	305	110

Fintech – the Bharat opportunity

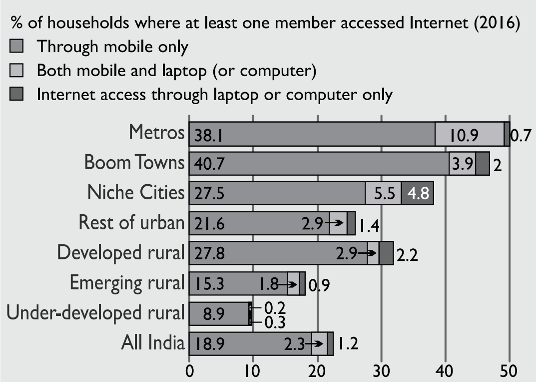
Spice Money is building a financial inclusion platform for Bharat. Bharat is about meeting the aspiration of population residing in rural and semi-urban geography with low financial product penetration.

Similarity between India and Bharat

Internet is mostly accessed through mobile in India

Mobile phones are extremely important tools – in helping people gain access to financial services directly to millennials or providing the much-needed assistance in rural areas.

Tier 2 and smaller markets are expected to account for more than half of all online shopping by 2020, driven by increased online user base, from about 42% in 2016.



"Metros" refer to urban areas of population more than million: boom towns: 25-5 million niche cities 1-25 million; other urban towns: less than one million "development rural" includes districts such as Bathinda (Punjab) and Kangra (Himachal Pradesh); "emerging": Latur (Maharashtra), Kamrup (Assam), etc; "underdeveloped rural": Kalahandi (Odisha), Bastar (Chhattisgarh), etc.

Source: Pew Global Attitudes Survey, ICE 360° Survey, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

How different are India and Bharat

Like many other counties in the world, India too is divided between people who have the time but little resources and people who have resources but little time. To a great extent, this is also one of the factors that differentiates India from Bharat. This also means that there are different needs and pain points for both types of markets.

While English is the most popular language, for service delivery using technology in the Tier I and Tier II cities, Bharat requires building an ecosystem for regional-language users.

Assisted services and Last mile delivery

Unlike a metro where people do not have the luxury of time to visit a nearby vegetable mandi or grocery store or food joint, people in small towns and rural areas prefer to visit nearby stores or food joints to cater to their needs. It is not only the time factor but also cultural factors that contribute towards this behaviour.

The Bharat population looks forward to agent/shop assistance to order services and its subsequent delivery to rural people.

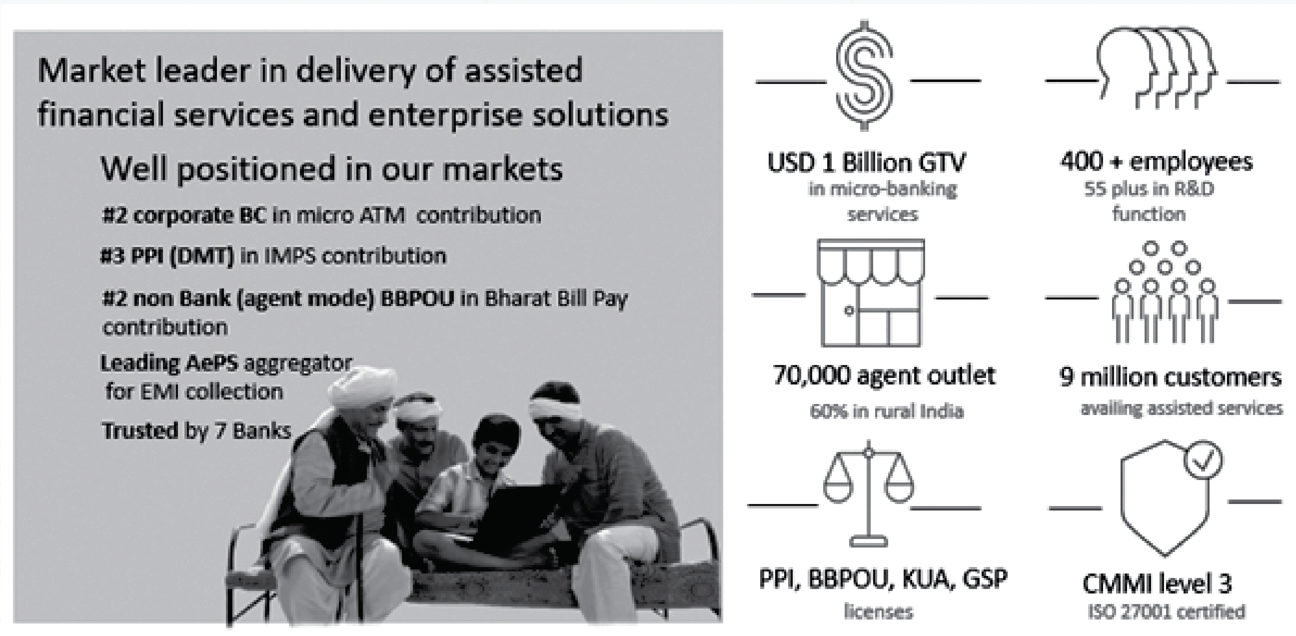
Spice Money – A tech led ecosystem offering financial services on an assisted platform

Spice Money uses technology to enable next-door kirana store to function as a mini bank branch. Spice Money in the last four years has developed innovative Fintech solution backed by India Stack architecture to bridge the digital divide between India & Bharat.

The financial products bouquet offered by Spice Money includes Money Remittance using Semi-closed PPI Wallet, Micro - ATM services (biometric banking) enabling Balance Inquiry, Cash withdrawal and Cash deposit using Aadhaar, Bill payments using Bharat Bill Pay and Insurance using O2O (offline to online) payments to the low-income households. Additionally, Spice Money enables Airtime, Travel - Railways, Bus & Air Tickets, PAN enrolment by collaborating with multiple agencies.

Spice Money with the aim of reaching the hitherto unbanked regions and serve the unserved and underserved segment of the society has till date powered 70,000 agents across India.

Spice Money in a nutshell



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Licenses

Spice Money holds various licenses like Prepaid Instruments License (PPI) & Bharat Bill Payment Operating Unit (BBPOU) (from Reserve Bank of India), e-KYC User Authentication (KUA from UIDAI) etc.

	Licenses / Approvals	Products
	Prepaid Instrument (PPI)	Mobile Wallet Domestic Money Remittance
AePS	Aadhaar Enabled Payment System (AEPS)	Cash withdrawal & deposit Balance Enquiry
	IRCTC (Indian Railways)	Train Ticketing
BBPS	Bharat Bill Payment System (BBPS)	Pay Electricity, Gas, Water, Mobile & DTH bills
	Unified Payment Interface (UPI)	BHIM UPI payments
	Authorized Dealer – I I	Money exchange (FOREX)
GSTN	GSTN Seva Provider	GST Filing

Banking partners

Spice Money has partnered with multiple Banks to offer Fintech products on an assisted platform.

Product	Use case	Banking Partner
Micro – ATM (AePS)	Cash withdrawal Cash deposit Balance Enquiry	RBL BANK, kotak
Aadhaar Pay	Accept payments using Aadhaar as payment address	RBL BANK, ICICI Bank
DMT	Cash based remittance to any Bank account	IndusInd Bank, YES BANK, ICICI Bank
PoS	Accept payments using Debit & Credit card	RBL BANK, बैंक ऑफ इंडिया Bank of India, State Bank of India
UPI	Push/pull payments using VPA/BHIM UPI/QR code	ICICI Bank, YES BANK

Spice Money Outreach

Spice Money has now presence in 627 districts (out of 720 districts) and 30 State and Union Territories in India. Additionally, Spice Money has 15 offices in State capitals.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Performance & Outlook

Digital Technology & Solutions

The transformation from a hardware business to services business which was started last year has now been completed. The Company is now focused on ideating, innovation, developing & delivering key digital solutions for Enterprises & Govt clients across the globe. Key solutions offered by the Company are in the space of:

- DiGiSPICE –Digital Solutions - Telco Support Solutions, Mobility Software Solutions, SMS Services, Mobile Advertising, Government / Citizen centric solutions & Traditional VAS
- Spice Money - FinTech– Money Remittance using Semi closed PPI wallet, micro ATM services using biometric, Cash Deposit, Cash Withdrawals, Bill Payments, Insurance & AEPS

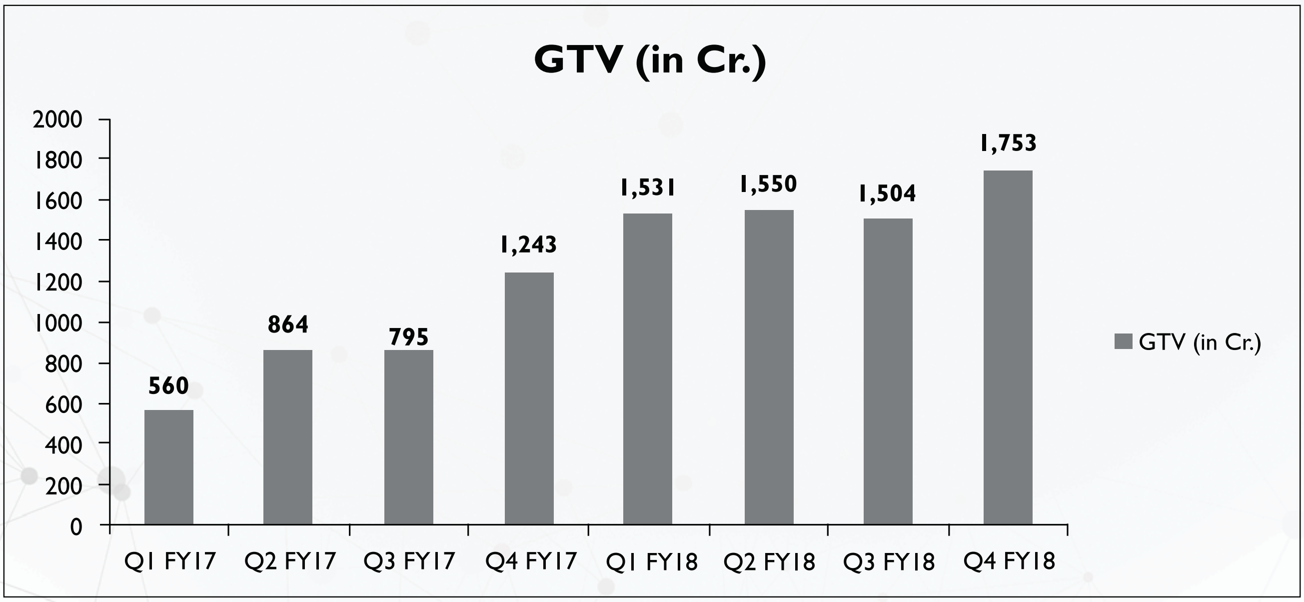
The Data Revolution in India has led to re-invention of the Company's product portfolio where the Company is moving from being a Traditional VAS Provider to a Digital Solutions Provider for Enterprises & Govt. The Company has invested in a R&D centre working on new technologies like Block Chain, AI & RPA. The Company is also looking at deploying these solutions in India as well globally.

Indonesia is becoming a key market for the Company after India & Africa where the Company is working closely with one of the biggest operators there to provide Entertainment, Utility & platform Solutions. The Company is also working with a leading company in Indonesia as a 'Technology partner' in developing and running a fully functional Digital Financial Services Platform.

The company is also working with Govt of India in their Digital drive initiatives and is a strategic partner in developing and launching a G2C (Government to Citizen) services through a single mobile app 'UMANG'.

Spice Money

Spice Money provides a tech-led, asset light model of enabling existing shops to become customer services points for financial services. There are many players chasing the digital savvy urban customers. While the "Bharat" customers have high aspirations and fast paced adoption of smart phones and mobile internet, their needs are very different. Spice Money's focus on creating the right product and solutions for this target segment is paying off and reflects in a substantial quarter on quarter growth it has been witnessing.



Financial Performance

Transformation from Hardware to Services

In the financial year 2017-18, the company continued its journey forward to transform itself from a hardware (devices) driven company to services driven company. The company had exited the commoditized and loss making business operations of mobile devices business in financial year 2016-17. During FY18, the company also exited the loss making devices retail business run under the brand name 'Spice Hotspot'.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Consolidated Revenue for the year Financial Year 2017-18 is Rs.280.52 Cr. as against Rs. 258.52 Cr. in FY 2016-17. These revenues represent revenues from continuing businesses.

Net loss for the year is Rs. 44.70 Cr. vis-à-vis loss of Rs.38.50 Cr. in the previous Financial Year 2016-2017.

The loss for the year includes loss of Rs. 27.04 Cr. pertaining to discontinued businesses. Loss from continuing business of Rs 17.7 Cr. includes exceptional items of Rs 8.66 Cr. without which the loss would have been Rs 9.04 Cr.

Below is the table of revenues and losses from discontinued businesses:

Discontinued Businesses (Rs Cr.)	2016-17	2017-18
Revenue	818	335
PAT	(45)	(27)

The discontinued business financial information is reflected under "Discontinued Business" in Note No. 47 in the consolidated Financial statements.

The Company's financials are as per Ind AS, which has been adopted with effect from 1st April 2016 in accordance with Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015 notified by the Central Government.

Outlook

The Government's continuous push to become a Digital Economy & our company's innovative Digital solutions has enhanced the positive outlook for the coming years to scale up its Fintech operations and increase coverage across the country. With the GMV of Spice Money expected to double to about 1000 Cr. on a monthly basis, the Company is in the cusp of capitalizing on the big opportunity.

On the Enterprise Solutions bit the Company is focusing on further enhancing relationship with governments to explore further opportunities in the citizen services space like education, agriculture, awareness services etc. The Company is also working with Key Telecom operators across the globe and helping them to digitalise their operations while also continuing to work on Next Gen Vas Solutions across bearers.

Internal Control Systems & Their Adequacy

The Company has robust internal control systems commensurate to its size and scale of operations. The systems ensure efficiency, reliability, completeness of accounting records and preparation of reliable financial and management information. It also ensures compliances of all applicable laws and regulations, and protection of the Company's assets.

The Company has appointed internal auditors to ensure that the internal control process are evaluated for adherence and submit their reports directly to the Audit Committee with management responses, with special focus on key controls identified as part of IFC process and their continued relevance & effectiveness. High focus on Governance has ensured that independent directors are given complete visibility on the operational details. The Company has well defined and detailed procedures covering the activities of planning, review, risk management, investment etc.

Material developments in Human Resources

As the rapid pace of innovation continues, a lot of disruption across industries and companies happen and it becomes extremely crucial to have right people on board to navigate the company towards growth. Recruiting and nurturing the best talent has always been a top priority and will continue to remain the same for the Company. The Company is focused on hiring and retaining the best talent. The Company continuously invests in employee's development to upgrade their skills and enhance business performance. At the same time the company has also made the reporting structures and organizations fairly flat to support faster decision making and rapid growth. Best Managers have been assigned bigger roles with more responsibilities and a lot of emphasis is being paid on continuous training and development of human resource.

There were close to 800 employees in the Company including its subsidiaries as of 31st March, 2018.

Health and Safety Measures

The Company continues to focus on the health and safety of its staff at its establishments. The Company adhere to all necessary safety measures to prevent any untoward incidents and are very conscious of the overall well-being and health of its employees at all levels, and has also invested in Group Mediclaim and Accidental Insurance for the employees.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Risk Factors

The Company's business is subject to various certain generic risks and industry specific risks including those specified below:

Financial Technology (Spice Money):

The business segment which is dependent on huge financials transaction volumes transacted on its technology platform by third parties has the following inherent risks:

- **Regulatory:** As the business is being operated under licenses given by RBI, UIDAI, IRCTC, GSTN and Banks and are subject to the Rules & Regulations of Reserve Bank of India any regulatory changes which cover areas of introduction of Entry barriers rules and/or modifying existing rules governing, new compliance requirements etc. may have an impact on the business.
- **Technology:** Technology is the prime driver of the business as advanced technology both hardware & software is used for transacting on a secure technological platforms and therefore it is exposed to the inherent risks associated with technology like Data security, data access and technological changes despite the necessary safeguard that are inbuilt with such technology products.
- **Financial:** The sheer volume of the financial transactions is subject to fraud resulting from cybercrime, frauds etc. though there is sufficient safeguard available in terms of Software Security, KYC norms

DiGiSPICE:

Telecom sector across markets is going through change with data becoming the new focus leading to a change in the way technology solutions and competition is managed. Continued bundling of data with voice has put enormous pressure on the profitability of operators and also leading to consolidation between players. The pressure is adversely affecting the margins both for operators as well as their partners (Platform or VAS service providers). Regulatory changes on promotion, customer acquisition and Inter connection charges has also had an adverse effect on VAS services, making it difficult to acquire new customers which could result in lesser subscribers coming on the services.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis describing the Company's objectives, outlook, estimates, expectations, predictions, belief and management perceptions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to Company's operations include, among others, economic conditions in the market in which the Company operates, changes in the Government Regulations, Tax Laws and other statutory and incidental factors.

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral element of Company's value system, management ethos, and business practices. Good Corporate Governance is a continuing exercise and the Company is committed to ensure the same by focusing on strategic and operational excellence in the overall interest of its all stakeholders.

The Corporate Governance framework of your Company is based on an effective Board with Independent Directors, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees for various functions including those as required under law. We believe that an active and well informed Board is necessary to ensure the highest standards of corporate governance.

The Company is in complete compliance with the Corporate Governance norms and disclosures as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) from 1st April, 2017 to 31st March, 2018. The Company believes that Corporate Governance is a tool to generate long term wealth and create values for all its stakeholders. The Company follows highest standards of Corporate Governance Practices which are driven by timely disclosures, transparent corporate policies and high levels of integrity in decision making.

2. BOARD OF DIRECTORS

a) Board's Composition

During the year the Composition of Board of Directors of the Company has been in conformity with the requirements of Regulation 17 of the Listing Regulations. The Chairman of the Board is an Executive Director. Ms. Preeti Malhotra, women director on the Board of the Company has resigned from the office w.e.f. 21st February, 2018. The Board, subsequent to the closure of Financial Year has appointed new women director on the Board. As on 31st March, 2018, the Board consisted of one (1) Executive Director and four (4) Non-Executive Directors {including three (3) Independent Directors}. The Independence of a Director is determined by the criteria stipulated under Regulation 16 of the Listing Regulations and also under Section 149 of the Companies Act, 2013. The Executive, Non-Executive and Independent Directors are eminent professionals, drawn from amongst persons with expertise in business, finance, law, marketing and other key functional areas and play a critical role in enhancing balance to the Board processes besides providing the Board with valuable inputs. The Board represents an optimal mix of professionalism, knowledge and experience.

b) Board Meetings, Other Directorship and Attendance of Directors

During the year, the Board of Directors of the Company met 5 (Five) times on 19th May 2017, 8th August 2017, 3rd November 2017, 22nd December 2017 and 14th February 2018. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

Necessary disclosures regarding Directorship and Committee positions in other Companies as on 31st March, 2018 have been made by the Directors. As per the disclosures received from them, none of the directors of the Company is a member of more than ten Committees or Chairman of more than five Committees across all Public Limited Companies in which he ~~/ she~~ is a Director. None of the Directors serve as an independent director in more than seven listed Companies.

The composition of the Board during the year under review and position held by Directors on the Board / Committees of Public Limited companies as on 31st March, 2018 along with their attendance at Board meetings and Annual General Meeting of the Company during the year under review are given below:

Name of Directors	Category	No. of Positions held as on 31st March, 2018@			Attendance at Board Meetings held during the year	Attend-ance at last AGM (26.09.2017)
		No. of other Directorship	Committee @@ (including the Company)			
			Membership	Chairmanship		
Mr. Dilip Modi	Executive Chairman	3	Nil	Nil	5	Yes
Mr. Hanif Mohamed Dahya	Independent	Nil	1	Nil	1	No
Mr. Subramanian Murali	Non-Executive	1	4	2	5	Yes
Mr. Suman Ghose Hazra	Independent	1	4	2	5	Yes
Mr. Umang Das	Independent	1	2	Nil	5	Yes
Ms. Preeti Malhotra#	Non-Executive	NA	NA	NA	2	No

Ceased to be the Director of the Company w.e.f. 21st February, 2018.

@ Excluding private limited companies which are not subsidiaries of a Public Limited Company, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

@@ The committees considered for the purpose are those prescribed in the Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of the Company has any relationship with other Directors of the Company.

c) **Familiarisation Programme for Independent Directors**

The familiarisation programme comprise of a combination of written communication, presentation made in various meetings and activities to enable the Directors to familiarize with the Company management, operation, policies and practices.

All the Independent Directors are made aware of their roles and responsibilities at the time of their appointment, through a formal letter of appointment which also includes the terms and conditions of their appointment. The presentation on the latest amendments, new laws and matters relating to various businesses and relevant subjects are made regularly to keep the Independent Directors well informed. During the year, the Company has arranged for presentation on each of the businesses by respective heads in a meeting called to make familiar the Independent Directors about the business models for various businesses.

Periodic presentations are made at the Board and Board Committee Meetings on business and performance updates of the Company in order to ensure that the Directors are fully aware of the current state of affairs of the Company and the industry in which it operates. Details of relevant developments are shared with the directors promptly and specific information are also made available to them from time to time.

The detail of familiarization programme as required under Listing Regulations is available at http://spicemobility.in/Familiarization_programme.pdf

d) **Information supplied to the Board**

During the year, all the relevant information required to be placed before the Board of Directors as per Regulation 17(7) of the Listing Regulations and as prescribed under other applicable laws were placed before the Board or communicated to the Members of the Board and considered and taken on record / approved by the Board. Further, the Board periodically reviews Compliance Reports in respect of all Laws and Regulations applicable to the Company.

e) **Information about the Directors seeking Appointment /Re-appointment**

The required information regarding the details of Directors seeking appointment / re-appointment is set out in the Explanatory Statement annexed to the Notice of the Annual General Meeting.

3. AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations and as a measure to good Corporate Governance and to provide assistance to the Board of Directors in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company, an Audit Committee has been constituted. The terms of reference of the Audit Committee includes all the matters prescribed under the applicable provisions of Companies Act, 2013 and the Listing Regulations and the Audit Committee considers and reviews other matters also, which are referred to it from time to time by the Board or it consider appropriate for discharge of its various functions. The Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors of the Company. The Audit Committee is responsible for effective supervision of the financial reporting process, the appointment, independence, performance and remuneration of the Statutory Auditors and Internal Auditors ensuring financial and accounting controls and compliance with the financial and accounting policies of the Company. The Committee reviews the financial statements and Quarterly and Annual Results with special emphasis on accounting policies and practices, ensuring compliance with Indian Accounting Standards and other legal requirements concerning financial statements before they are submitted to the Board. The Internal Audit Reports on various matters covered by the Internal Auditors are regularly discussed in detail in the Audit Committee meetings. It scrutinizes the inter-corporate loans and investments by the Company and by its subsidiary companies. The Audit Committee approves the related party transactions and also grants its omnibus approval to related party transactions in appropriate cases. It also oversees the compliance under Vigil Mechanism (Whistle Blower Policy) of the Company and Code of Conduct for Prohibition of Insider Trading.

As on 31st March 2018, the Audit Committee comprised of four Directors out of which three are Independent Directors. The Chairman of the Committee is an Independent Director. All members of the Committee are financially literate.

During the year, the Members of the Audit Committee met Six (6) times during the year on 11th May 2017, 19th May 2017, 8th August 2017, 2nd November 2017, 22nd December 2017 and 13th February 2018. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under Regulation 18 of Listing Regulations. The attendance of each member at the meetings held during the year under review is as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended March 31st, 2018
Mr. Suman Ghose Hazra	Chairman	Independent	6
Mr. Hanif Mohamed Dahya	Member	Independent	Nil
Mr. Subramanian Murali	Member	Non – Executive	6
Mr. Umang Das	Member	Independent	6

The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Chief Financial Officer, Legal Head and Representatives of the Statutory and Internal Auditors, normally attend the meetings by invitation. As and when deemed necessary, other Executives of the Company and those of subsidiary companies are also invited and attend the meetings of Audit Committee. The experts of various fields are also invited in the meeting as and when considered necessary. The Minutes of the Audit Committee meetings are circulated to the members of the Committee and are noted by the Board of Directors of the Company at the subsequent Board Meetings.

4. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee (NRC), which comprised three (3) Directors including two (2) Independent Directors. The Chairman of the NRC is an Independent Director. The terms of reference and role of the NRC includes:

a. Formulation of the criteria for the appointment of Directors and Senior Management.

b. Identify persons who are qualified to become Directors and who may be appointed in Senior Management.

c. Recommend to the Board appointment and removal of the Directors and Senior Management Personnel.

d. Formulation of criteria for evaluation of Independent, Executive and Non – Executive Director and the Board.

e. Carry out evaluation of every director's performance.

f. Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

g. Devise a policy on Board diversity.

h. Formulate the criteria for determining qualifications, positive attributes and independence of the Directors.

During the year, with a view to reward the employees the Board of Directors of the Company has approved the Employee Stock Option Scheme of the Company named as "SML Employees Stock Option Plan – 2018" covering the Employees of the Company, its holding and subsidiary companies(s) and authorized the NRC to evolve, decide upon and bring into the effect the SML Employees Stock Option Plan – 2018.

As required under SEBI (Share based Employee Benefits) Regulation, 2014, the Board has also designated the existing NRC as "Compensation Committee" for ensuring the compliance and to perform all functions and responsibilities stated under the said Regulations.

The NRC of the Company has recommended to the Board a Remuneration Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees which has been provided as Annexure – 3 to the Board's Report forming a part of the Annual Report.

During the year, NRC met Two (2) times on 8th August, 2017 and 22nd December, 2017. The composition of Committee as on 31st March, 2018 and attendance of each member at the meetings held during the year under review are as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended March 31st, 2018
Mr. Umang Das	Chairman	Independent	2
Mr. Subramanian Murali	Member	Non-Executive	2
Mr. Suman Ghose Hazra	Member	Independent	2

The Company Secretary acts as Secretary to this committee.

The Chairman of the NRC was present at the last Annual General Meeting of the Company.

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter – alia, the criteria for performance evaluation of the entire Board of the Company, its Committee and individual Directors, including Independent Directors.

A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committee, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of role and responsibilities by the Board and its Committees, frequency of the meetings, regulatory compliances and Corporate Governance, etc. Similarly, for evaluation of Individual director's performance including for independent directors, the questionnaire covers various aspects like his/ her attendance at the meetings of Board and its Committee, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc. The said questionnaires are reviewed by the NRC.

Board members had submitted their response on a scale of 1 (outstanding) – 5 (poor) for evaluating the entire Board, Committees of the Board and of their peer Board members, including Chairman of the Board.

The Independent Directors had a separate meeting on 14th February, 2018 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non - Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors. The Independent Directors gave its feedback to the concerned Directors and have apprised the Board about their feedback and steps to be taken for further improvement.

The Nomination and Remuneration Committee has specified the manner for effective evaluation of performance of Board, its Committee and individual Director. The Board of Directors has carried out evaluation of performance of each of them. The NRC reviews its implementation and ensures the compliances thereof.

5. REMUNERATION OF DIRECTORS

The Company does not pay any remuneration to its Non – Executive Directors other than Independent Directors. The Independent Directors are paid a sitting fee for attending the Board and its various Committees meetings within the limit prescribed under the applicable laws as determined by the Board from time to time. The Company has not granted any stock option to any of the directors till 31st March, 2018.

Remuneration / Sitting fee paid to Director(s) for the financial year ended 31st March, 2018 (i.e. from 01.04.2017 to 31.03.2018) is given below:

a) Executive Directors:

During the year, no remuneration has been paid to Mr. Dilip Modi, Executive Director of the Company, who was appointed for a period of 3 years without any remuneration. Being, an executive director of Spice Connect Private Limited, the holding company, he receives his remuneration from that Company. As on 31st March, 2018, Mr. Modi holds 10,00,000 equity shares of the Company. There is no provision of notice period as well as payment of severance fees to Mr. Modi.

b) Non-Executive Directors:

The Independent Directors are paid a sitting fees of Rs.25,000/- per meeting for attending the meetings of the Board of Directors and Committees thereof.

The details of remuneration paid by way of sitting fees to the Independent Directors for attending Board and Board Committees Meetings during the financial year ended 31st March, 2018 and the number of shares held by the Non-Executive Directors as on 31.03.2018 are as under:

Name of Directors	Category	Sitting Fees (Amount/Rupees)	No. of shares held
Mr. Subramanian Murali	Non - Executive Director	Nil	54,874
Mr. Suman Ghose Hazra	Independent Director	5,25,000	Nil
Mr. Umang Das	Independent Director	3,75,000	Nil
Mr. Hanif Mohamed Dahya	Independent Director	25,000	Nil
Ms. Preeti Malhotra	Non - Executive Director	Nil	Not Applicable

There were no other pecuniary relationships or transactions of the Non-Executive Directors and Independent Directors vis-à-vis the Company.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board has constituted a 'Stakeholders' Relationship Committee' which is headed by Mr. Subramanian Murali, Non-Executive Director of the Company.

The Committee has been formed by the Board of Directors to look into the matters relating to transfer/ transmission of shares and the redressal of shareholders/ investors complaints and also matters relating to shareholders value enhancement. The

CORPORATE GOVERNANCE REPORT

Committee takes care of the physical transfer/ transmission of equity shares of the Company on fortnightly basis and considers other relevant matters.

During the year, the Committee met Five (5) times on 21st April 2017, 19th May 2017, 31st July 2017, 2nd November 2017 and 14th February 2018. The composition of the Stakeholders' Relationship Committee as on 31st March, 2018 and the attendance of each member at the meetings held during the year under review are as follows:

Name of Directors	Designation	Category	Attendance at the meetings held during the financial year ended March 31st, 2018
Mr. Subramanian Murali	Chairman	Non – Executive	5
Mr. Suman Ghose Hazra	Member	Independent	5

Mr. M. R. Bothra, Vice President – Corporate Affairs and Company Secretary, acts as secretary to this Committee and is designated as Compliance Officer of the Company.

The Committee approves transfer / transmission of shares issued by the Company, issue of duplicate certificates and certificates after split/ consolidation/ rematerialisation. The Stakeholders' Relationship Committee regularly reports on the transfer of securities to the Board. During the year ended 31st March, 2018, the Company has received Five (5) complaints which were properly attended and resolved to the satisfaction of the shareholders. There is no pending complaint and transfer relating to the year ended 31st March, 2018.

Pursuant to the provisions of the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) as amended from time to time, all shares in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more are liable to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.

In compliance with the aforesaid provisions, during the year the Company has transferred a total of 5,75,819 equity shares (5,38,257 equity shares pertaining to the Financial year ended 2008 – 09 and 37,562 equity shares pertaining to the Financial year ended 2009 – 10) to the IEPF.

7. GENERAL BODY MEETINGS

I. Meeting details

Location and time where last three Annual General Meetings were held:

Year	Location	Date	Time
2017	Expo Centre, A-11, Sector -62, NH-24, Noida – 201301, Uttar Pradesh	Tuesday 26/09/2017	10:15 A.M.
2016	Expo Centre, A-11, Sector -62, NH-24, Noida – 201301, Uttar Pradesh	Thursday 22/09/2016	10:15 A.M.
2015	Expo Centre, A-11, Sector -62, NH-24, Noida – 201301, Uttar Pradesh	Tuesday 29/09/2015	10:15 A.M.

The following Special Resolution(s) were passed by the members in the past three Annual General Meetings:

Annual General Meeting held on 29th September, 2015 : None

Annual General Meeting held on 22nd September, 2016 :

- Appointment of Mr. Dilip Modi (DIN: 00029062) as an Executive Director of the Company.
- Approval of increase in limit for the investments under Section 186 of the Companies Act, 2013.

Annual General Meeting held on 26th September, 2017 : None

II. Postal Ballot : The following two Postal Ballot process were conducted during the year ended 31st March, 2018.

1. The Company issued Postal Ballot Notice dated 14th November, 2017 for obtaining the approval of the members by Special Resolution for the following matter:
   - **Approval for shifting of Registered Office of the Company from the State of Uttar Pradesh to National Capital Territory (NCT) of Delhi.**

CORPORATE GOVERNANCE REPORT

The results were announced on 22nd December, 2017. Summary of the Voting Pattern is as under:

➢ **Resolution:** Approval for shifting of Registered Office of the Company from the State of Uttar Pradesh to National Capital Territory (NCT) of Delhi.

Voting	No. of Equity Shares	% of total valid votes
Votes cast in Favour	19,82,94,220	99.9966
Votes cast Against	6,757	0.0034
Total	19,83,00,977	100.00

Result: Resolution passed with the requisite majority.

2. The Company issued Postal Ballot Notice dated 28th December, 2017 for obtaining the approval of the members by Special Resolutions for the following four matters:

➢ **Approval of SML Employees Stock Option Plan – 2018.**

➢ **Approval for grant of options to the employees of the holding and subsidiary company (ies) under SML Employees Stock Option Plan – 2018.**

➢ **Approval for grant of options equal to or exceeding 1% of the issued capital of the Company under SML Employees Stock Option Plan – 2018.**

➢ **Approval for sale of entire stake in Omniventures Private Limited, a wholly owned subsidiary company.**

The results were announced on 12th February, 2018. Summary of the Voting Pattern for various resolutions passed through Postal Ballot is as under:

➢ **Resolution No. 1:** Approval of SML Employees Stock Option Plan – 2018.

Voting	No. of Equity Shares	% of total valid votes
Votes cast in Favour	19,69,28,386	99.9993
Votes cast Against	1,416	0.0007
Total	19,69,29,802	100.00

Result: Resolution passed with the requisite majority.

➢ **Resolution No. 2:** Approval for grant of options to the employees of the holding and subsidiary company (ies) under SML Employees Stock Option Plan – 2018.

Voting	No. of Equity Shares	% of total valid votes
Votes cast in Favour	19,69,24,281	99.9993
Votes cast Against	1,416	0.0007
Total	19,69,25,697	100.00

Result: Resolution passed with the requisite majority.

➢ **Resolution No. 3:** Approval for grant of options equal to or exceeding 1% of the issued capital of the Company under SML Employees Stock Option Plan – 2018.

Voting	No. of Equity Shares	% of total valid votes
Votes cast in Favour	19,69,27,384	99.9988
Votes cast Against	2,418	0.0012
Total	19,69,29,802	100.00

Result: Resolution passed with the requisite majority.

- **Resolution No. 4:** Approval for sale of entire stake in Omniventures Private Limited, a wholly owned subsidiary company.

Voting	No. of Equity Shares	% of total valid votes
Votes cast in Favour	19,69,29,681	99.9999
Votes cast Against	121	0.0001
Total	19,69,29,802	100.00

Result: Resolution passed with the requisite majority.

Procedure for Postal Ballot(s)

The procedure for Postal Ballot(s) was carried out in accordance with the provisions of Section 110 of the Companies Act, 2013 read with the provisions of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Listing Regulations and Secretarial Standard – 2 issued by the Institute of the Company Secretaries of India. The Company had appointed Mr. Sanjay Grover, Company Secretary in whole time practice, Membership No. FCS 4223, as Scrutinizer for conducting both the Postal Ballot process in a fair and transparent manner. Postal Ballot Notices along with the Postal Ballot Form, self addressed prepaid envelopes were dispatched through Registered Post/ Courier Services to the members who were holding shares as on cut-off date fixed for the purpose. The members were required to send the duly completed and signed Postal Ballot Form to the scrutinizer on or before the closure of the last date fixed for receipt of the same. In compliance with Regulation 44 of the Listing Regulations and the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company, in both the cases, had offered remote e-voting facility as an alternate to its Members to enable them to cast their votes electronically instead of voting through physical ballot. The Scrutinizer submitted his report to the Chairman of the Company on the basis of which the results were announced.

B) None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of resolution through Postal Ballot.

8. MEANS OF COMMUNICATION

The quarterly and annual financial results are published in "Financial Express"/ "Mint" (National daily - English) and "Jansatta"/ "Hindustan" (Regional daily - Hindi).

All material information about the Company and its business and relating to subsidiary companies are promptly communicated to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Equity Shares of the Company are listed so as to enable them to put the same on their website. The Company regularly updates the media and investor community about its financial as well as other developments. In addition to the above, quarterly and annual results are displayed on our website at www.spicemobility.in for the information of all stakeholders. All official news releases and disclosures made to the Stock Exchanges are also made available on the Company's website.

The Management of the Company is in regular touch with the investors' community and keeps sharing with them the performance of the Company and satisfy the queries raised by the Stakeholders.

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date	:	14th November, 2018
Time	:	10:15 A.M.
Venue	:	Sri Sathya Sai International Centre, Bhisma Pitamah Marg, Lodhi Road, New Delhi – 110003

b) Financial Year : April, 2017 –March, 2018

c) Dividend Payment Date : N.A.

d) Listing at Stock Exchanges :

The Equity shares of the Company are listed at the following Stock Exchanges:

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex,
Bandra(E), Mumbai-400 051

Annual listing fee to both the Stock Exchanges have been paid for the financial year 2017 – 2018.

e) Scrip Code/Scrip Symbol of the Company as on 31.03.2018:

BSE Limited:

Security ID SPICEMOBI
Scrip code 517214

National Stock Exchange of India Limited:

Scrip Symbol SPICEMOBI

f) Market price data and performance of share price of the Company:

The details of monthly high and low of the price of equity shares of the Company during each calendar month at the Stock Exchanges where the equity shares of the Company are listed and the relevant Index of the respective Stock Exchanges during the Financial Year ended 31st March, 2018 are as under:

BSE Limited (BSE)

(Face Value Rs. 3/- per share)

Month	BSE Prices		BSE SENSEX	
	High Price (Rs.)	Low Price (Rs.)	High	Low
April, 2017	18.00	14.00	30184.22	29241.48
May, 2017	16.60	13.15	31255.28	29804.12
June, 2017	17.40	13.07	31522.87	30680.66
July, 2017	33.60	15.15	32672.66	31017.11
August, 2017	22.55	16.75	32686.48	31128.02
September, 2017	24.85	18.30	32524.11	31081.83
October, 2017	23.15	18.15	33340.17	31440.48
November, 2017	22.05	18.85	33865.95	32683.59
December, 2017	27.00	18.70	34137.97	32565.16
January, 2018	29.00	21.50	36443.98	33703.37
February, 2018	23.10	17.10	36256.83	33482.81
March, 2018	19.00	15.25	34278.63	32483.84

(source:www.bseindia.com)

National Stock Exchange of India Limited (NSE)

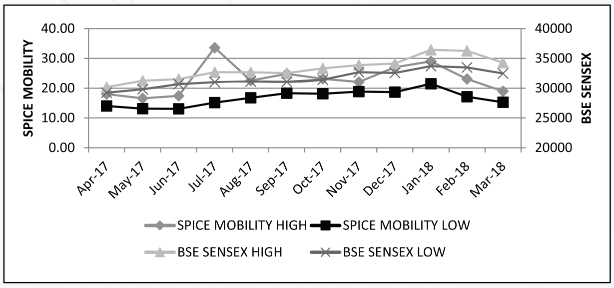
(Face Value Rs.3/- per share)

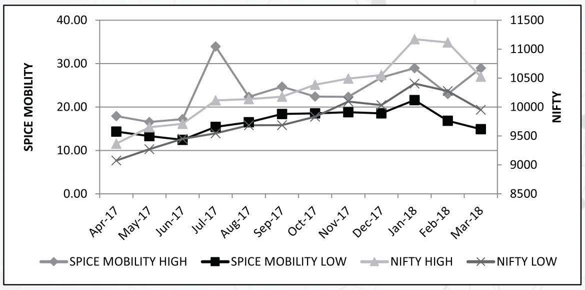
Month	NSE Prices		NIFTY	
	High Price (Rs.)	Low Price (Rs.)	High	Low
April, 2017	17.90	14.35	9367.15	9075.15
May, 2017	16.55	13.30	9649.60	9269.90
June, 2017	17.20	12.45	9709.30	9448.75
July, 2017	33.95	15.40	10114.85	9543.55
August, 2017	22.35	16.50	10137.85	9685.55
September, 2017	24.70	18.40	10178.95	9687.55
October, 2017	22.40	18.55	10384.50	9831.05
November, 2017	22.35	18.80	10490.45	10094.00
December, 2017	26.80	18.55	10552.40	10033.35
January, 2018	28.95	21.60	11171.55	10404.65
February, 2018	23.00	16.85	11117.35	10276.30
March, 2018	28.95	14.90	10525.50	9951.90

(source:www.nseindia.com)

CORPORATE GOVERNANCE REPORT

g) Performance of the share price of the Company in Comparison to BSE Sensex and Nifty





h) Registrar and Transfer Agents:

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020
Tel: (011) 26387281/82/83; Fax: (011) 26387384
E-mail: info@masserv.com,

Contact person - Mr. Sharwan Mangla, General Manager

All transfer/transmission and dematerialization requests and other communications regarding change of address, dividend and other queries related to investor services may be sent at the above address.

The Securities and Exchange Board of India vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has directed all the listed companies to update Bank Account details and PAN of the shareholders holding shares in physical form. In compliance with the said requirement, the Company has sent individual letter by Registered Post to the shareholders those who are holding physical shares and details of whose Bank Account details, Email Id and PAN are not registered in the records of the Company.

The Shareholders of the Company are requested to update PAN, Bank Account details and Email Id in the records of the Company by sending the requisite documents to the Company's RTA M/s. MAS Services Limited at the abovementioned address.

i) Share Transfer System:

Transfers of shares in physical form are registered and sent back within the stipulated time limit from the date of their lodgment, subject to the documents being valid and complete in all respects. The Stakeholders Relationship Committee looks into the issues relating to Share Transfers and Investor Grievances and the Committee takes care of the matters relating to transfer/ transmission etc. of physical equity shares of the Company.

j) Distribution of Shareholding as on 31st March, 2018:

Share Holding of Nominal Value of Rs.3/- each	Number of Shareholders	% to Total No. of Shareholders	No. of Shares Held	Amount in Rupees	% to Total Paid-up Capital
UPTO 5,000	18895	96.615	3227057	9681171	1.416
5,001 TO 10,000	322	1.646	752524	2257572	0.330
10,001 TO 20,000	163	0.833	754826	2264478	0.331
20,001 TO 30,000	53	0.271	473714	1421142	0.208
30,001 TO 40,000	19	0.097	219000	657000	0.096
40,001 TO 50,000	18	0.092	273708	821124	0.120
50,001 TO 1,00,000	38	0.194	893747	2681241	0.392
1,00,001 AND ABOVE	49	0.251	221269406	663808218	97.106
Total	**19,557**	**100.00**	**22,78,63,982**	**68,35,91,946**	**100.00**

k) Dematerialization of shares and Liquidity:

As per notification issued by SEBI, the trading in equity shares of the Company is permitted compulsorily in dematerialized mode w.e.f. 29th January 2001. The International Securities Identification Number (ISIN) of the Company, as allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is INE927C01020. As on 31st March 2018, 99.43% of the Share Capital of the Company is held in dematerialized form with NSDL and CDSL. The Equity shares of the Company are regularly traded on the Stock Exchanges and any person interested in the shares of the Company can deal in the same as per the applicable Rules and Regulations.

l) Outstanding GDRs/ ADRs/ Warrants or Convertible Instruments:

There are no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments as on 31st March, 2018, which are likely to have an impact on the equity of the Company.

m) Commodity Price risk or foreign exchange risk and hedging activities:

The Company does not have any operational foreign exchange transaction hence there are no hedging activities.

n) Plant Location: N.A

o) Address for correspondence:

The correspondence, if any, can be send to the Company Secretary, Spice Mobility Limited, at any of the following two addresses.

Corporate Office:	**Registered Office:**
Spice Global Knowledge Park, 19A & 19B, Sector-125, Noida (U.P.) – 201301. Tel : (0120) 3355131	622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025 Tel : (011) 41251965

The designated E-mail id exclusively for the purpose of registering complaints by investors is investors@smobility.in

10. DISCLOSURES

- **Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large**

The Company has not entered into any transaction of material nature with the Directors or the management, subsidiaries or relatives of Directors during the year under review that have potential conflict with the interest of the Company. Statements in summary form of the transactions with related parties both under Companies Act, 2013 and under Indian Accounting Standards – 24 are placed periodically before the Audit Committee. Further, the details of the related party transactions of the Company during the year ended 31st March, 2018 are given in Notes on Accounts forming part of Annual Report.

All related party transactions entered are on arms' length basis and in the ordinary course of business unless specifically mentioned for which the necessary approvals were obtained by the Company and are intended to further the interest of the Company.

The Company has adopted a 'Policy on Related Party Transactions' upon the recommendation of Audit Committee and the said Policy includes the material threshold and the manner of dealing with Related Party Transactions. The Audit Committee has laid down the criteria for granting the omnibus approval in the said Policy and grants omnibus approvals from time to time for the transactions which are frequent / regular / repetitive and are in the normal course of business. The said policy has been disclosed on the website of the Company at the weblink http://spicemobility.in/Policy_on_Related_Party_Transactions.pdf

The Company has also obtained the requisite approval of the shareholders as per the applicable provisions.

- **Details of non-compliance by the Company**

The Company has duly complied with all the requirements of the Listing Regulations as well as other Regulations and Guidelines issued by Securities and Exchange Board of India (SEBI) from time to time. There have neither been any instance of non-compliance nor any penalty or stricture have been imposed on the Company by Stock Exchanges or by SEBI or by any other statutory authorities on any matter related to the capital markets during the last three years.

CORPORATE GOVERNANCE REPORT

- **Whistle Blower Policy**

  In accordance with the requirement of Section 177 of the Companies Act, 2013 and the Rules made thereunder, Regulation 22 of Listing Regulations, the Company has formulated a 'Vigil Mechanism / Whistle Blower Policy' which provides a tool to the Directors and Employees of the Company to report Genuine Concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. A dedicated e-mail id i.e. whistleblower@spicemobility.in has been established for the purpose. The Policy outlines the procedures for reporting, handling investigation and deciding the cause of action to be taken in case inappropriate conduct is noticed or suspected. The Policy also provides for adequate safeguards against victimisation of directors and employees who avail of the mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. No personnel of the Company is denied access to the Audit Committee. The Audit Committee reviews the functioning of Whistle Blower Mechanism. The policy is available on the website of the Company.

- **Details of Compliance with mandatory requirements**

  The Company has fully complied with all applicable mandatory requirements of Listing Regulations.

- **Details of Adoption of Non-Mandatory requirements**

  The Company has complied with the following non-mandatory requirements of Listing Regulations:

  - The Chairman of the Company is an Executive Director. A separate office is maintained for the Chairman at the Company's expenses and he is also allowed reimbursement of expenses, if any, incurred in performance of his duties.
  - The quarterly financial results are published in the newspapers as mentioned under the heading "Means of Communication" hereinabove and also displayed on the website of the Company www.spicemobility.in. The results are not separately circulated to each of the shareholders.
  - The Reports of auditors on the financial statements of the Company are unqualified.
  - The Internal Auditors directly report to the Audit Committee.

  - **Policy for Determining Material Subsidiaries Companies**

    The Company, on the recommendation of the Audit Committee, has formulated a 'Policy on Material Subsidiaries' to determine the material subsidiaries of the Company and to provide governance framework for such subsidiaries.

    The said policy is disclosed on the website of the Company at http://spicemobility.in/Policy_on_Material_Subsidiaries.pdf

  - **Disclosure of Commodity Price risk and commodity hedging activities**

    During the year, the Company doesn't have any exposure to Commodity Price risk and commodity hedging activities.

11. DETAIL OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSE (B) TO (I) OF SUB – REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS

The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of Listing Regulations.

12. CODE OF CONDUCT

With a view to promote good Corporate Governance, the Company has a Code of Conduct for all Board members and senior management personnel of the Company including therein the duties of Independent Directors as laid down in the Companies Act, 2013. A copy of the said Code of Conduct is available on the Company's website ('www.spicemobility.in').

In compliance of Regulation 26(3) of Listing Regulations, all Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct as applicable to them for the year under review. A declaration to that effect duly signed by the Executive Chairman of the Company is attached at the end of this report.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has framed 'Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and 'Code of Conduct for Prohibition of Insider Trading' to regulate, monitor and report trading by its employees and other connected persons. The Code is applicable to all Directors, Designated Employees and other connected persons as defined thereunder who may have access to unpublished price sensitive information. The Directors and Designated Employees are communicated in advance about the closure of trading windows from time to time when they are not permitted to trade in the securities of the Company.

The Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the said Regulations.

13. CEO and CFO CERTIFICATION

As required under Regulation 17(8) of the Listing Regulations, the Executive Chairman and CFO certification for the financial year ended on 31st March, 2018 is enclosed at the end of this Report.

The above Report has been placed before the Board at its meeting held on 5th October, 2018 and the same was approved.

Corporate Governance Certificate

The Members
Spice Mobility Limited

We have examined the compliance of conditions of Corporate Governance by **Spice Mobility Limited** ("the Company"), for the financial year ended March 31, 2018, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900

Sanjay Grover
Managing Partner
CP No.: 3850

5th October, 2018
New Delhi

CORPORATE GOVERNANCE REPORT

Board of Directors
Spice Mobility Limited
Spice Global Knowledge Park
19A & 19B, Sector 125
Noida - 201 301, U.P.

Sub: Certification by Executive Chairman and Chief Financial Officer of Spice Mobility Limited

We, Dilip Modi, Executive Chairman and Madhusudan V., CFO of Spice Mobility Limited ('the Company'), to the best of our knowledge and belief certify that:

A. We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2018 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Company's Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Company's Auditors and the Audit Committee:

   1. significant changes in internal control over financial reporting during the year;

   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Noida	**Madhusudan V.**	**Dilip Modi**
Date: 17.05.2018	Chief Financial Officer	Executive Chairman

Declaration regarding Compliance with the Code of Conduct

It is hereby declared that the Company has received affirmation from the Board Members and the Senior Management Personnel with regard to compliance of the Code of Conduct for Directors and Senior Management Personnel, in respect of the financial Year ended on 31st March, 2018.

For **Spice Mobility Limited**
Dilip Modi
Executive Chairman

Place: Noida
Date: 17.05.2018

SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Spice Mobility Limited
(CIN: L72900DL1986PLC330369)
622, 6th Floor, DLF Tower A Jasola
Distt. Centre, New Delhi- 110025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Spice Mobility Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

   (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

SECRETARIAL AUDIT REPORT

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015.

*No event taken place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

(vi) During the audit period, the Company was primarily engaged in the trading of Mobile handsets and through its subsidiary in trading of IT products, Mobile handsets and their accessories and the Information and Communication Technology business providing Value Added Services to the Telecom Operators. As informed by the Management, there is no sector specific law applicable to the company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The change(s) in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors of the Board Meetings. Agenda and detailed notes on agenda were sent in advance of meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- the Shareholders of the Company through postal ballot (result declared on 13th May, 2017) passed the following ordinary resolutions for:-
  - i. approval of the sale of stake in Kimaan Exports Private Limited, a wholly owned subsidiary company, to Spice Digital Limited, another Subsidiary of the Company; and
  - ii. approval of material related party transactions with Hotspot Sales & Solutions Private Limited, a Subsidiary of the Company.
- the Board of Directors of the Company in their meeting held on 22nd December, 2017 approved the Comprehensive Scheme of Arrangement between Spice Mobility Limited (the Company), Spice Digital Limited, Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited And Spice Labs Private Limited and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013, subject to the approval of shareholders, NCLT and other Statutory Authorities.
- the Shareholders of the Company passed a special resolution through postal ballot (result declared on 22nd December, 2017) for shifting of Registered Office of the Company from the State of Uttar Pradesh to National Capital Territory (NCT) of Delhi and making the necessary alterations in Clause II of the Memorandum of Association of the Company, which was subsequently sanctioned by the Regional Director, Northern Region vide its order dated 5th February, 2018.
- the Shareholders of the Company through postal ballot (result declared on 12th February, 2018) passed the following special resolutions for:
  - i. approval of the SML Employees Stock Option Plan – 2018;
  - ii. approval for grant of options to the employees of the holding and subsidiary company (ies) under SML Employees Stock Option Plan – 2018;
  - iii. approval for grant of options equal to or exceeding 1% of the issued capital of the Company under SML Employees Stock Option Plan – 2018; and
  - iv. approval for sale of entire stake in Omniventures Private Limited, a wholly owned subsidiary company.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No. P2001DE052900

Devesh Kumar Vasisht
Partner
CP No.: 13700

October 5, 2018
New Delhi

Annexure - I

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE YEAR 2017-18

1. **A Brief Outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:**

   The CSR policy of the Company was approved by the Board of Directors and had been uploaded on the website of the Company. A gist of the Projects undertaken is given below. The Company had decided to spend CSR expenditure on the Project relating to CSR Policy as stated herein below:

   i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

   ii) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;

   iii) Rural development projects Link of Company's Website: http://spicemobility.in/CSR_Policy.pdf

2. **The Composition of the CSR Committee :**

   The Composition of CSR Committee is as under:

   1. Mr. Dilip Modi - Chairman
   2. Mr. Subramanian Murali - Member
   3. Mr. Umang Das - Member

3. **Average net profit of the Company for last three financial years: (Net loss of Rs.1977 lakh)**

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** NIL

5. **Details of CSR Spent during the financial year**

   (a) Total amount to be spent for the financial year : N.A.

   (b) Amount unspent, if any : N.A.

   (c) Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
S. No.	**CSR Project or Activity identified**	**Sector in which the project is covered**	**Projects or programs 1 Local area or other 2 Specify the State and district where projects or programs was undertaken**	**Amount outlay (Budget) project or programs- wise (Rs.)**	**Amount spent on the projects or programs Sub heads: 1 Direct Expenditure on projects or programs 2 Over heads**	**Cumulative Expenditure up to the reporting period (Rs.)**	**Amount Spent: Direct or through implementing agency**
Not Applicable For the current Financial Year 2017 – 18						(Please see Note)	Implementing Agency

Note: The Board of the Company had approved an amount of Rs. 45.28 lakh as CSR Contribution in financial year 2015-16 and paid to Deshpande Foundation, the Implementing Agency, for spending the amount towards programs and operations as approved by the CSR Committee of the Company. The implementing Agency had spent Rs. 21.21 lakhs and Rs. 24.07 lakhs during the financial year 2015 – 16 and 2016-17 respectively.

Applying a 'bottom up' approach to building scalable solutions, the Ek Soch Sandbox worked to create an effective ecosystem where resources were put to use through entrepreneurship, innovation and sustainability. The activities undertaken by the Company, inter alia, included:

- Development Dialogue bringing together numerous social entrepreneurs as well as those who believe in and are involved in creating ecosystems to nurture social innovation and entrepreneurship.

- Agastya Mobile Science Lab giving the children an opportunity to learn science concepts through an experiential learning process. Exposing children and teachers to Basic Science Experiments through a Mobile Lab and also building Community Awareness.
- Lead Program providing financial support and guidance to college students to help them generate and implement their own innovative ideas, giving them practical exposure to leadership, innovation and entrepreneurship.
  - **Details of Implementing Agency:** Deshpande Foundation

    Registered address: Tejas Networks ltd, plot no. 25, JP software park, Electronics City, Phase-1, Hosur Road, Bangalore - 560100, India.

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of Spice Mobility Limited

Subramanian Murali **Director**	**Dilip Modi** **Chairman- CSR Committee**

Date: 13.08.2018

Annexure - 2

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L72900DL1986PLC330369
2	Registration Date	23/12/1986
3	Name of the Company	Spice Mobility Limited
4	Category/Sub-Category of the Company	Company Limited By Shares/ Non – Government Company
5	Address of the Registered office and contact details	622, 6th Floor, DLF Tower A Jasola Distt. Centre, New Delhi-110025 Contact No. 011-41251965
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAS Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110020 Contact No. 011- 26387281/82/83;

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company was primarily engaged in the trading of mobile handsets and through its subsidiaries in trading of IT products, Mobile handsets and their accessories and the Information and Communication Technology business providing value added services to the telecom operators.

During the year, the Company was engaged in various business activities through its subsidiary companies. The NIC Code of the principal business activity is 62099 – Other information technology and computer service activities n.e.c.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Including Joint Ventures) –

[No. of Companies for which information is being filled] – **32**

Sl. No	Name and Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Smart Global Corporate Holding Private Limited 60-D, Street No. C-5, Sainik Farms, New Delhi - 110062	U64202DL2001PTC111304	Ultimate Holding Company	74.36%*	2(46)
2.	Spice Connect Private Limited 60-D, Street No. C-5, Sainik Farms, New Delhi – 110062	U74999DL2012PTC229915	Holding Company	74.36%	2(46)
3.	Hindustan Retail Private Limited 19A & 19B, Sector – 125, Noida, Gautam Budh Nagar, Uttar Pradesh - 201301	U52100UP2007PTC033258	Subsidiary Company	100%	2(87)(ii)
4	Spice Digital Limited 622, 6th Floor, DLF Tower A, Jasola District Centre, New Delhi-110025	U72900DL2000PLC104989	Subsidiary Company	99.98%	2(87)(ii)
5	Spice IOT Solution Private Limited 622, 6th Floor, DLF Tower A, Jasola District Centre, New Delhi-110025	U72900DL2016PTC330061	Subsidiary Company	100%	2(87)(ii)
6.	S Mobility (HK) Limited Room C,21/F CMA Building, No. 64 Connaught Road Central, Hong Kong	N.A.	Subsidiary Company	100%	2(87)(ii)

Sl. No	Name and Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
7.	New Spice Sales and Solutions Limited (Formerly Spice Retail Limited) Village Billanwali Labana, Post Office - Baddi, Tehsil Nalagarh, Baddi, Himachal Pradesh – 173205	U32201HP1988PLC008020	Subsidiary Company	100%*	2(87)(ii)
8.	Cellucom Retail India Private Limited G-3, Ground Floor, Gedor House, 51, Nehru Place, New Delhi -110019	U32202DL2006PTC153361	Subsidiary Company	100%*	2(87)(ii)
9.	Kimaan Exports Private Limited 512-B, Modi Tower 98, Nehru Place, New Delhi-110019	U51311DL2004PTC127784	Subsidiary Company	100%*	2(87)(ii)
10.	Mobisoc Technology Private Limited 622, 6th Floor, DLF Tower A, Jasola District Centre, New Delhi-110025	U72300DL2006PTC151960	Subsidiary Company	100%*	2(87)(ii)
11.	Spice Labs Private Limited 622, 6th Floor, DLF Tower A, Jasola District Centre, New Delhi-110025	U72300DL2009PTC311320	Subsidiary Company	99.90%*	2(87)(ii)
12.	Spice Digital Bangladesh Ltd Room No. – 14R, Meherba Plaza (14th Floor), 33 Topkhana Road, Dhaka – 1000	C-105473/12	Subsidiary Company	100%*	2(87)(ii)
13.	S Global Services Pte. Limited (Formerly S GIC Pte Limited) 152 UBI Avenue 4, Singapore - 408826	200803978D	Subsidiary Company	100%*	2(87)(ii)
14.	PT Spice Digital Indonesia Gedung Blue Dot Center, Blok H, Jalan Gelong Baru Utara No. 5-8, Kelurahan, Tomang, Kecamatan Grogol Petamburan, Jakarta Barat 11440, Indonesia	AHU-0017858.AH.01.01. TAHUN 2016	Subsidiary Company	100%*	2(87)(ii)
15.	Omnia Pte. Limited 1 North Bridge Road #10-05-06, High Street Centre, Singapore – 179094	201704440D	Subsidiary Company	100%*	2(87)(ii)
16.	Spice Digital FZCO Office No. G12, Buliding 4WA, West Wing, Dubai Airport Free Zone, Dubai, UAE	1605	Subsidiary Company	100%*	2(87)(ii)
17.	Beoworld Sdn. Bhd Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur	760956-V	Subsidiary Company	100%*	2(87)(ii)
18.	S Mobility Pte. Limited 152 UBI Avenue 4, Singapore – 408826	201131341D	Subsidiary Company	100%*	2(87)(ii)
19.	Spice Vas (Africa) Pte Limited 152 UBI Avenue 4, Singapore – 408826	200920043k	Subsidiary Company	80%*	2(87)(ii)
20.	Spice VAS RDC Kinshasa, Avenue Ikelemba N 87, Quartier Katanga, Dans La Commune De Kasa – Vubu, En R.D. Congo	CD/KIN/RCCM/16-B-9550	Subsidiary Company	100%*	2(87)(ii)

Sl. No	Name and Address of the Company	CIN/GLN/LLPIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
21.	SVA (Mauritius) Pvt. Limited Level 3, GFin Tower 42 Hotel Street, Cybercity Ebene, 72201 Mauritius	139728 C1/GBL	Subsidiary Company	100%*	2(87)(ii)
22.	Spice VAS Kenya Limited Plot L.R. No. 209/65/19,6, Plot Ojijo Close Ojijo Road, Parklands P.O.Box 46683-00100 Nairobi	104223	Subsidiary Company	100%*	2(87)(ii)
23.	Spice Digital Nigeria Limited Cluster A1 606 1004 Estate, Victoria Island, Lagos	RC873195	Subsidiary Company	100%*	2(87)(ii)
24.	Spice VAS Uganda Limited Plot 1B, Kira Road, Kampala, P.O. Box 24544, Uganda	124991	Subsidiary Company	75.00%*	2(87)(ii)
25.	Spice VAS Ghana Limited H/No. C 31/30, Achimota, Accra, P.O. Box O52756, Osu, Accra, Ghana	CS127682017	Subsidiary Company	100%*	2(87)(ii)
26.	Spice VAS Zambia Limited 2nd Floor, Chanik House Cairo Road P.O. Box – 34376, Lusaka	95239	Subsidiary Company	100%*	2(87)(ii)
27.	Spice Digital South Africa (Pty) Limited 8A- 1, Sinosteel Plaza, 159 Rivonia Drive,Morningside Extn. Gauteng- 2196	2011/010897/07	Subsidiary Company	100%*	2(87)(ii)
28.	Spice VAS Tanzania Limited Amverton Tower, Plot no. 1127 Chole Road P.O. Box 11442 Dar es Salaam Tanzania.	71266	Subsidiary Company	100%*	2(87)(ii)
29.	Adgyde Solutions Private Limited 206, First Floor, Plot No. 190-191, Neelkanth Palace, 252-A, Sant nagar, New Delhi -110065	U74999DL2016PTC299272	Joint Venture	49%*	2(6)
30.	Sunstone Learning Private Limited 115A, 3rd Floor, Jor Bagh, Delhi – 110003	U80221DL2011PTC216991	Associate Company	41.61%*	2(6)
31.	Creative Functionapps Labs Private Limited A-8, Saraswati Garden, Ramesh Nagar, New Delhi -110015	U74999DL2013PTC260423	Associate Company	26.00%*	2(6)
32.	Luharia Technologies Private Limited. E 101 & 201, Casa Rouge, Addr: Pno 82-93,Kothaguda, Kondapur, Hyderabad Rangareddi TG 500084 IN	U74999TG2016PTC110830	Associate Company	30%*	2(6)

***Through Subsidiary Company**

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) ***Category-wise Share Holding***

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
(a) Individual/ HUF	0	0	0	0	0	0	0	0	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0.00
(c) State Govt (s)	0	0	0	0	0	0	0	0	0.00
(d) Bodies Corp.	169447570	0	169447570	74.36	169447570	0	169447570	74.36	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0.00
(f) Any Other….	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1):-	**169447570**	**0**	**169447570**	**74.36**	**169447570**	**0**	**169447570**	**74.36**	**0.00**
(2) **Foreign**									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other….	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**169447570**	**0**	**169447570**	**74.36**	**169447570**	**0**	**169447570**	**74.36**	**0.00**
B. **Public Shareholding**									
1. **Institutions**									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0	0.00
(b) Banks / FI	0	545	545	0.00	1525	545	2070	0.00	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0.00
(d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(g) FIIs	0	0	0	0	0	0	0	0	0.00
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	**0**	**545**	**545**	**0.00**	**545**	**1525**	**2070**	**0.00**	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. **Non-Institutions**									
(a) Bodies Corp.									
(i) Indian	2378690	47445	2426135	1.06	22021754	29075	22050829	9.68	+8.62
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	4033775	1852779	5886554	2.58	4617302	1276889	5894191	2.59	+0.01
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1111787	1000000	2111787	0.93	3396363	0	3396363	1.49	+0.1
(c) Others (specify)									
Clearing Member	551117	0	551117	0.24	208177	0	208177	0.09	-0.15
NRI/OCBs	255717	990	256707	0.11	173970	0	173970	0.08	-0.04
Trusts	47182967	0	47182967	20.71	26114193	0	26114193	11.46	-9.25
NBFC registered with RBI	600	0	600	0.00	800	0	800	0.00	0.00
IEPF	0	0	0	0.00	575819	0	575819	0.25	+0.25
Sub-total (B)(2):-	55514653	2901214	58415867	25.64	57108378	1305964	58414342	25.64	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	55514653	2901759	58416412	25.64	57109903	1306509	58416412	25.64	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	**224962223**	**2901759**	**227863982**	**100.00**	**226557473**	**1306509**	**227863982**		N.A.

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	Smart Connect Private Limited	169447570	74.36	0.00	169447570	74.36	0.00	0.00
Total		**169447570**	**74.36**	**0.00**	**169447570**	**74.36**	**0.00**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Spice Connect Private Limited (Formerly Smart Ventures Private Limited)	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	169447570	74.36	N.A.	N.A.
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	**NIL**	**NIL**	**NIL**	**NIL**
	At the end of the year	**169447570**	**74.36**	**169447570**	**74.36**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares (April 1, 2017) / end of the year (March 31, 2018)	% of total shares of the company				No. of shares (April 1, 2017 to March 31, 2018	% of total shares of the company
1.	**Mediatek India Technology Private Limited**	0	0	01.04.2017	Nil	NA	0	0
				14.07.2018	+19368439	Transfer	19368439	8.50
		19368439	8.50	31.03.2018	Nil	NA	19368439	8.50
2.	**Radha Krishna Pandey - Independent Non Promoter Trust**	35281 215	15.48	01.04.2017	Nil	NA	35281 215	15.48
				14.07.2017	-19368439	Transfer	15912776	6.98
		15912776	6.98	31.03.2018	Nil	NA	15912776	6.98
3.	**Radha Krishna Pandey – Independent Non Promoter (Spice Employee Benefit) Trust**	11901752	5.22	01.04.2017	Nil	NA	11901752	5.22
				10.11.2017	-59319	Transfer	11842433	5.20
				17.11.2017	-22500	Transfer	11819933	5.19
				24.11.2017	-347000	Transfer	11472933	5.03
				01.12.2017	-10000	Transfer	11462933	5.03
				08.12.2017	-400000	Transfer	11062933	4.86
				15.12.2017	-310000	Transfer	10752933	4.72
				22.12.2017	-30000	Transfer	10722933	4.71
				29.12.2017	-46000	Transfer	10676933	4.69
				05.01.2018	-150000	Transfer	10526933	4.62
				12.01.2018	-117000	Transfer	10409933	4.57
				19.01.2018	-40500	Transfer	10369433	4.55
				26.01.2018	-1000	Transfer	10368433	4.55
				02.03.2018	-131501	Transfer	10236932	4.49
				09.03.2018	-6250	Transfer	10230682	4.49
				16.03.2018	-15501	Transfer	10215181	4.48
				23.03.2018	-10200	Transfer	10204981	4.48
				30.03.2018	-3564	Transfer	10201417	4.48
		10,201,417	4.48	31.03.2018	Nil	NA	10201417	4.48

DiGiSPICE

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares (April 1, 2017) / end of the year (March 31, 2018)	% of total shares of the company				No. of shares (April 1, 2017 to March 31, 2018	% of total shares of the company
4.	Rajasthan Global Securities Private Limited	111835	0.05	01.04.2017	Nil	NA	111835	0.05
				07.04.2017	+16138	Transfer	127973	0.06
				14.04.2017	+111364	Transfer	239337	0.11
				28.04.2017	+43506	Transfer	282843	0.12
				05.05.2017	+64551	Transfer	347394	0.15
				19.05.2017	+50856	Transfer	398250	0.17
				26.05.2017	+3000	Transfer	401250	0.18
				30.06.2017	+4590	Transfer	405840	0.18
				07.07.2017	+27102	Transfer	432942	0.19
				21.07.2017	-130432	Transfer	302510	0.13
				01.09.2017	+28690	Transfer	331200	0.15
				15.09.2017	+200	Transfer	331400	0.15
				30.09.2017	-6091	Transfer	325309	0.14
				13.10.2017	+6085	Transfer	331394	0.15
				27.10.2017	+225300	Transfer	556694	0.24
				15.12.2017	+406146	Transfer	962840	0.42
				29.12.2017	-22000	Transfer	940840	0.41
				12.01.2018	-19674	Transfer	921166	0.40
				19.01.2018	-104007	Transfer	817159	0.36
				26.01.2018	-813	Transfer	816346	0.36
		816,346	0.36	31.03.2018	Nil	NA	816346	0.36
5.	Dheeraj Kumar Lohia	142084	0.06	01.04.2017	Nil	NA	142084	0.06
				07.04.2017	+3000	Transfer	145084	0.06
				05.05.2017	+35698	Transfer	180782	0.08
				07.07.2017	+1895	Transfer	182677	0.08
				21.07.2017	-53591	Transfer	129086	0.06
				25.08.2017	+2000	Transfer	131086	0.06
				01.09.2017	+7699	Transfer	138785	0.06
				08.09.2017	+18760	Transfer	157545	0.07
				06.10.2017	+11273	Transfer	168818	0.07
				27.10.2018	+144100	Transfer	312918	0.14
				08.12.2017	+1639	Transfer	314557	0.14
				15.12.2017	+50000	Transfer	364557	0.16
				19.01.2018	+15450	Transfer	380007	0.17
				16.03.2018	+29310	Transfer	409317	0.18
				30.03.2018	+45000	Transfer	454317	0.20
		454317	0.20	31.03.2018	Nil	NA	454317	0.20
6.	Mahendra Girdharilal	144763	0.06	01.04.2017		NA	144763	0.06
				12.05.2017	+35472	Transfer	180235	0.08
				26.05.2017	+50337	Transfer	230572	0.10
				02.06.2017	+4383	Transfer	234955	0.10
		234955	0.10	31.03.2018	Nil	NA	234955	0.10

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares (April 1, 2017) / end of the year (March 31, 2018)	% of total shares of the company				No. of shares (April 1, 2017 to March 31, 2018	% of total shares of the company
7.	Xtended Business Reporting Limited	0	0	01.04.2017	Nil	NA	0	0
				30.06.2017	+163480	Transfer	163480	0.07
				11.08.2017	+68870	Transfer	232350	0.10
		232350	0.10	31.03.2018	Nil	NA	232350	0.10
8.	Edelweiss Broking Limited	12508	0.01	01.04.2017	Nil	NA	12508	0.01
				07.04.2017	+620	Transfer	13128	0.01
				14.04.2017	+1250	Transfer	14378	0.01
				28.04.2017	+12600	Transfer	26978	0.01
				05.05.2017	+1225	Transfer	28203	0.01
				12.05.2017	+609	Transfer	28812	0.01
				26.05.2017	+525	Transfer	29337	0.01
				02.06.2017	-12743	Transfer	16594	0.01
				09.06.2017	+999	Transfer	17593	0.01
				16.06.2017	-10	Transfer	17583	0.01
				23.06.2017	+160775	Transfer	178358	0.08
				30.06.2017	-161380	Transfer	16978	0.01
				07.07.2017	+81370	Transfer	98348	0.04
				14.07.2017	+20700	Transfer	119048	0.05
				21.07.2017	+69550	Transfer	188598	0.08
				28.07.2017	-45334	Transfer	143264	0.06
				04.08.2017	+3651	Transfer	146915	0.06
				11.08.2017	-48764	Transfer	98151	0.04
				18.08.2017	-10001	Transfer	88150	0.04
				25.08.2017	-20065	Transfer	68085	0.03
				01.09.2017	+3000	Transfer	71085	0.03
				08.09.2017	-10500	Transfer	60585	0.03
				15.09.2017	+5905	Transfer	66490	0.03
				19.09.2017	-3377	Transfer	63113	0.03
				22.09.2017	+21742	Transfer	84855	0.04
				30.09.2017	-943	Transfer	83912	0.04
				13.10.2017	-17285	Transfer	66627	0.03
				20.10.2017	-10567	Transfer	56060	0.02
				27.10.2017	-12700	Transfer	43360	0.02
				10.11.2017	+18300	Transfer	61660	0.03
				17.11.2017	-300	Transfer	61360	0.03
				24.11.2017	+189511	Transfer	250871	0.11
				01.12.2017	+2471	Transfer	253342	0.11
				08.12.2017	-14341	Transfer	239001	0.10
				15.12.2017	+64815	Transfer	303816	0.13
				22.12.2017	-10422	Transfer	293394	0.13
				29.12.2017	-5880	Transfer	287514	0.13
				05.01.2018	-53100	Transfer	234414	0.10

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares (April 1, 2017) / end of the year (March 31, 2018)	% of total shares of the company				No. of shares (April 1, 2017 to March 31, 2018	% of total shares of the company
				19.01.2018	-6594	Transfer	227820	0.10
				26.01.2018	+34000	Transfer	261820	0.11
				02.02.2018	+28739	Transfer	290559	0.13
				09.02.2018	+40036	Transfer	330595	0.15
				16.02.2018	+6464	Transfer	337059	0.15
				23.02.2018	-110596	Transfer	226463	0.10
				02.03.2018	+12385	Transfer	238848	0.10
				09.03.2018	+1000	Transfer	239848	0.11
				16.03.2018	-23632	Transfer	216216	0.09
				23.03.2018	+1000	Transfer	217216	0.10
				30.03.2018	+50	Transfer	217266	0.10
		217266	0.10	31.03.2018	Nil	NA	217266	0.10
9	**Sharekhan Limited**	134	0.00	01.04.2017	Nil	NA	134	0.00
				23.06.2017	-4	Transfer	130	0.00
				14.07.2017	+10000	Transfer	10130	0.004
				21.07.2017	+10000	Transfer	20130	0.01
				28.07.2017	+300	Transfer	20430	0.01
				04.08.2017	+2075	Transfer	22505	0.01
				11.08.2017	+50	Transfer	22555	0.01
				18.08.2017	-50	Transfer	22505	0.01
				01.09.2017	-1100	Transfer	21405	0.01
				22.09.2017	-375	Transfer	21030	0.01
				30.09.2017	-3189	Transfer	17841	0.01
				06.10.2017	-6024	Transfer	11817	0.01
				31.10.2017	+415	Transfer	12232	0.01
				10.11.2017	-390	Transfer	11842	0.01
				08.12.2017	+25	Transfer	11867	0.01
				12.01.2018	+700	Transfer	12567	0.01
				19.01.2018	+11739	Transfer	24306	0.01
				09.02.2018	-25	Transfer	24281	0.01
				23.02.2018	-200	Transfer	24081	0.01
				16.03.2018	+163925	Transfer	188006	0.08
				23.03.2018	-9687	Transfer	178319	0.08
		178319	0.08	31.03.2018	Nil	NA	178319	0.08
10	**Globe Capital Market Limited**	176693		01.04.2017	Nil	NA	176693	0.08
		176693	0.08	31.03.2018	Nil	NA	176693	0.08

Note: Based on the weekly report received from Depositories.

The aforesaid information of top ten shareholders are based on data as of 31st March, 2018.

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Director	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
1.	**DILIP MODI**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1000000	0.44%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	1000000	0.44%	1000000	0.44%

Sl. No.	Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	**SUBRAMANIAN MURALI**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			54874	0.02
	At the end of the year	54874	0.02%	54874	0.02%

Sl. No.	Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	**MADHUSUDAN VENKATACHARY-CFO**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	400	0.00%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the end of the year	400	0.00%	400	0.00%

Note: Other than the above named directors and KMP, no director and Key Managerial Personnel held any share during the year.

DiGiSPICE

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in Rs. 000')

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	0 0 0	0 0 0	0 0 0	0 0 0
Total (i+ii+iii)	**0**	**0**	**0**	**0**
Change in Indebtedness during the financial year Addition Reduction	0 0	0 0	0 0	0 0
Net Change	**0**	**0**	**0**	**0**
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	0 0 0	0 0 0	0 0 0	0 0 0
Total (i+ii+iii)	**0**	**0**	**0**	**0**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. *Remuneration to Managing Director, Whole-time Directors and/or Manager:*

(Amount in Rs. 000')

Sl. no.	Particulars of Remuneration	Dilip Modi - WTD	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify…	NIL	NIL
5.	Others, please specify - Contribution to Provident Fund	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act		

B. *Remuneration to other directors:*

(Amount in Rs. 000')

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Suman Ghose Hazra	**Mr. Umang Das**	**Mr. Hanif Mohamed Dahya**		
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	525 NIL NIL	375 NIL NIL	25 NIL NIL		925 NIL NIL
	Total (1)	**525**	**375**	**25**		**925**
2.	Other Non-Executive Directors				**Mr. Subramanian Murali**	
	• Fee for attending board / committee meetings • Commission • Others, please specify				NIL	NIL
	Total (2)	-	-	-	NIL	NIL
	Total (B)=(1+2)	**525**	**375**	**25**	**NIL**	**925**
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act					

C. *REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD*

(Amount in Rs. 000')

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company Secretary**	**CFO**	**Total**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NA	3,794 32 NIL	5,988 - NIL	9,782 32 NIL
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify…		NIL	NIL	NIL
5.	Others, please specify		NIL	NIL	NIL
	Total		3,826	5,988	9,814

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no Penalties/ Punishment/ Compounding of offences under the Companies Act, 2013 against any the Company, Directors or any other officer in default, during the year ended 31st March, 2018.

Annexure - 3

REMUNERATION POLICY

Introduction

This Remuneration Policy ('Policy') is being formulated in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which provides that all the listed companies having Nomination and Remuneration Committee shall formulate and recommend to the Board a Policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration to them. It reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

Applicability

This Remuneration Policy shall apply to all present and future appointment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

Guiding principles

The remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel. The Policy is aimed to ensure that :-

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

While designing remuneration packages, industry standards and cost of living shall also be taken into consideration.

Any departure from the policy can be undertaken only with the approval of the NRC and the Board of Directors of the Company.

Definitions

(i) "Senior Management":- The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

(ii) "Key managerial personnel" means—

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed.

Policy

(a) Remuneration to Independent Directors

The Independent directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. Presently a sitting fee of Rs.25,000/- is being paid per Board / Committee meeting. Besides the sitting fees they are also entitled to reimbursement of expenses.

Independent Directors may also be paid Commission within the monetary limit approved by shareholders, subject to a limit of not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

An Independent Director shall not be entitled to any stock option of the Company.

(b) Remuneration to Executive Directors

Remuneration packages for Executive Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The Executive Directors' remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc as per Rules of the Company. They shall be entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc.

The Executive Directors are not paid any sitting fee for attending the Board meetings or committee thereof or commission.

(c) Remuneration to Key Managerial Personnel (KMP) and Senior Management

Appointment of KMP & senior management and cessation of their service are subject to the approval of the Nomination and Remuneration Committee and the Board of Directors. Remuneration of KMP and other senior management personnel shall be decided by the Chairman of the Board on the recommendation of the Nomination and Remuneration Committee, where applicable. Total remuneration comprises of:

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. **Retirement benefits** - contribution to PF, superannuation, gratuity, etc. as per Company Rules.
4. **Motivation/Reward** - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided on the basis of appraisal and recommendation of the Nomination and Remuneration Committee.
5. **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

(d) Remuneration to Other employees

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as per the HR Policy of the Company.

Disclosure

As required under the applicable legal provisions, the Company shall disclose the remuneration Policy in its Annual Report.

Annexure - 4

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy:

I. **The Steps Taken or Impact on conservation of Energy:** The operation of the Company involves low energy consumption. Adequate measures have, however, been taken to conserve energy.

II. **The Steps taken by the Company for utilizing alternate sources of energy:** NA

III. **The Capital Investment on Energy conservation equipments :** NA

(B) Technology Absorption:

I. **The effort made towards technology absorption;** We at spice, are well aware of latest technology being available in our field of operation. Necessary training is imparted to the relevant people from time to time to make them well acquainted with the latest technology.

II. **The Benefit derived like Product Improvement, cost reduction, product development or import substitution;** We are able to provide latest products available in the market and maintain higher standard of quality.

III. **In case of imported technology (import during the last three years reckoned from the beginning of the financial year)-**

a)	**the details of the technology imported**	:	Nil
b)	**the year of import**	:	N.A.
c)	**whether the technology been fully absorbed**	:	N.A.
d)	**if not fully absorbed, areas where absorption has not taken place, and the reason thereof; and**	:	N.A.

IV. **The expenditure incurred on Research and Development** : N.A.

(C) Foreign exchange earnings and outgo during the year:

I. **Foreign Exchange earned in term of actual inflows** : NIL

II. **Foreign Exchange outgo in term of actual outflows** : NIL

Annexure - 5

Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.**

   The company did not pay remuneration to any director during the year 2017-18 except sitting fees to independent directors for attending Board and Board Committee Meetings.

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

   There was no increase in remuneration of any director, Chief Financial Officer and Company Secretary of the Company during the year.

3. **The percentage increase in the median remuneration of employees in the financial year.**

   The Percentage decrease in the median remuneration of the employees in the FY 2017-18 was 49.26%.

4. **The number of permanent employees on the rolls of company;**

   There were 10 Permanent Employees on the rolls of the Company as on 31st March, 2018.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

   No increase in the salaries of employees other than managerial personnel has been made. The Company did not pay any managerial remuneration during the year 2017-18.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

   It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

7. **Statement showing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name	Designation	Remuneration received (01.04. 2017 - 31.03.2018) in Rs.	Nature of Employment (Contractual or otherwise)	Qualifications and experience of the employee	Date of commencement of employment	Age of employee	Last employment held before joining the Company
1	Rajneesh Arora	Head - Corporate Development	6,556,604	Permanent	MBA & CFA	01.07.2016	45 years	Bharti Airtel Ltd
2	Rohit Ahuja	Advisor to Chairman	3,797,004	Permanent	Bachelors in Commerce, USA	14.12.2015	42 years	Self Occupied Business
3	V. Madhusudan	VP- Corporate Finance & CFO	5,987,752	Permanent	C.A., B.Sc (Physics)	01.11.2013	47 years	HCL Infosystems Ltd.
4	M R Bothra	VP - Corporate Affairs and Company Secretary	3,826,261	Permanent	FCS, ACMA, M. Com and B. Com	12.08.2010	50 years	DCM Shriram Consolidated Limited
5	Surendan Nair	AGM	2,365,000	Permanent	B. A.	01.07.2008	51 years	Cain Technology Pvt. Ltd.
6	Manoj Kumar Jha	Assistant Manager	600,000	Permanent	Bsc(H), Microsoft & ITIL Certifications	01.06.2016	39 years	Progressive infotech Pvt Ltd
7	Manish Kumar Sharma	DGM	2,100,000	Permanent	B.A.LLB	01.11.2017	44 years	INTEC
8	Abhishek Kumar	Manager	1,064,784	Permanent	C.A.	01.12.2017	37 years	Spice Global Ltd.
9	Gurwinder Kaur	Front Office Executive	275,000	Permanent	M.A.	21.12.2017	31 years	Civitech Samprity Developers Pvt. Ltd.
10	Jaspreet Sood	Executive	360,000	Permanent	B.A.	01.01.2018	31 years	Sunworld Developers Pvt. Ltd.

None of the employees is covered under Rule 5 (2)(i) (ii) or (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DIGISPICE

INDEPENDENT AUDITORS' REPORT

To the Members of Spice Mobility Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Spice Mobility Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 was audited by another auditor who expressed an unmodified opinion on those standalone financial statements on 19 May 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 33 to the standalone Ind AS financial statements.

      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed – Refer Note 40 to the standalone Ind AS financial statements

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Vikram Advani
Partner
Membership No.: 091765

Place: Noida
Date: 17 May 18

INDEPENDENT AUDITORS' REPORT

Annexure A referred to in the Independent Auditor's Report to the Members of Spice Mobility Limited on the standalone Ind AS financial statements for the year ended 31 March 2018

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its Property, plant and equipment by which all the items are verified in a phased manner over a period of two years. The last physical verification performed by the Company was in the year 2015-16. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business and accordingly a physical verification was due in the current year but has not been performed.

(c) According to the information and explanations given to us by the management, title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanations given to us, the Company had some inventory at the beginning of the year which was fully disposed off during the year. The company was not holding any inventory during the year except for opening inventory which was disposed off and accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) According to the information and explanations given to us, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. Moreover, in respect of the investments made by the Company, requirements of section 186 of the Companies Act, 2013 have been complied with.

(v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, sales-tax, goods and service tax, income-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanation given to us, there are no undisputed amounts payable in respect of provident fund, employees state insurance, sales-tax, goods and service tax, income-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues that were in arrear as on 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of income-tax, sales-tax, goods and service tax, value added tax, service tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2018, other than those mentioned as follows:

Name of Statute	Nature of Dues	Amount* (Rs. in 000)	Period to which the Amount Relates	Forum where Dispute is Pending
Central Excise Law	Excise duty	64,263	1990-91 to 1993-94	CESTAT
UP VAT Act, 2008	Sales tax	4,270	2015-16	Additional Commissioner, Gr-II (Appeals), Commercial Tax, Noida
Income tax Act, 1961	Income tax	34,505	2010-11 to 2012-13	ITAT#
Income tax Act, 1961	Income tax	213	2011-12 to 2014-15	Commissioner of Income Tax (Appeals), Noida
Income-tax Act, 1961	Income tax	9,638	2009-10 & 2010-11	Allahabad High Court

* Amount as per demand orders including interest and penalty wherever indicated in the order less amount already deposited.

Matter remanded back to ITAT pertaining to A.Y 2011-12 of Rs 685.42 lacs is not included above.

INDEPENDENT AUDITORS' REPORT

(viii) According to the information and explanation given to us, the Company has not taken any loans or borrowings from banks, financial institutions and government and there were no debentures issued during the year or outstanding as at 31 March 2018.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has not paid any managerial remuneration during the year. Hence the provision of section 197 read with Schedule V of the Act are not applicable to the Company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the Company, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or associate companies or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Vikram Advani
Partner
Membership No.: 091765

Place: Noida
Date: 17 May 18

INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditor's Report to the members of Spice Mobility Limited ("the Company") on the standalone Ind AS financial statements for the year ended 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Spice Mobility Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements reporting.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Vikram Advani
Partner
Membership No.: 091765

Place: Noida
Date: 17 May 18

DIGISPICE

BALANCE SHEET

as at 31 March 2018

(Amount in Rs. Lakhs)

	Note	As at 31 March 2018	As at 31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	3	1,132.78	1,550.47
Investment property	4	1,152.23	3,846.95
Other intangible assets	5	7.24	17.90
Financial assets			
(i) Investments	6	7,237.56	897.88
(ii) Loans	7	88.74	77.76
(iii) Other financial assets	8	-	-
Income tax assets (net)	9	1,070.21	979.77
Other assets	10	49.19	34.66
Total non-current assets		**10,737.95**	**7,405.39**
Current assets			
Inventories	11	-	0.20
Financial assets			
(i) Trade receivables	12	-	309.56
(ii) Cash and cash equivalents	13	1,098.75	170.45
(iii) Bank balance other than (ii) above	14	228.70	395.62
(iv) Loans	7	125.76	102.69
(v) Other financial assets	8	119.29	203.17
Other assets	10	129.03	116.28
Asset classified as held for sale		-	4,562.12
Total current assets		**1,701.53**	**5,860.09**
Total assets		**12,439.48**	**13,265.48**
Equity and liabilities			
Equity			
Equity share capital	15	6,052.49	5,420.43
Other equity	15A	5,228.60	2,435.48
Total equity		**11,281.09**	**7,855.91**
Non current liabilities			
Financial liabilities			
(i) Other financial liabilities	16	43.38	135.81
Provisions	17	61.91	24.90
Other liabilities	18	9.63	38.85
Total non-current liabilities		**114.92**	**199.56**
Current liabilities			
Financial liabilities			
(i) Trade payables	19	318.47	711.77
(ii) Other financial liabilities	16	102.91	148.73
Other liabilities	18	20.56	32.62
Provisions	17	601.53	3,375.53
Liability directly associated with asset classified as held for sale		-	941.36
Total current liabilities		**1,043.47**	**5,210.01**
Total liabilities		**1,158.39**	**5,409.57**
Total equity and liabilities		**12,439.48**	**13,265.48**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

(Amount in Rs. Lakhs)

	Note	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Income			
Revenue from operations	20	-	15,472.24
Other income	21	778.50	1,617.72
Total income		**778.50**	**17,089.96**
Expenses			
Purchase of stock in trade	22	-	15,165.19
Changes in inventories of stock in trade	23	0.20	1.71
Employee benefit expenses	24	269.03	268.35
Finance cost	25	12.63	19.46
Depreciation and amortisation expenses	26	494.32	696.75
Other expenses	27	1,177.04	1,248.31
Total expenses		**1,953.22**	**17,399.77**
(Loss) before exceptional items and tax		**(1,174.72)**	**(309.81)**
Exceptional items	28	(807.89)	8,453.93
(Loss) before tax		**(366.83)**	**(8,763.74)**
Tax expense:			
Current tax adjustments for earlier years		-	(13.34)
(Loss) for the year		**(366.83)**	**(8,750.40)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit & loss			
Remeasurements of net defined benefit liability/asset	29	2.87	3.19
Total comprehensive income for the year [comprising (loss) and other comprehensive Income for the year]		**(363.96)**	**(8,747.21)**
Earnings per equity share (nominal value of share Rs. 3/-)			
(1) Basic (Rs)	30	(0.16)	(3.84)
(2) Diluted (Rs)		(0.16)	(3.84)
The accompanying notes form an integral part of the standalone financial statements			

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

DiGiSPICE

STATEMENT OF CASH FLOW

for the year ended 31 March 2018

(Amount in Rs. lakhs)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows used in operating activities			
(Loss) before tax		**(366.83)**	**(8,763.75)**
- Exceptional items			
- Provision/ (reversed)/made in the value of non-current investments in a subsidiary company	28	(400.00)	7,735.00
- Provision for liability payout of subsidiary	28	600.00	3,350.00
- (Reversal of provision) for doubtful loans, debts and advances of subsidiary Companies	28	-	(2,631.07)
- Doubtful debts & advances written off	28	325.99	-
- Re-measurement gain/(loss) on defined benefit obligation recognised as OCI	29	-	3.19
- Interest expense	25	12.63	19.46
- Depreciation and amortisation expenses	26	494.32	696.75
- Loss on disposal of property, plant & equipment (net)	28	380.00	4.24
- Profit on sale of investment property	21	-	(237.28)
- Profit on sale of non-current investment	28	(1,713.88)	(21.82)
Interest income	21	(46.20)	(391.34)
- Unclaimed liabilities written back	21	(18.13)	-
- Loss on sale of non-current investment	27	-	10.76
- Provision for doubtful advances	27	-	113.74
Operating (loss) before working capital changes		**(732.10)**	**(112.12)**
Working capital adjustments:			
Decrease in inventories		0.20	1.71
Decrease in trade receivables		7.13	821.29
(Increase)/Decrease in non-current Loans and other assets		(17.50)	2.32
(Increase)/Decrease in current Loans		(23.07)	2.57
Decrease/(Increase) in other current and financial assets		25.20	(139.92)
(Decrease) in other non-current liabilities		(134.28)	(57.94)
(Decrease) in other current liabilities		(45.94)	(25.09)
(Decrease) in current trade payables		(375.16)	(780.74)
Increase in non-current provisions		37.01	21.09
(Decrease) in current provisions		(24.00)	(16.89)
Cash (used in) operations		**(1,282.51)**	**(283.71)**
Direct taxes paid		(90.44)	924.54
Net cash (used in)/from operating activities	**(A)**	**(1,372.95)**	**640.83**
Cash flows from/(used in) investing activities			
Purchase of property, plant & equipment		(5.09)	(11.91)
Proceeds from sale of property, plant & equipment /investment property		2,255.33	1,035.72
Investment in subsidiaries (including share application money)		(6,340.69)	(7,744.78)
Provision for liability payout of step down subsidiary company paid during the year		(2,950.00)	-
Sale of non-current investments		5,335.65	1,145.53
Advance against sale of investment in a subsidiary		-	941.36
Receipt from Employee benefit trust against loan repayment		342.00	

STATEMENT OF CASH FLOW

for the year ended March 31, 2017

(Amount in Rs. lakhs)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Receipt from Indpendent non promoter trust against sale of shares		3,450.00	-
Loans repaid by bodies corporate		-	1,508.49
Interest received		60.56	500.30
Redemption in fixed deposits		249.09	15,023.33
Investment in fixed deposits *		(220.60)	(13,329.78)
Net cash from/(used in) investing activities	**(B)**	**2,176.25**	**(931.74)**
Cash flow from/(used in) financing activities			
Repayment of non-current borrowings		-	(20.32)
Interest paid		-	(19.46)
Net cash (used in) financing activities	**(C)**	**-**	**(39.78)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)		803.30	(330.69)
Cash and cash equivalents at the beginning of the year		170.45	501.15
Cash and cash equivalents at the end of the year		**973.75**	**170.46**
Components of cash and cash equivalents			
Balance with banks on current accounts		350.09	170.32
Cash on hand		0.17	0.13
Deposits with original maturity of less than three months [excludes deposits under pledge of Rs 125.00 lakh (previous year : Nil)]		623.49	-
Total cash and cash equivalents (note 13)		**973.75**	**170.45**

* Includes 125 lakh of fixed deposit under lien included in cash & cash equivalents

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

DiGiSPICE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A : Equity share capital

	Number of shares	(Amount in Rs Lakhs)
Balance as at 01 April 2016	**227,863,982**	**5,419.83**
Change in equity share capital during the year		
Movement in share capital due to sale of shares by trust	#	0.60
Balance as at 31 March 2017	**227,863,982**	**5,420.43**
Change in equity share capital during the year		
Movement in share capital due to sale of shares by trust	#	632.06
Balance as at 31 March 2018	**227,863,982**	**6,052.49**

B : Other equity

Amount in Rs. Lakhs

Particulars	Trust Shares (Refer note 42)	Capital Redemption Reserve*	General Reserve	Retained Earnings	Total
Balance as at 01 April 2016	**(3,013.89)**	**306.66**	**41,083.55**	**(27,193.03)**	**11,183.29**
Total comprehensive income for the year ended 31 March 2017					
(Loss) for the year	-	-	-	(8,750.40)	(8,750.40)
Remeasurement gain on defined employee benefit plan	-	-	-	3.19	3.19
Total comprehensive income for the year	**-**	**-**	**-**	**(8,747.21)**	**(8,747.21)**
Sale of shares by trust	(0.60)				(0.60)
Transferred from / to retained earnings	-	-	(35,940.23)	35,940.23	-
Balance as at 31 March 2017	**(3,014.49)**	**306.66**	**5,143.32**	**-**	**2,435.48**
Total comprehensive income for the year ended 31 March 2018					
(Loss) for the year	-	-	-	(366.83)	(366.83)
Other comprehensive income (net of tax)					
Remeasurement gain on defined employee benefit plan	-	-	-	2.87	2.87
Total comprehensive income for the year	-	-	-	**(363.96)**	**(363.96)**
Adjustments relating to sale of shares by Trust	3,157.07	-	-	-	3,157.07
Balance as at 31 March 2018	**142.58**	**306.66**	**5,143.32**	**(363.96)**	**5,228.60**

*Created upon cancellation of shares pursuant to buy back

During the year Employee Benfit Trust has sold 1,700,335 equity shares (March 2017 : Nil) face value of Rs 3 each and Independent non Promoter trust has sold 19,368,439 equity shares (March 2017 : 20000) face value of Rs 3 each

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

1. Corporate information

Spice Mobility Ltd ("the Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The Company was primarily engaged in the trading of mobile handsets and through its subsidiaries, in trading of IT products, mobile handsets and their accessories and the information and communication technology business providing value added services to the telecom operators.

The registered office of the Company is situated at 622, 6th Floor, DLF Tower A, Jasola Distt Centre, New Delhi – 110025 .

These financial statements were approved by the Board of Directors of the Company in their meeting held on May 17, 2018.

2. Summary of Significant accounting policies

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 .

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Rs. and all values are rounded to the nearest thousand (Rs. 000), except when otherwise indicated.

2.1 Summary of significant accounting policies

A. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B. Foreign currencies

The Company's financial statements are presented in Rs., which is also Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

C. Fair value measurement

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability; or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Company decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

D. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

For all debts instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties and leasehold improvements is accounted for on a straight-line basis over the lease terms unless the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

E. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India, where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

F. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets and disposal group as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal group), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

G. Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant & equipment, as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015 .

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Useful Life (estimated by management)
Plant and equipment	15 years
Leasehold improvements	Lower of 2 to 9 years or useful life
Furniture and fittings	10 years
Office equipment's	5 years
Computers (excluding servers)	3 years
Servers	6 years
Vehicles	8 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lifes and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

H. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates building component of investment property over 60 years from the date of original purchase. Furniture & fixture and office equipment, which form part of investment property are depreciated at useful life mentioned in para G.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

The residual values, useful lives and method of depreciation of investment properties are reviewed at each financial year end and adjusted prospectively , if appropriate.

I. Intangible assets

Intangible assets (software) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised on straight line basis over the useful economic life (not exceeding six years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

J. Investment in subsidiaries

Investment in subsidiaries are measured initially at costs. Subsequent to initial recognition, investment in subsidiaries are stated at cost less impairment loss, if any.

Investment in subsidiaries are derecognised when they are sold or transferred. The difference between the net proceeds on sales and the carrying amount of the asset is recognised in profit or loss in the year of derecognition.

K. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that retains substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

L. Inventories

Inventories comprises of trading goods which are valued at the lower of cost and net realisable value.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

M. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for assets is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

N. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

O. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The liability as at the year end represents the difference between the actuarial valuation of the gratuity liability of continuing employees and the fair value of the plan assets with the Life Insurance Corporation of India (LIC) as at the end of the year. During the year 2017, Company has fully used funds for gratuity plan. During current year, the Company has not invested any amount in plan assets with the any fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose & such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and

- Net interest expense or income

P. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1) Debt instruments at amortised cost
2) Debt instruments at fair value through other comprehensive income (FVTOCI)
3) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Company has categorised financial assets under category 1 & 3 and don't hold any assets under category 2 & 4.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer note 12.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments in subsidiary companies are carried at cost for impairment testing.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

  (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and all other financial assets with no significant financing component is measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured for specific assets. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information (refer note 16)

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

Q. Trust Shares as per Scheme of Amalgamation (refer note 42)

In pursuance to a Scheme of Amalgamation following trusts were created:

- Independent Non-Promoter Trust ("NPT')
- Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT')

EBT holds equity shares of the Company for the benefit of the employees of the Company, its associates and subsidiaries and NPT holds equity shares for the benefit of the Company. Considering conservative interpretation of Ind AS 32, number of equity shares held by the NPT and EBT are reduced from total number of issued equity shares.

Equity shares that are held by two trusts are recognised at cost and deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

R. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

Recent accounting pronouncements

Ind AS 115, Revenue from Contract with Customers:-

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised.

It replaces existing revenue recognition guidance, including Ind AS 18 *Revenue*, Ind AS 11 *Construction Contracts* and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company has completed its preliminary evaluation of the possible impact of Ind AS 115. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company does not expect the impact of the adoption of the new standard to be material.

Ind AS 21:- The effect of changes in foreign exchange rates:-

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The appendix explains that the date of transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.

The amendment will come into force from April 1, 2018. The Company has preliminary evaluated the effect of this on the financial statements and the impact is not material.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

3 Property, plant and equipment

A Reconciliation of carrying amount

(Amount in Rs. lakhs)

Particulars	Leasehold improvement	Plant and machinery	Office equipments	Furniture and fittings	Computers	Vehicle	Total (A)	Capital Work in Progress (B)	Total (A+B)
Gross carrying value									
Balance as at 01 April 2016	**1,671.82**	**374.08**	**208.68**	**233.88**	**73.20**	**108.53**	**2,670.19**	**1.35**	**2,671.54**
Additions for the year	1.13	-	2.97	-	-	-	4.10	(1.35)	2.75
Disposals	-	-	0.31	-	-	36.94	37.25	-	37.25
Balance as at 31 March 2017	**1,672.95**	**374.08**	**211.34**	**233.88**	**73.20**	**71.59**	**2,637.04**	**-**	**2,637.04**
Additions for the year	-	-	6.19	-	0.38	-	6.57	-	6.57
Disposals	-	-	-	-	-	-	-		-
Balance as at 31 March 2018	**1,672.95**	**374.08**	**217.53**	**233.88**	**73.58**	**71.59**	**2,643.61**	**-**	**2,643.61**
Accumulated depreciation									
Balance as at 01 April 2016	**322.42**	**33.49**	**157.65**	**36.87**	**31.71**	**28.66**	**610.80**	**-**	**610.80**
Depreciation for the year	324.12	33.49	35.04	37.51	27.59	24.35	482.10	-	482.10
Disposals	-	-	0.31	-	-	6.02	6.33	-	6.33
Balance as at 31 March 2017	**646.54**	**66.98**	**192.38**	**74.38**	**59.30**	**46.99**	**1,086.57**	**-**	**1,086.57**
Depreciation for the year	324.09	33.49	8.17	36.66	7.17	14.68	424.26		424.26
Balance as at 31 March 2018	**970.63**	**100.47**	**200.55**	**111.04**	**66.47**	**61.67**	**1,510.83**		**1,510.83**
Net carrying amount							-		
Balance as at 31 March 2017	1,026.41	307.10	18.96	159.50	13.90	24.60	1,550.47	-	1,550.47
Balance as at 31 March 2018	702.32	273.61	16.98	122.84	7.11	9.92	1,132.78	-	1,132.78

B Assets given below are given on operating lease:

(Amount in Rs. lakhs)

Particulars	Gross carrying amount			Depreciation		Accumulated depreciation		Net carrying amount	
	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Furniture & fixture	233.88	233.88	233.88	36.66	37.51	111.04	74.38	122.84	159.50
Leasehold improvement	1,672.95	1,672.95	1,671.82	324.09	324.12	970.63	646.54	702.32	1,026.41
Office equipment	217.53	211.34	208.68	8.17	35.04	200.55	192.38	16.98	18.96
Plant & machinery	374.08	374.08	374.08	33.49	33.49	100.47	66.98	273.61	307.10
Total	**2,498.44**	**2,492.25**	**2,488.46**	**402.41**	**430.16**	**1,382.69**	**980.28**	**1,115.75**	**1,511.97**

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

4 Investment Property

A Reconciliation of carrying amount

(Amount in Rs. lakhs)

Particulars	Free hold land	Building	Office Equipments	Furniture and Fittings	Total
Gross carrying amount					
Balance as at 01 April 2016	**-**	**4,713.80**	**76.59**	**57.69**	**4,848.08**
Transferred from held for sale*	8.00	92.72	2.08		102.80
Additions	-	11.68	1.31	-	12.99
Disposals	-	773.95	0.63	23.93	798.51
Balance as at 31 March 2017	**8.00**	**4,044.25**	**79.35**	**33.76**	**4,165.36**
Disposals		2,900.30		21.61	2,921.91
Balance as at 31 March 2018	**8.00**	**1,143.95**	**79.35**	**12.15**	**1,243.45**
Accumulated depreciation					
Balance as at 01 April 2016	-	**81.71**	**48.94**	**7.37**	**138.02**
Depreciation for the year	-	173.33	26.56	7.24	207.13
Disposals	-	22.37	0.22	4.15	26.74
Balance as at 31 March 2017	-	**232.67**	**75.28**	**10.46**	**318.41**
Depreciation for the year	-	54.92	**-**	4.48	59.40
Disposals		275.29		11.30	286.59
Balance as at 31 March 2018	-	**12.30**	**75.28**	**3.64**	**91.22**
Net carrying amount					
Balance as at 31 March 2017	8.00	3,811.58	4.07	23.30	3,846.95
Balance as at 31 March 2018	8.00	1,131.65	4.07	8.51	1,152.23

* Previous year, the Company has transferred assets held for sale of carrying value of Rs. 102.80 lakhs to investment property.

B Information regarding income and expenditure of Investment property

The Company's investment properties as on consist of one office property and one factory land & building in India. During the year one office property was sold.

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Rental income derived from investment properties	253.52	386.99
Direct operating expenses (including repairs and maintenance) generating rental income	-	11.87
Direct operating expenses (including repairs and maintenance) that did not generate rental income	9.90	17.39
Profit arising from investment properties before depreciation and indirect expenses	**243.62**	**357.73**
Less - depreciation during the year	59.40	207.13
Profit arising from investment properties before indirect expenses	**184.22**	**150.60**

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

C Measurement of fair value

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all the investment property has been categorised as a level 3 fair value based on the inputs to the valuation techniques used (refer note 2C), fair value hierarchy disclosures for investment properties have been provided in note 37.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

D Reconciliation of fair value:

(Amount in lakhs)

Opening balance as at 01April 2016	**5,101.57**
Fair value difference	128.62
Transfer from held for sale	1,290.00
Sales	977.00
At 31 March 2017	**5,543.19**
Fair value difference	(852.19)
Sales	2,311.00
At 31 March 2018	**2,380.00**

E Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	Valuation technique	Significant unobservable Inputs	Area	Range	
				31-Mar-18	31-Mar-17
Office properties					
- Bangalore	Market Approach	Reference pricing	6380 sq ft (built up area)	-	Sold during the year
- Kolkata	Market Approach	Reference pricing	14689 sq ft (built up area)	Rs. 6,500 per sqft	Rs. 6,400 per sqft
- Rampur Land	Market Approach	Reference pricing	land area 6 acre	Rs. 155 Lakhs-165 Lakhs per acre	Rs. 156 Lakhs-165 Lakhs per acre
- Rampur Building	Depreciated Replacement Cost		37405 sq ft (built up area)	Rs 265 Lakhs	Rs 330 Lakhs
- Mumbai	Market Approach	Reference pricing	13546 sq ft (carpet area)	Sold during the year	Rs 13,723 per sqft

The market approach uses prices and other relevant information generated by market transactions involving identical or complete assets. Valuation techniques consistent with the market approach often use market multiples derived from a set of comparables. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors specific to the measurement.

5 Intangible assets

A Reconciliation of carrying amount (Amount in lakhs)

Particulars	Software	Intangible asset under development	Total
Gross carrying amount			
Balance as at 01 April 2016	**28.37**	**4.20**	**32.57**
Transfer	4.20	(4.20)	0.00
Balance as at 31 March 2017	32.57	-	32.57
Additions	-	-	-
Balance as at 31 March 2018	32.57	-	32.57
Accumulated amortisation			-
Balance as at 01 April 2016	**7.15**	**-**	**7.15**
Amortisation for the year	7.52	-	7.52
Balance as at 31 March 2017	**14.67**	**-**	**14.67**
Amortisation for the year	10.66	-	10.66
Balance as at 31 March 2018	**25.33**	**-**	**25.33**

Net carrying amount			
Balance as at 31 March 2017	17.90	-	17.90
Balance as at 31 March 2018	7.24	-	7.24

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

6 Investments

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Investment in equity instrument of subsidiaries (unquoted) at cost		
Carried at cost, unless otherwise stated		
Spice Digital Limited		
43,339,475(31 March 2017: 35,470,674) equity shares of Rs.10 each fully paid up	7,230.42	889.74
Hindustan Retail Private Limited		
422,380,000 (31 March 2017: 382,980,000) equity shares of Rs.10 each fully paid up	42,238.00	38,298.00
'(at cost less impairment in value Rs. 4,223,800 thousand (31 March 2017: Rs. 3,829,782))		
Kimaan Exports Private Limited		
Nil (31 March 2017: 20,000) equity shares of Rs.10 each fully paid up	-	4,562.12
Less : Transferred to held for sale	-	(4,562.12)
	-	-
S Mobility (HK) Limited		
10,000 (31 March 2017: 10,000) equity shares of HKD 1 each fully paid up	0.64	0.64
Omniventures Private Limited		
Nil (31 March 2017: 10,000) equity shares of Rs.10 each fully paid up	-	1.00
Spice IOT Solutions Private Limited		
10,000 (31 March 2017: 10,000) equity shares of Rs.10 each fully paid up	1.00	1.00
	49,470.06	**39,190.38**
Less:- Provision for dimunition / impairment in investment of Hindustan Retail Private Limited	42,238.00	38,298.00
	7,232.06	**892.38**
Investment in equity instruments (unquoted) at FVTPL		
S Mobile Devices Limited		
50,000 (31 March 2017: 50,000) equity shares of Rs.10 each fully paid up	5.00	5.00
Government and trust securities (unquoted) at FVTPL		
5 (31 March 2017: 5) National Saving Certificates of Rs.10,000 each (Purchased in the name of an employee of the Company and pledged with sales tax department)	0.50	0.50
Total investments	**7,237.56**	**897.88**

	As at 31 March 2018	As at 31 March 2017
Aggregate amount of unquoted investments	7,237.56	897.88
Aggregate amount of dimunition / impairment in value of investments	42,238.00	38,298.00

Impairment of unquoted investments

In the current year, the Company has identified an impairment of Rs. 2,950 lakh (31 March 2017: 6,740) in respect of further investments made in a subsidiary (Hindustan Retail Private Limited) during the year as the net worth of said company has fully eroded. The impairment loss has been recognised as exceptional items (refer note 28). The investment made till March 31, 2017 in same subsidiary was already impaired in earlier years.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

7 Loans -financial asset

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good				
Security deposits to related party (refer note 34)	79.82	71.91	-	-
Security deposits-others	8.92	5.16	-	-
Loans to employees	-	0.69	0.68	2.69
Advances recoverable in cash or kind (refer note 34)	-	-	125.08	100.00
	88.74	**77.76**	**125.76**	**102.69**
Unsecured, considered doubtful				
Security deposits	-	-	2.10	2.10
Advances recoverable in cash or kind	-	-	4.92	4.90
			7.02	7.00
Allowances for bad and doubtful				
Security deposits	-	-	2.10	2.10
Advances recoverable in cash or kind	-	-	4.92	4.90
	-	-	7.02	7.00
Total loans	**88.74**	**77.76**	**125.76**	**102.69**

Security deposits to related parties and loans to employees are non-derivative financial assets which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

8 Other financial assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Security deposit			0.75	0.75
Interest accrued on fixed deposits			5.10	5.62
Interest accrued on loan to employees and others	-	-	-	21.84
Rent and other receivable from related parties (refer note 34)	-	-	103.27	173.82
Rent and other receivables from others	-	-	10.17	1.14
			119.29	**203.17**
Doubtful				
Share application money to related party*	-	990.00	-	-
Interest accrued on loan to related parties (refer note 34)	-	-	20.38	20.38
Rent and other receivables - from related parties (refer note 34)	-	-	96.73	101.61
Other receivables - from others	-	-	22.22	17.34
	-	990.00	139.33	139.33
Allowances for bad and doubtful				
Interest accrued on loan to related parties (refer note 34)	-	-	20.38	20.38
Rent and other receivables - from related parties (refer note 34)	-	-	96.73	101.61
Other receivables - from others	-	-	22.22	17.34
Provision for impairment in value of share application money to related party	-	990.00	-	-
	-	990.00	139.33	139.33
Total other financial assets	-	-	**119.29**	**203.17**

* In the previous year, the Company had paid Rs.990 lakh for investment in equity shares of a subsidiary. The shares are allotted in current year but the Company had identified impairment of Rs.990 lakh in previous year itself for the investment made as the net worth of said company was fully eroded. The impairment loss had been identified as exceptional an item (refer note 28).

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

9 Income tax assets (net)

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Advance income-tax	1,070.21	979.77
Total income tax assets (net)	**1,070.21**	**979.77**

10 Other assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Prepaid rent to related party (Refer note 34)	7.90	14.66	6.77	6.77
Prepaid rent to others	2.52	-	0.54	-
Balances with statutory / government authorities	38.77	20.00	102.90	78.09
Prepaid expenses	-	-	15.28	16.82
Advance to suppliers	-	-	3.54	14.60
Total other assets	**49.19**	**34.66**	**129.03**	**116.28**

11 Inventories

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Traded goods	-	0.20
Total inventory at lower of cost or net realisable value	**-**	**0.20**

The Company did not hold any inventory during the year except the opening inventory which was disposed off during the year.

12 Trade receivables

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good from a related party (Refer note 34)	-	309.56
Considered doubtful from related parties (Refer note 34)	3,681.71	3,682.03
	3,681.71	**3,991.59**
Less :Allowance for doubtful debts from related parties	3,681.71	3,682.03
	-	309.56
Total trade receivables	**-**	**309.56**

Trade or other receivable are not due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 34.

13 Cash and cash equivalents

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents		
Balance with banks on current accounts	350.09	170.32
Cash on hand	0.17	0.13
Deposits with original maturity of less than three months*	748.49	-
Total cash and cash equivalents	**1,098.75**	**170.45**

*The Company has pledged its fixed deposit of Rs 125.00 lakh (31st March 2017 :Nil) in respect of the bill discounting/overdraft facility taken by step down subsidiary company (refer note 33c for further details).

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

14 Bank balances other than above in note 13

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Unclaimed dividend accounts	45.97	59.40
Deposit with remaining maturity for less than 12 months	107.73	249.09
Margin money deposits#	75.00	87.13
Total bank balances other than above in note 13	**228.70**	**395.62**

#The Company has pledged its fixed deposit of Rs 75 lakh (31st March 2017 :Rs 12.13 lakh) in respect of the bank guarantee taken by a step down subsidiary company (refer note 33c for further details).

Balance with banks on current account does not earn interest. Deposit with banks earns interest at fixed rates based on bank deposit rates for the tenor of deposit at the time of placing the deposit. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

15 Equity share capital

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Authorized		
330,000,000 (31 March 2017: 330,000,000) equity shares of Rs. 3 each	9,900.00	9,900.00
Issued, subscribed and fully paid-up		
227,863,982 (31 March 2017: 227,863,982) equity shares of Rs. 3 each	6,835.92	6,835.92
Less: Equity share held by Independent Non-Promoter(Spice Employee Benefit) Trust / Independent Non-Promoters Trust (number of shares of 26,114,193 (March 31, 2017 :47,182,967, transferred to the trust pursuant to Amalgamation) (refer note 42)	(783.43)	(1,415.49)
	6,052.49	5,420.43

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Nos.	Amount
Outstanding as at 31st Mar'17	227,863,982	6,835.92
Outstanding as at 31st Mar'18	227,863,982	6,835.92

(b) Terms / rights attached to equity shares

- The Company has single class of equity shares having a par value of Rs 3 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

In winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Holding Company		
Spice Connect Private Limited, the holding company		
169,447,570 (31 March 2017: 169,447,570) equity shares of Rs. 3 each fully paid	5,083.43	5,083.43

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 3 each fully paid				
Spice Connect Private Limited (formerly Smart Ventures Private Limited), the holding company	**169,447,570**	**74.36%**	169,447,570	74.36%
Mediatek India Technology Private Limited	**19,368,439**	**8.50%**	-	-
Independent Non Promoter Trust	**15,912,776**	**6.98%**	35,281,215	15.48%
Independent Non Promoter (Spice Employee Benefit) Trust*	**-**	**-**	11,901,752	5.22%

*During the year, the holding of the said trust has gone below 5%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

15A Other equity **(Amount in Rs. lakhs)**

Particulars	As at 31 March 2018	As at 31 March 2017
Capital redemption reserve	306.66	306.66
General reserve	5,143.32	5,143.32
Retained earnings	(363.96)	(0.00)
Trust shares reserve (refer note 42)	142.58	(3,014.49)
Total	**5,228.60**	**2,435.48**
a) Capital Redemption Reserve	306.66	306.66
b) General Reserve		
Opening Balance	**5,143.32**	**41,083.55**
Transferred to retained earning	-	(35,940.23)
Closing Balance	**5,143.32**	**5,143.32**
c) Retained Earnings		
Opening Balance	**(0.00)**	**(27,193.03)**
Loss during the year	(366.83)	(8,750.40)
Other Comprehensive Income for the year		
- Remeasurement gain on defined employee benefit plan	2.87	3.19
Transferred from general reserve	-	35,940.23
Closing Balance	**(363.96)**	**(0.00)**
d) Trust shares reserve (refer note 42)		
Opening balance	**(3,014.49)**	**(3,013.89)**
Adjustments relating to sale of shares by Trust	3,157.07	(0.60)
Closing Balance	**142.58**	**(3,014.49)**
	5,228.60	**2,435.48**

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

Description of nature and purpose of each component of Other equity

- Capital redemption reserve has been created upon cancellation of shares pursuant to buy back
- General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes.
- Retained earnings represents net earnings not paid out as dividends, but retained by the Company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.

16 Other financial liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2018**	**As at 31 March 2017**
Security deposits	43.38	135.81		
Creditor for capital goods	-	-	4.36	2.87
Unclaimed dividends	-	-	45.97	59.40
Employee related liabilities (includes salary payable and variable compensation)				
- to related parties (refer note 34)	-	-	22.63	5.62
- to employees	-	-	29.95	80.84
Total other financial liabilities	**43.38**	**135.81**	**102.91**	**148.73**

17 Provisions

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2018**	**As at 31 March 2017**
Provision for employee benefit				
Gratuity (refer note 32)	33.06	24.90	0.39	0.52
Compensated absences	28.85	-	1.14	25.01
Other provisions				
Provision for liability payout of step down subsidiary Company (refer note 34)	-	-	600.00	3,350.00
Total provisions	**61.91**	**24.90**	**601.53**	**3,375.53**

*Company has provided for Rs. 600 (previous year Rs 3,350) lakh towards expected liability against the net obligation of a step down subsidiary Company (refer note 33C).

*The current year amount pertain to Hotspot Sales & Solutions Private Limited which was step down subsidiary till 12 February 2018.

(Amount in Rs. Lakhs)

Movement of other provision:	**As at 31 March 2018**	**As at 31 March 2017**
At the beginning of the year	3,350.00	-
Paid during the year	(2,950.00)	-
Created during the year	600.00	3,350.00
Reversed during the year	(400.00)	-
At the end of the year	**600.00**	**3,350.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

18 Other liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Rent received in advance	9.63	38.85	5.08	16.00
Statutory dues payable				
Employee statutory deductions			1.42	1.37
TDS payable			12.79	15.23
Indirect taxes and duties payable			1.27	0.02
Total other liabilities	**9.63**	**38.85**	**20.56**	**32.62**

19 Trade payables

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Total outstanding from micro and small medium enterprises (refer note 46)	-	-
Trade payable	88.85	113.67
Trade payable to related parties (refer note 34)	229.62	598.10
Total trade payables	**318.47**	**711.77**

20 Revenue from operation

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Traded goods	-	15,472.24
Total revenue from operations	**-**	**15,472.24**

21 Other income

(Amount in Rs. Lakhs)

		For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
a	Interest received on financial assets -carried at amortised cost		
	On bank deposits	33.76	147.56
	On loan to an employee and bodies corporate	4.43	89.54
	On others	8.01	7.13
b	Profit on sale of Investments		
	Profit on sale of Investments in equity at fair value through profit or loss	-	21.82
c	Other non operating income		
	Interest on income tax refund	-	147.11
	Rent Received	611.37	843.28
	Unclaimed liablilities written back	18.13	-
	Profit on sale of Investment property	-	237.29
	Maintenance recovery charges	70.70	72.03
	Miscellaneous income	32.10	51.96
	Total other income	**778.50**	**1,617.72**

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

22 Purchase of stock in trade

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Mobile handsets	-	15,165.19
Total purchase of stock in trade	**-**	**15,165.19**

23 Changes in inventories of stock in trade

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Inventories at the end of the year		
Traded goods	-	0.20
Inventories at the begining of the year		
Traded goods	0.20	1.91
Net decrease in inventories of stock in trade	**0.20**	**1.71**

24 Employee benefit expenses

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Salaries, wages and bonus	221.48	223.97
Contribution to provident fund and other funds	8.49	7.79
Leave encashment expenses	6.46	9.01
Gratuity expense (refer note no 32)	10.90	6.27
Staff welfare expenses	21.70	21.31
Total employee benefit expenses	**269.03**	**268.35**

25 Finance cost

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Interest expense on financial liabilities carried at amortised cost	12.63	19.46
Total finance cost	**12.63**	**19.46**

26 Depreciation and amortisation expenses

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Depreciation of tangible assets	424.26	482.10
Amortisation of intangible assets	10.66	7.52
Depreciation of investment property	59.40	207.13
Total depreciation and amortisation expenses	**494.32**	**696.75**

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

27 Other expenses

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Electricity charges	141.18	157.28
Loss on foreign exchange fluctuations	0.05	0.54
Rent	327.91	315.80
Rates and taxes	41.60	24.09
Insurance	17.50	19.74
Repairs		
-Buildings	48.52	41.56
-Others	64.00	86.74
Advertising and sales promotion	11.21	8.29
Loss on disposal of Property, plant & equipment (net)	-	4.24
Travelling and conveyance	83.60	85.55
Communication costs	13.66	21.82
Printing and stationery	11.78	6.19
Legal and professional fees	247.08	146.68
Payment to statutory auditors (refer note A below)	17.33	42.52
Directors' sitting fee	9.63	8.34
Loss on sale of non-current investment in a subsidiary Company	-	10.76
Provision for doubtful advances	-	113.74
Security and housekeeping expenses	83.90	98.16
Bank charges	0.32	0.52
Brokerage charges	1.14	2.32
Miscellaneous expenses	56.63	53.43
Total other expenses	**1,177.04**	**1,248.31**

A. Payment to Statutory Auditors

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Statutory audit fees	3.00	15.70
Tax audit fees	1.00	2.91
Limited reviews*	8.50	20.38
Other services (certification fees)	2.50	1.02
Reimbursement of expenses	2.33	2.51
	17.33	**42.52**

*Include limited reviews fees of Rs 5.50 lakh paid to erstwhile auditors.

28 Exceptional items

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Reversal of provision for doubtful loans, debts and advances of subsidiary companies	-	(2,631.07)
Bad debts and advances written off	325.99	
Loss on sale of investment property	380.00	
Provision for liability payout of subsidiary (refer note 33D)	600.00	3,350.00
Profit on sale of shares to subsidiary company	(1,713.88)	-
Provision reversed / made for impairment in the value of long term investments / share application money to a subsidiary company	(400.00)	7,735.00
Total exceptional items	**(807.89)**	**8,453.93**

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

29 Items that will not be reclassified to Profit and Loss

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
Remeasurements of net defined benefit liability/asset	2.87	3.19
Total items that will not be reclassified to Profit and Loss	**2.87**	**3.19**

30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the (loss) for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the (loss) attributable to equity holders (after adjusting impact on profit of dilutive potential equity shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2018	For the year ended 31 Mar 2017
(Loss) attributable to equity holders of the Company	(366.83)	(8,750.40)
Weighted average (net) number of equity shares in calculating basic and diluted EPS	**2,278,639.82**	**2,278,639.82**
Basic and diluted earning per share of Rs 3 each (in Rs.)	(0.16)	(3.84)

31. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has carried forward tax losses .These losses expire in 8 years and may not be used to offset taxable income elsewhere in the Company. The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Fair Value measurement of financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future, salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 32.

Useful lives of depreciable assets

The management estimates the useful lives and the residual value of depreciable assets based on technical evaluation. These assumptions are reviewed at each reporting date.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Investment in equity instruments of subsidiary companies

During the year, the Company assessed the investment in equity instrument of subsidiary companies carried at cost for impairment testing. The Company has assessed and recorded the provision of impairment on one of its subsidiary Company (refer note 6). Detailed analysis has been carried out on the future projections and the Company is confident that the other investments do not require any impairment.

32. Gratuity (defined benefit obligation)

	As at 31 March 2018	As at 31 March 2017
	Rs. 'lakhs	Rs. 'lakhs
Gratuity	33.45	25.42

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The level of benefits provided depends on the member's length of service and salary at the time of departure. The gratuity plan is unfunded.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the defined benefit obligation recognised in the balance sheet for the plans:

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

Amounts recognized in statement of profit and loss in respect of this defined benefit plan are as follows :-

	Gratuity (unfunded)	
	As at 31 March 2018	As at 31 March 2017
	Rs. 'lakhs	Rs. 'lakhs
Current service cost	5.19	4.58
Interest cost on benefit obligation	1.86	1.69
Past service cost including curtailment losses	3.85	-
Net benefit expense	**10.90**	**6.27**

Movements in the present value of the defined benefit obligation are as follows :-

	Gratuity	
	As at 31 March 2018	As at 31 March 2017
	Rs. 'lakhs	Rs. 'lakhs
Opening defined benefit obligation	**25.42**	**21.12**
Obligation of employee transferred from another company	-	10.00
Current service cost	5.19	4.58
Interest cost	1.86	1.69
Actuarial loss arising from change in demographic Assumption	3.85	-
Expenses recognised in profit and loss statement	**10.90**	**6.27**
Benefits paid*	-	(10.00)
Actuarial (gain)/loss arising from change in financial assumption	(1.47)	0.82
Actuarial (gain)/loss arising from experience adjustment	(1.40)	(2.79)
Total change in defined benefit obligation due to change in actuarial losses/(gains) **recognised in OCI**	**(2.87)**	**(1.97)**
Closing defined benefit obligation	**33.45**	**25.42**

*Amount has been paid directly by the Company.

Changes in the fair value of plan assets are as follows:

	Gratuity	
	As at 31 March 2018	As at 31 March 2017
	Rs. 'lakhs	Rs. 'lakhs
Opening fair value of plan assets	-	13.53
Expected return	-	-
Transferred to another company	-	(14.75)
Fund Management charge		
Actuarial gain /(loss) for the year on Asset recognised in OCI	-	1.22
Closing fair value of plan assets	**-**	**-**

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at 31 March 2018	As at 31 March 2017
	Rs. 'lakhs	Rs. 'lakhs
Discount rate	7.80%	7.35%
Future salary increase	8.00%	8.00%
Retirement age	58 Years	58 Years
Employee turnover		
- Upto 30 years	4.00%	4.00%
- 31-44 years	4.00%	4.00%
- Above 44 years	1.00%	1.00%
Mortality rate	100% of IALM (2006-08)	

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 and as at 31 March 2017 is as shown below::

Particulars	As at 31 March 2018		As at 31 March 2017	
	Rs.'lakhs		Rs.'lakhs	
	Discount rate		Future salary increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(1.55)	1.65	1.64	(1.56)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at 31 March 2018
	Rs.'lakhs
Within next 12 months	0.39
Between 1-5 years	1.87
Between 5-6 years	0.50
Beyond 6 years	30.69
Total expected payments	**33.45**

Particulars	As at 31 March 2017
	Rs.'lakhs
Within next 12 months	0.52
Between 1-5 years	1.75
Between 5-10 years	2.11
Beyond 10 years	21.04
Total expected payments	**25.42**

33. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

An office building has been obtained on operating lease. There is no contingent rent in the lease agreement. The lease term is for 9 years and can be extended on mutual consent of both the parties. There are no restrictions imposed by lease arrangements. There are subleases and all the leases are cancellable in nature. The Company has recognised lease expenses of Rs. 301.71 lakh for the year ended 31 March 2018 (31 March 2017: 288.13 lakh). The Company has recognised sublease rentals of Rs 347.08 lakh for the year ended 31 March 2018 (31 March 2017 : 454.86 lakh).

During the current year, the Company has also obtained one more office building on lease. The lease term is for 6 years and can be extended on mutual consent of both the parties. There is a lock in period for three years. The Company has recognised lease expenses of Rs. 0.96 lakh for the year ended 31 March 2018.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Rs. 'lakhs	Rs. 'lakhs
Within one year	13.70	-
After one year but not more than five years	57.79	-
More than five years	15.94	-
	87.43	-

b. Commitments

The Company has given comfort letter on behalf of two of its step down subsidiary companies, whose net worth has been fully eroded, to provide financial support in the future to enable them to settle their obligation as and when they fall due and operate as a going concern. Company has fully provided possible obligation against the said comfort letter.

Operating lease commitments — Company as lessor

The Company has leased its leasehold improvements at building located in Noida and leased its investment property at Rampur, through a lease agreement. The lease is cancellable and there are no restrictions imposed by the lease agreement and there are no contingent rents. However, maintenance recovery charges pertaining to the non cancellable portion have been included below.

Further, the Company has leased its Building in Kolkata for three years and can be extended by mutual consent of both the parties. The leases are cancellable after the lock in period by either party by serving a notice of at least 3 months. During the company has sold its Mumbai property which was also let out.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2018 Rs. 'lakhs	As at 31 March 2017 Rs. 'lakhs
Within one year	142.81	250.64
After one year but not more than five years	283.80	316.44
More than five years	-	-
	426.61	567.08

c. Contingent liabilities

Claims against the Company not acknowledged as debts

Legal claim contingency

Income tax cases

i) Income tax demands being disputed by the Company are of Rs.672.31 lakh (March 2017, Rs 672.31 lakh).

ii) During the year matter pertaining to AY 2011-12 of Rs. 685.42 lakh has been remanded back to ITAT.

iii) Further in respect of assessment year 2010-11, the Company has received a notice from Income tax authorities wherein income has been enhanced by Rs.753.38 lakh. The effect of the order has not yet been given. The Company has filed an appeal against the said notice. The notice has an income tax impact of Rs.226.88 lakh approximately plus interest.*

Sales tax cases*

i) Sales tax demands being disputed by the Company Rs. 47.44 lakh (March 2017, Rs. 47.42 lakh).*The Company has deposited Rs. 4.74 lakh (March 2017 Rs. 4.74 lakh) under protest and the same has been included in the note of other assets under balances with statutory / government authorities .

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

Excise Cases*

i) Demand raised by the Excise authorities being disputed by the Company Rs. 662.63 lakh (March 2017 Rs. 662.63 lakh). The Company has deposited Rs. 20.00 lakh (March 2017 Rs. 20.00 lakh) under protest and the same has been included in the note of other assets under balances with statutory / government authorities .

*Based on technical/legal advise, the Company has fair chances of success in all these cases and thus chances of liability devolving on the company is not probable and hence no provision in respect thereof has been made in the books.

d. Financial guarantees

i) The Company has given corporate guarantee of Rs 1,000 Lakhs (31 March 2017: Rs 2,600 Lakhs) and pledged fixed deposits of Rs 200 Lakhs (31 March 2017: Rs 175 Lakhs) in respect of bill discounting/bank guarantee/overdraft facility taken by Hotspot Sales & Solutions Private Limited / Spice Online Private Limited (erstwhile subsidiaries of the Company)to the extent of Rs 600 Lakhs outstanding as on 31 March 2018 where the Company is jointly and severally liable . Company has fully provided possible obligation against the said outstanding.

34. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

Entity with significant influence:

Ultimate Holding Company	Smart Global Corporate Holding Private Limited
Holding Company	Spice Connect Private Limited
Subsidiaries including step down subsidiaries	Spice Digital Limited New Spice Sales & Solutions Limited Hindustan Retail Private Limited Kimaan Exports Private Limited Spice Labs Private Limited Cellucom Retail India Private Limited Spice Online Private Limited (till 12 February 2018) Mobisoc Technology Private Limited S Global Services Pte. Ltd Spice VAS (Africa) Pte. Ltd. Spice Digital Nigeria Limited Beoworld SDN. BHD Spice VAS Uganda Limited Spice VAS Kenya Limited S Mobility (HK) Limited S Mobility Pte. Ltd Spice VAS Ghana Limited Spice VAS Zambia Limited Spice Digital South Africa (Pty) Limitted Spice VAS Tanzania Limited Spice Digital Bangladesh Limited S Retail General Trading LLC (till 27 September 2016) S Retail Middle East FZE (till 23 October 2016) PT Spice Digital Indonesia Limited (w.e.f. 07 April 2016) Hotspot Sales & Solutions Private Limited (till 12 February 2018) Omniventures Private Limited (till 13 February 2018) Omnia Pte. Ltd (w.e.f 17 February 2017) Spice (Mauritius) Pvt. Limited (w.e.f. 04 October 2016) Spice VAS RDC Limited (w.e.f. 08 April 2016)

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

	Spice Digital FZCO (w.e.f. 26 March 2017) Spice IOT Solutions Private Limited (w.e.f 29 October 2016) Luharia Technologies Private Limited (w.e.f 01 January 2018)
Fellow subsidiaries	Smart Dream Private Limited Wall Street Finance Limited
Key management personnel (KMP)	Mr. Dilip Modi (Executive Chairman) Mr. Subramanian Murali (Non Executive Director) Mr. Umang Das (Independent Director) Mr. Suman Ghosh Hazra (Independent Director) Mr. Hanif Mohamed Dahya (Independent Director) Ms. Preeti Malhotra-Director(till 21.02.2018) Mr. Madhusudan V- Chief Financial Officer Mr. M R Bothra-Company Secretary

Details of transaction with related parties

Amount in Rs. 'lakhs'

Particulars	Relationship	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of goods			
New Spice Sales & Solutions Limited	Step down subsidiary Company	-	4,589.70
Hotspot Sales & Solutions Private Limited	Step down subsidiary Company	-	10,882.54
Interest income			
New Spice Sales & Solutions Limited	Step down subsidiary Company	-	78.21
Remuneration (short-term employee benefits)			
Mr. Madhusudan V.	Chief financing officer	59.88	61.91
Mr. M R Bothra	Company secretary	38.26	36.24
Security received			
Smart Dreams Private Ltd.	Fellow Subsidiary	4.80	-
Security received			
Kimaan Exports Private Limited	Subsidiary / Step down subsidiary Company	-	1.00
Spice Digital Limited	Subsidiary Company	1.00	-
Omniventures Private Limited	Subsidiary Company	3.00	-
Security paid			
Spice Digital Limited	Subsidiary Company	1.00	-
Omniventures Private Limited	Subsidiary Company	3.00	-
Kimaan Exports Private Limited	Subsidiary / Step down subsidiary Company	-	1.00
Miscellaneous expenses			
Spice Digital Limited	Subsidiary Company	9.88	10.17
Wall Street Finance Limited	Fellow Subsidiary	2.84	5.96

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

Amount in Rs. 'lakhs'

Particulars	Relationship	For the year ended 31 March 2018	For the year ended 31 March 2017
Provision in the value of investment/share application money/Provision for doubtful debts/ advances			
Hindustan Retail Private Limited	Subsidiary Company	-	7,735.00
New Spice Sales & Solutions Limited	Step down subsidiary Company	-	(2,522.22)
Plus Paper Foodpac Limited	Fellow Subsidiary	-	4.88
Rent expense			
Kimaan Exports Private Limited	Subsidiary / Step down subsidiary Company	301.71	288.13
Rent income			
Spice Connect Private Limited	Holding Company	10.08	10.00
Spice Digital Limited	Subsidiary Company	202.44	214.60
Mobisoc Technology Private Limited	Step down subsidiary Company	3.50	51.24
New Spice Sales & Solutions Limited	Step down subsidiary Company	-	90.77
Hotspot Sales & Solutions Private Limited	Step down subsidiary Company	78.64	77.71
Spice Labs Private Limited	Step down subsidiary Company	52.43	2.94
Spice Online Private Limited	Step down subsidiary Company	-	7.39
Smart Dreams Private Ltd.	Fellow Subsidiary	19.20	1.60
Receipt against sales of shares of subsidiary			
S Global Services Pte Limited	Step down subsidiary Company	-	2.32
Loans/advance given during the year			
New Spice Sales & Solutions Limited	Step down subsidiary Company	-	178.04
Provision for financial guarantee given to a subsidiary			
New Spice Sales & Solutions Limited	Step down subsidiary Company	(400.00)	3,350.00
Advance received against sale of investment			
Spice Digital Limited	Subsidiary Company	-	941.36
Amount received against sale of investment			
Spice Digital Limited	Subsidiary Company	5,334.65	-
Shares sold of subsidiary Company			
Spice Digital Limited	Subsidiary Company	6,276.00	-
Sale of fixed assets			
Spice Digital Limited	Subsidiary Company	-	26.67
Loan received back during the period/adjusted			
New Spice Sales & Solutions Limited	Step down subsidiary Company	-	1,508.49

DiGiSPICE

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

Amount in Rs. 'lakhs'

Particulars	Relationship	For the year ended 31 March 2018	For the year ended 31 March 2017
Investment in equity instruments			
Hindustan Retail Private Limited	Subsidiary Company	2,950.00	7,735.00
S Mobility Pte. Limited	Step down subsidiary Company	-	7.78
Spice IOT Solutions Private Limited	Subsidiary Company	-	1.00
Omniventures Private Limited	Subsidiary Company	-	1.00
Spice Digital Limited	Subsidiary Company	6,340.68	-
Reimbursement of expenses (recovered)			
Spice Digital Limited	Subsidiary Company	20.69	13.07
Mobisoc Technology Private Limited	Step down subsidiary Company	0.43	0.56
Spice Labs Private Limited	Step down subsidiary Company	9.04	0.67
Hotspot Sales & Solutions Private Limited	Step down subsidiary Company	13.06	6.14
Director sitting fees*			
Mr. Umang Das	Independent director	3.75	3.25
Mr. Suman Ghosh Hazra	Independent director	5.25	4.25
Mr. Hanif Mohamed Dahya	Independent director	0.25	0.25
*Excluding Service Tax			
Reimbursement of expenses (provided)			
Spice Connect Private Limited	Holding Company	2.54	1.26
Mr. Hanif Mohamed Dahya	Independent director	1.30	0.49
Hotspot Sales & Solutions Private Limited	Step down subsidiary Company	212.78	-
Doubtful debts and advances written off			
New Spice Sales & Solutions Limited	Step down subsidiary Company	23,349.00	-
Hotspot Sales & Solutions Private Limited	Step down subsidiary Company	9,250.00	-

Amount in Rs.'lakhs'

Outstanding balances at the end of year	Relationship	As at 31 March 2018	As at 31 March 2017
Receivables			
New Spice Sales & Solutions Limited	Step down subsidiary Company	3,681.71	3,682.03
Hotspot Sales & Solutions Private Limited	Step down subsidiary Company	-	309.57
Provision for doubtful debts and advances			
New Spice Sales & Solutions Limited	Step down subsidiary Company	3,681.71	3,799.15
Payables			
Spice Digital Limited	Subsidiary Company	9.88	5.57
Kimaan Exports Private Limited	Subsidiary / Step down subsidiary Company	219.48	586.48
Wall Street Finance Limited	Fellow subsidiary	0.26	3.35

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

Amount in Rs.'lakhs'

Outstanding balances at the end of year	Relationship	As at 31 March 2018	As at 31 March 2017
Other liability			
Smart Global Corporate Holding Private Limited	Fellow subsidiary	2.70	2.70
Security deposits / rent advance (including rent received in advance)			
Kimaan Exports Private Limited	Subsidiary / Step down subsidiary Company	94.49	93.34
Provision for diminution in the value of investments / share application money			
Hindustan Retail Private Limited	Subsidiary Company	42,438.00	38,297.82
Provision for liability payout of subsidiary			
New Spice Sales & Solutions Limited	Step down subsidiary Company	-	3,350.00
Other receivable (financial assets)			
Spice Digital Limited	Subsidiary Company	49.43	117.34
Mobisoc Technology Private Limited	Step down subsidiary Company	1.08	13.72
New Spice Sales & Solutions Limited	Step down subsidiary Company	96.73	96.73
Hotspot Sales & Solutions Private Limited	Step down subsidiary Company	-	40.90
Spice Labs Private Limited	Step down subsidiary Company	44.92	-
Spice Online Private Limited	Step down subsidiary Company	0.02	0.02
Smart Dreams Private Ltd.	Fellow subsidiary	6.91	1.84
Plus Paper Foodpac Limited	Fellow subsidiary	4.88	4.88
Spice Connect Private Limited	Holding Company	0.91	-
Provision for doubtful debts and advances			
New Spice Sales & Solutions Limited	Step down subsidiary Company	96.73	96.73
Other receivable (Loans)			
S Global Services Pte Limited	Step down subsidiary Company	125.08	-
Advance received against sale of investment			
Spice Digital Limited	Subsidiary Company	-	941.36
Interest receivable fully provided			
New Spice Sales & Solutions Limited	Step down subsidiary Company	20.38	20.38
Payable to Key Managerial Person			
Mr. Madhusudan V.	Chief financing officer	13.05	3.01
Mr. M R Bothra	Company secretary	9.58	2.61

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables except as disclosed in note (33D) . This assessment for impairment of receivables relating to amounts owed by related parties is undertaken each financial year through examining the financial position of the related parties.

Notes.

a) The remuneration to the key managerial personnel as disclosed above does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Moreover remuneration part contains only actual paid portion of variable compensation.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

35. Segment information

The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

During the year, the Company has not recorded any revenue from "Mobile Devices Business", the Company's business activities fall within a single operating segment viz. "Mobile Devices Business" and accordingly the disclosure requirement of Indian Accounting Standard (Ind AS-108) 'Operating Segments ' prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules issued thereunder is not applicable.

36. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Amount in 'lakhs'

	Carrying Value		**Fair Value**	
	As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2018**	**As at 31 March 2017**
Financial assets				
Loans (refer note 7)	88.74	77.76	88.78	77.98
Financial investments other than investment in subsidiaries (refer note 6)	5.50	5.50	5.50	5.50
Total financial assets	**94.24**	**83.26**	**94.28**	**83.48**
Financial liabilities				
Borrowings				
Other financial liabilities (refer note 16)	43.38	135.81	43.38	135.81
Total	**43.38**	**135.81**	**43.38**	**135.81**

The Company has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair value of other financial liabilities and loans is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the FVTPL quoted financial investments and of investments in subsidiaries are derived from significant observable inputs.

37. Fair value hierarchy

Financial Instruments by Category

Amount in 'lakhs'

Financial Assets	**As at 31 March 2018**		**As at 31 March 2017**	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Non current assets				
- Equity and other investment	5.50	-	5.50	-
- Loans-non current	-	88.74	-	77.76
Total non current assets	**5.50**	**88.74**	**5.50**	**77.76**

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

37. Fair value hierarchy

Financial Instruments by Category (Cont.)

Amount in 'lakhs'

Financial Assets	As at 31 March 2018		As at 31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Current assets				
- Trade receivables	-	-	-	309.56
- Cash and cash equivalent	-	1,098.75	-	170.45
- Bank balances other than above	-	228.70	-	395.62
- Current Loans	-	125.76	-	102.69
- Other financial assets	-	119.29	-	203.17
Total current assets	**-**	**1,572.50**	**-**	**1,181.49**
Total financial assets	**5.50**	**1,661.24**	**5.50**	**1,259.25**
Non current liabilities				
Other non current financial liabilities		43.38		135.81
Total non current liabilities	**-**	**43.38**	**-**	**135.81**
Current liabilities				
Current trade payables		318.47		711.77
Other current financial liabilities		102.91		148.73
Total current liabilities	**-**	**421.38**	**-**	**860.50**
Total financial liabilities	**-**	**464.76**	**-**	**996.31**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

Fair value measurement using	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Assets for which fair values are disclosed (note 37):					
Investment properties (note 4):	31 March 2018	2,380.00	-	-	2,380.00
Investment in equity/other instruments	31 March 2018	5.50	-	-	5.50
Loan and receivables					
Loans	31 March 2018	88.78	-	-	88.78

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018:

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Other financial liabilities	31 March 2018	43.38	-	-	43.38

There have been no transfers between Level 1 and Level 2 during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Assets for which fair values are disclosed (note 36):					
Investment properties (note 4):	31 March 2017	5,543.19	-	-	5,543.19
Investment in equity/other instruments	31 March 2017	5.50	-	-	5.50
Loan and receivables					
Loans	31 March 2017	0.73	-	-	0.73
Other Assets	31 March 2017	77.07	-	-	77.07

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Labilities measured at fair value:					
Borrowings					
Other financial liabilities	31 March 2017	135.81	-		135.81

There have been no transfers between Level 1 and Level 2 during the year.

38. Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Loans, other financial assets, trade receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTPL investments and investment in subsidiary companies measured at cost.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management advises on financial risks and the appropriate financial risk governance framework. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. Company is not effected by commodity risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

- The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt instruments are all constant .
- The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the loan given, security deposits received/paid and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ (decrease) in basis points	Effect on profit/(Loss) before tax
As at 31 March 2018		
Rs in 'lakhs'	50	4.86
Rs in 'lakhs'	-50	(4.86)
As at 31 March 2017		
Rs in 'lakhs'	50	2.34
Rs in 'lakhs'	-50	(2.34)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's does not have a significant foreign currency risk.

Foreign currency sensitivity

The Company's exposure to foreign currency fluctuation is not material.

Equity price risk

The Company's investment in unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company don't engage in active trading of equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value is not material.

2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

- **Trade receivables**

  Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and limits are defined in accordance with this assessment. At 31 March 2018, the Company had net outstanding of Nil (31 March 2017 : Rs 309.56 lakh) after allowance for bad and doubtful trade receivable.

  An impairment analysis is performed at each reporting date on an individual basis for trade customers. The Company has not evaluated the concentration of risk with respect to trade receivable as there are no trade receivable balance as on date.

- **Financial instruments and cash deposits**

  Credit risk from balances with banks in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and based on the Investment Policy of the Company. All investments are reviewed by the Company's Board of Directors on a quarterly basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

3) Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a low debt exposure and at the reporting date as the Company did not have any borrowings.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Amount in 'lakhs')

Particulars	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2018						
Other financial liabilities (non-current)	-	-	-	43.38	-	43.38
Other financial liabilities (current)	45.97	56.94	-	-	-	102.91
Trade and other payables	-	318.47	-	-	-	318.47
Total	**45.97**	**375.41**	**-**	**43.38**	**-**	**464.76**

Particulars	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2017						
Other financial liabilities(non-current)	-	-	-	135.81	-	135.81
Other financial liabilities(current)	59.40	89.33	-	-	-	148.73
Trade and other payables	-	711.77	-	-	-	711.77
Provision for liability payout of step down Subsidiary Company*	-	3,350.00	-	-	-	3,350.00
Total	**59.40**	**4,151.10**	**-**	**135.81**	**-**	**4,346.31**

* Based on the maximum amount that can be called for under the financial guarantee contract.

- **Excessive risk concentration**

  Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

  In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

- **Collateral**

  The Company has pledged part of its margin money deposits in order to fulfil the collateral requirements for the subsidiaries of the Company. At 31 March 2018 and 31 March 2017, the fair values of the deposits pledged were Rs. 200.00 lakh and Rs. 175.00 lakh respectively. The Counterparties have an obligation to return the security to the Company upon settlement of obligation by the subsidiary Company. There are no other significant terms and conditions associated with the use of collateral.

39. Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio less than 50%. The Company includes within net debt, trade and other payables, less cash and cash equivalents.

Particulars	As at 31 Mar 2018	As at 31 Mar 2017
	Rs. 'lakhs	Rs. 'lakhs
Trade payables	318.47	711.77
Other financial liabilities-current	102.91	148.73
Less: Cash and cash equivalents	1,098.75	170.45
Total debt	**(677.37)**	**690.05**
Equity share capital	6,052.49	5,420.43
Other equity	5,228.60	2,435.48
Total capital	**11,281.09**	**7,855.91**
Gearing ratio (debt / equity)	**(6%)**	**9%**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

40. Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:

Particulars (Amount in lakhs)	SBNs*	Other denomination notes	Other denomination notes
Closing cash in hand as on 08.11.2016	0.35	0.03	0.38
(+)Permitted receipts		2.14	2.14
(-) Permitted payments		2.02	2.02
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016		0.15	0.15

* For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in the current year since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

41. Loans in the nature of loans given to subsidiaries and companies in which directors are interested

Name of the Company	Balance as at 31 March 2018 (Rs. 'lakhs)	Balance as at 31 March 2017 (Rs. 'lakhs)	Maximum amount outstanding during the year ended 31 March 2018 (Rs. 'lakhs)	Maximum amount outstanding during the year ended 31 March 2017 (Rs. 'lakhs)
New Spice Sales and Solutions Limited	-	-	-	1,508.48

The loan given to New Spice Sales and Solutions Limited in previous year was for business purposes.

42. As on 31st March, 2018, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,201,417 (March 31, 2017: 11,901,752) equity shares of the Company, for the benefit of the employees of the Company, its associates and subsidiaries and Independent Non-Promoter Trust ('NPT') holds 15,912,776 (March 31, 2017: 35,281,215) equity shares of the Company for the benefit of the Company. These equity shares were transferred to the Trusts pursuant to the Scheme of amalgamation of Spice Televentures Private Limited ('STPL'), the erstwhile holding company, with the Company, duly approved by High Court, Allahabad, at a value at which these equity shares were held in the books of STPL.

During the year the Company has received Rs. 3450 lakh including surplus of Rs. 1399.12 lakh as a beneficiary, from the Independent Non-Promoter Trust including surplus arising from sale of its shares. The surplus fund would be utilised by the Company as per the terms of the Trust deed of Independent Non-Promoter Trust. Further, the Company has received Rs.342 lakh against receivables, from the Independent Employee Benefit Trust and includes surplus arising from sale of its shares .The above receipts are shown as part of the Trust Reserve.

Taking a conservative interpretation of "Ind AS 32" face value of shares held by these trusts has been deducted from equity and amount over and above face value has been shown as deduction under the head "Trust shares" separately in other equity.

43. Disclosure required under Section 186(4) of the Companies Act 2013

Particulars of corporate guarantees given as required by Section 186(4) of Companies Act, 2013

Particulars	As at 31 March 2017	Guarantees Given	Guarantees Withdrawn	As at 31 March 2018
	Rs. 'lakhs	Rs. 'lakhs	Rs. 'lakhs	Rs. 'lakhs
Hotspot Sales and Solutions Private Limited	2,500.00	-	1,000.00	1500.00*

* Also refer (note 33C)

The Company has given corporate guarantee of Rs 1,000 Lakhs (31 March 2017: Rs 2,600 Lakhs) and pledged fixed deposits of Rs 200 Lakhs (31 March 2017: Rs 175 Lakhs) in respect of bill discounting/bank guarantee/overdraft facility taken by Hotspot Sales & Solutions Private Limited / Spice Online Private Limited (erstwhile subsidiaries of the Company)to the extent of Rs 600 Lakhs outstanding as on 31 March 2018 where the Company is jointly and severally liable . Company has fully provided possible obligation against the said outstanding.

Details of Investments made (At cost or FVTPL):

Particulars	Opening investments as at 31 March 2017	Investments made during the year	Investments sold during the year	Closing investments as at 31 March 2018
	Rs. 'lakhs	Rs. 'lakhs	Rs. 'lakhs	Rs. 'lakhs
Spice Digital Limited	889.74	6,340.68	-	7,230.42
43,339,475 (31 March 2017: 35,470,674) equity shares of Rs.10 each fully paid up				
Hindustan Retail Private Limited	39288.00*	2,950.00	-	42,238.00
422,380,000 (31 March 2017: 382,980,000) equity shares of Rs.10 each fully paid up				
Kimaan Exports Private limited (refer note 44(a))	4,562.12	-	4,562.12	-
Nil (31 March 2017: 20,000) equity shares of Rs.10 each fully paid up				
S Mobility (HK) Limited	0.64	-	-	0.64
10,000 (31 March 2017: 10,000) equity shares of HKD 1 each fully paid up				
S Mobile Devices Limited	5.00	-	-	5.00
50,000 (31 March 2017: 50,000) equity shares of Rs.10 each fully paid up				
Omniventures Private Limited	1.00	-	1.00	-
Nil (31 March 2017: 10,000) equity shares of Rs.10 each fully paid up				
Spice IOT Solutions Private Limited	1.00	-	-	1.00
10,000 (31 March 2017: 10,000) equity shares of Rs.10 each fully paid up				
	44,747.50	**9,290.68**	**4,563.12**	**49,475.06**

* The balance as at 31 March 2017 includes share application money of Rs. 990 lakh paid by company against which shares have been alloted before signing of financial statements.

44. Deferred tax

The Company has carried out its deferred tax computation in accordance with Ind AS 12 'Income Taxes' notified under the Companies (Indian Accounting Standards) Rules, 2015.

Significant components & classification of deferred tax assets and liabilities are as follows:

Amount in Rs. Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax liabilities		
Related to depreciation of fixed assets	72.47	364.35
Fair vale of financial assets	4.88	-
Total deferred tax liability (a)	**77.35**	**364.35**
Deferred tax assets		
Provision for bonus	7.05	10.90
Provision for gratuity	8.70	7.85
Provision for leave encashment	7.80	7.73
Fair vale of fianncial laibilities	5.12	-
Provision for bad and doubtful debts	995.25	1,182.96
Carry forward losses	693.84	527.03
Carry forward Unabsorbed depreciation	541.38	565.94
Total deferred tax assets (b)	**2,259.14**	**2,302.41**
Net deferred tax assets/ (liabilities) (b-a)	**2,181.79**	**1,938.06**

Having regard to the accumulated losses, the Company has not recognised the net deferred tax assets in the absence of reasonable certainty at this stage that there will be sufficient future taxable income available to realize such assets.

(b) Reconciliation of effective tax rate

Particulars	As at 31 March 2018		As at 31 March 2017	
Profit before tax		**(366.82)**		**(8,763.74)**
Income tax expense calculated at domestic tax rates applicable to profits	26.00%	(95.37)	30.90%	(2,708.00)
Tax effects of:				
Effect related to Long term Capital Gains	121.48%	(445.61)	0.04%	(3.42)
Provision on expected liability reversed	-14.18%	52.00	-29.81%	2,612.26
Expenditure of capital nature	0.00%	-	-0.01%	0.72
Sales tax demanded paid	-2.66%	9.77	0.00%	-
Changes in tax rates related to prior years	-83.52%	306.36	0.00%	-
Others	19.32%	(70.87)	-9.78%	857.02
Deferred tax asset not recognised in statement of profit and loss	**66.44%**	**(243.72)**	**-8.66%**	**758.58**

(c) Tax losses

	As at 31 March 2018	Expiry date	As at 31 March 2017	Expiry date
Loss from business	2,668.63	31 March 2019 to 31 March 2027	1,705.59	31 March 2012 to 31 March 2020
Unabsorbed depreciation	2,082.24	Carried forward indefinitely	1,831.51	Carried forward indefinitely
Total	**4,750.87**		**3,537.10**	
Potential tax benefit	**1,235.23**		**1,092.96**	

NOTES TO THE STANDALONE FINANCIAL STATEMENT

as at and for the year ended 31 March 2018

45. (a) During the previous year Spice Mobility Limited has entered in the Share Purchase Agreement with Spice Digital Limited, a subsidiary of the Company, to transfer the entire stake in Kimaan Exports Private Limited. Consequent to this Kimaan Exports Private Limited has ceased to be a wholly owned subsidiary of the Company and become a step down subsidiary. The Company has sold its investment in shares of Kimaan Limited of Rs 4562.12 lakh for Rs 6276.00 lakh and earned profit of Rs 1713.88.

(b) During the year the Board of Directors of the Company has approved the sale of entire stake in Omniventures Pvt Ltd. (OVPL), a wholly owned subsidiary of the Company, subsequently, the shareholders of the Company have also approved the same through postal ballot. Consequent to sale of stake in OVPL, OVPL and its subsidiary companies i.e. Spice Online Pvt. Limited and Hotspot Sales & Solutions Private Limited have ceased to be the subsidiaries of the Company with effect from 13 February, 2018.

(c) Previous year a step down subsidiary of the Company has discontinued its business operations. As the net worth of said company is fully eroded, the Company has made and impaired during the year an investment made through subsidiary of Rs 2,950.00 lakh (previous year : Rs 7,735.00) towards settlement of the liabilities of the step down subsidiary. The Company has reversed excess provision of Rs 400.00 lakh against provision of Rs.3,350.00 lakh made last year towards settlement of liabilities of the aforesaid step down subsidiary.

46. Details of dues to micro and small medium enterprises as defined under the MSMED Act, 2006

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
a) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	NIL	NIL
b) the amount of interest paid by the buyer under MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	NIL	NIL
d) the amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
e) the amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	NIL	NIL

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Spice Mobility Limited ("Holding Company")

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Spice Mobility Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint venture which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associates and joint venture to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at 31 March 2018, and their consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1. The comparative consolidated financial statements of the Company for the year ended 31 March 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 19 May 2017.

2. (a) We did not audit the financial statements of 15 subsidiaries, whose financial statements reflect total assets of Rs. 15,600 lacs as at 31 March 2018, total revenues of Rs. 15,414 lacs and net cash inflows amounting to Rs. 169 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 12 lacs for the year ended 31 March, 2018, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.

   One of the subsidiary of the Company is located outside India whose financial statements has been prepared in accordance with accounting principles generally accepted in that country and which has been audited by other auditor under generally accepted auditing standards applicable to that country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

   (b) We did not audit the financial statements of 13 subsidiaries, whose financial statements reflect total assets of Rs. 9,997 lacs as at 31 March 2018, total revenues of Rs. 6,853 lacs and net cash inflows amounting to Rs. 218 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of Rs. 67 lacs for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of 1 associate and 1 joint venture whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint venture and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, joint ventures and associates, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies, joint venture incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture. Refer Note 40 to the consolidated financial statements.

   ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.

   iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint venture incorporated in India during the year ended 31 March 2018.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Vikram Advani
Partner
Membership No.: 091765

Place: Noida
Date: 17 May 18

INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report of even date on the consolidated Ind AS Financial Statements of Spice Mobility Limited for the year ended 31 March 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Group as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of Spice Mobility Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and its joint venture which are companies incorporated in India, as of date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and joint venture which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiary companies, its associate companies and joint venture's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Holding Company, its subsidiary companies, its associate companies and joint venture, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
(Firm's Registration No.: 101248W/W-100022)

Vikram Advani
Partner
Membership No.: 091765

Place: Noida
Date: 17 May 18

CONSOLIDATED BALANCE SHEET

as at 31 March 2018

(Amount in Rs. Lakhs)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
Assets			
Non-current assets			
Property,plant and equipment	3	4,906.25	5,287.44
Capital work in progress	3	41.83	473.92
Investment property	4	1,776.91	4,348.03
Goodwill on consolidation		5,494.52	5,201.55
Other intangible assets	5	1,052.43	708.11
Intangible assets under development	5	712.38	468.75
Investment in associate and a joint venture	6	132.37	267.73
Financial assets			
(i) Investments	7	1,429.91	92.27
(ii) Loans	8	430.97	370.57
(iii) Other financial assets	9	9.19	748.21
Deferred tax assets	16	1,526.54	1,397.57
Non current tax assets	13	5,114.96	4,165.81
Other assets	14	163.48	120.88
Total non-current assets		**22,791.74**	**23,650.84**
Current assets			
Inventories	15	5.53	234.89
Financial assets			
(i) Investments	7	232.82	633.03
(ii) Trade receivables	10	3,688.53	5,391.99
(iii) Cash and cash equivalents	11	5,219.25	5,112.50
(iv) Bank balance other than (iii) above	12	3,127.19	2,436.96
(v) Loans	8	438.55	291.64
(vi) Other financial assets	9	6,562.58	3,881.70
Other assets	14	979.61	1,168.19
Total current assets		**20,254.06**	**19,150.90**
Assets of discontinued operations	47	1,161.48	11,896.92
		21,415.54	**31,047.82**
Total assets		**44,207.28**	**54,698.66**
Equity and liabilities			
Equity			
Equity share capital	17	6,052.49	5,420.43
Other equity	17A	21,636.88	22,481.81
Equity attributable to holders of the Company		27,689.37	27,902.24
Non controlling interests		1,319.88	(842.72)
Total equity		**29,009.25**	**27,059.52**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,237.67	-
(ii) Other financial liabilities	20	43.38	142.81
Provisions	21	597.71	460.30
Deferred tax liabilities	16	4.72	10.90
Other liabilities	23	38.56	45.04
Total non-current liabilities		**1,922.04**	**659.05**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	2,142.91	611.28
(ii) Trade payables	19	5,141.72	3,852.38
(iii) Other financial liabilities	20	1,098.80	1,094.96
Provisions	21	738.38	109.02
Current tax liabilities (net)	22	211.36	64.06
Other liabilities	23	2,973.82	3,429.63
Total current liabilities		**12,306.99**	**9,161.33**
Liabilities of discontinued operations	47	969.00	17,818.76
		13,275.99	**26,980.09**
Total equity and liabilities		**44,207.28**	**54,698.66**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018

(Amount in Rs. Lakhs)

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Continuing operations			
Income			
Revenue from operations	24	28,052.48	25,851.94
Other income	25	1,321.50	2,988.31
Total Income		**29,373.98**	**28,840.25**
Expenses			
Purchase of traded goods	26	3,240.69	3,175.09
(Increase)/decrease in inventories of traded goods	27	229.35	(150.14)
Connectivity and content cost	28	9,727.30	8,780.51
Employee benefits expense	29	6,791.16	5,396.49
Finance costs	30	205.37	27.37
Depreciation and amortisation expense	31	1,697.16	2,020.01
Other expenses	32	7,497.93	7,088.31
Total expenses		**29,388.96**	**26,337.64**
Profit/(loss) before share of profit/(loss) of associates and a joint venture, exceptional items and tax from continuing operations		**(14.98)**	**2,502.61**
Share of (loss) of associates and a joint venture	45	(78.60)	(45.20)
Profit/(loss) before exceptional items and tax from continuing operations		**(93.58)**	**2,457.41**
Exceptional items	33	6,746.23	812.09
Profit/(loss) before tax from continuing operations		**(6,839.81)**	**1,645.32**
Tax expense:			
(1) Current tax	36	816.40	1,320.03
(2) Deferred tax credit	36	(126.77)	(235.50)
(3) Income tax adjustments for earlier years	36	116.31	(61.03)
Income tax expense		**805.94**	**1,023.50**
Profit/(loss) for the year from continuing operations		**(7,645.75)**	**621.82**
Discontinued operations			
(Loss) before tax for the year from discontinued operations	47	3,148.24	(4,473.93)
Tax expense of discontinued operations relating to previous years	47	(27.80)	(2.16)
Profit/(loss) for the year from discontinued operations		**3,176.04**	**(4,471.77)**
(Loss) for the year		**(4,469.71)**	**(3,849.95)**
Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss	34		
Remeasurement gain of defined benefit plan		13.66	0.78
Deferred tax impact		(4.49)	1.12
Items that will be reclassified to profit or loss	35		
Exchange differences on translations of foreign operations		259.23	(210.43)
Exchange difference on long term loan		(137.02)	(455.66)
Other comprehensive income from discontinued operations			
Items that will not be reclassified to profit or loss	47		
Remeasurement gain of defined benefit plan		-	20.33
Items that will be reclassified to profit or loss			
Exchange differences on translations of foreign operations		-	1.81
Other comprehensive income for the year		**131.38**	**(642.05)**
Total comprehensive income for the year		**(4,338.33)**	**(4,492.00)**
(Loss) for the year		**(4,469.71)**	**(3,849.95)**
Attributable to:			
Equity holders of the Company		(3,574.92)	(3,568.57)
Non-controlling interests		(894.79)	(281.38)
Other comprehensive income for the year		131.38	(642.05)
Attributable to:			
Equity holders of the Company		151.59	(440.09)
Non-controlling interests		(20.21)	(201.96)
Total comprehensive income for the year		**(4,338.33)**	**(4,492.00)**
Attributable to:			
Equity holders of the Company		(3,423.33)	(4,008.66)
Non-controlling interests		(915.00)	(483.34)
Earnings per share for continuing operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2017: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) from continuing operations (Rs.)		(2.96)	0.39
Diluted, computed on the basis of profit/(loss) from continuing operations (Rs.)		(2.96)	0.39
Earnings per share for discontinued operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2017: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) from discontinued operations (Rs.)		1.39	(1.96)
Diluted, computed on the basis of profit/(loss) from discontinued operations (Rs.)		1.39	(1.96)
Earnings per share for continuing and discontinued operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2017: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) for the year (Rs.)		(1.57)	(1.57)
Diluted, computed on the basis of profit/(loss) for the year (Rs.)		(1.57)	(1.57)

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

CONSOLIDATED CASH FLOWS STATEMENT

for the year ended 31 March 2018

(Amount in Rs. Lakhs)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Profit/(loss) before tax from continuing operations		(6,839.81)	1,645.32
Profit/(loss) before tax from discontinued operations		3,148.24	(4,473.93)
(Loss) before tax		**(3,691.57)**	**(2,828.61)**
Adjustments for :			
Exceptional items			
Provision for diminution in the value of non current investments		(30.00)	30.00
Impairment in value of investment an associate company		-	782.09
Loss on sale of investment Property		380.00	-
Impairment of goodwill of subsidiary		104.34	-
Provision for diminution in the value of non current investments		134.08	-
Provision for bank liability payout of a subsidiary		600.00	-
Provision for doubtful debts and loans and advances		5,280.21	-
Gain on loss of control of discontinued operations		(5,624.95)	-
Foreign currency translation adjustment		82.26	(571.32)
Share of loss of associates and a joint venture		78.60	45.20
Depreciation on property, plant and equipment		1,475.08	1,814.66
Amortization on intangible assets		382.92	539.63
Depreciation on investment property		135.75	221.38
(Profit)/Loss on disposal of property, plant and equipment (net)		(96.33)	12.69
Interest income		(508.41)	(1,459.04)
Profit on sales of investment property		-	(237.29)
Net gain on sale of investments in equity investments		-	(82.15)
Fair value gain on financial instruments at fair value through profit or loss		(32.96)	(81.66)
Profit on sale of investment in an associates		(331.52)	(11.72)
Net gain on sale of current investments in mutual fund units		(8.90)	(43.84)
Unclaimed balances written back (net)		(464.58)	(790.74)
Exchange differences (net)		30.62	84.70
Fair Value decrease in investment properties		-	40.39
Interest expense		755.30	1,024.72
Provision for doubtful advances (net)		704.16	
Provision for doubtful debts (net)		319.34	1,076.44
Irrecoverable balances written off		424.57	-
Operating (loss) before working capital changes		**98.01**	**(434.47)**
Movements in working capital:			
Decrease in inventories		2,772.79	2,145.93
Decrease in trade receivables		2,220.12	2,586.00
Decrease in non-current loans and advances and non current financial assets		141.00	209.02
(Increase)/decrease in current loans and advances		(669.24)	7.20
(Increase) in current financial and non financial assets		(2,212.79)	(1,265.29)
(Increase) in other non-current assets		(169.24)	(11.45)
(Decrease) in other non-current financial and non financial liabilities		(206.81)	(64.71)
Increase in other current liabilities and financial current liabilities		1,114.72	1,617.66
(Decrease) in trade payables		(2,153.50)	(10,744.85)
Increase in non-current provisions		103.95	108.35
(Decrease) in current provisions		(272.09)	(1,245.03)
Cash (used in) operations		**766.92**	**(7,091.64)**
Direct taxes paid (net of refunds)		(1,609.57)	300.41
Net cash (used in) operating activities	**(A)**	**(842.65)**	**(6,791.23)**
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of property, plant and equipment (including capital work in progress and capital advances)		(1,165.41)	(1,441.87)
Purchase of investment property		-	(12.99)
Purchase of intangible assets (Including intangible assets under development)		(983.91)	(945.99)
Proceeds from disposal of property, plant and equipment		161.81	68.83
Proceeds from sales of investment property		2,768.04	1,009.06
Investment in associates and a joint venture		-	(215.50)
Proceeds from sale of investment in an associate company		57.50	100.00

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2018

(Amount in Rs. Lakhs)

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of current investments		413.84	426.85
Purchase of non-current investments		(1,529.30)	-
Proceeds from sale of non-current investments		446.60	1,230.04
Net cash acquired on acquisition of subsidiary (refer note 44)		206.41	-
Net cash acquired on disposal of erstwhile subsidiaries (refer note 47)		3,185.49	-
Receipt from Employee benefit trust against loan repayment		342.00	-
Receipt from Indpendent non promoter trust against sale of shares		3,450.00	-
Interest received		617.40	888.47
Fixed deposits refunded/(created) by banks (net)*		(420.93)	274.59
Net cash from investing activities	**(B)**	**7,549.54**	**1,381.49**
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds/(repayment) from current borrowings		(1,798.83)	(1,001.45)
Proceeds/(repayment) from non current borrowings		1,237.67	1,583.28
Acquisition of non-controlling interests		(3,457.05)	-
Buy back of shares of Spice VAS (Africa) Pte. Ltd.		(10.86)	-
Interest paid		(631.55)	(324.76)
Proceeds from issue of shares by a subsidiary company		-	1,600.92
Net cash from financing activities	**(C)**	**(4,660.62)**	**1,857.99**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		2,046.27	(3,551.75)
Cash and cash equivalents at the beginning of the year		2,743.46	6,295.21
Cash and cash equivalents at the end of the year		**4,789.73**	**2,743.46**
i) Components of cash and cash equivalents:			
Cash on hand		4.55	39.67
Cheques/ drafts on hand		0.08	0.10
With banks			
- on current accounts		4,372.25	5,534.97
- Deposits with original maturity of less than three months		812.32	-
Bank overdrafts		(399.47)	(2,831.28)
Total cash and cash equivalents (note 11, 18 & 47)		**4,789.73**	**2,743.46**
ii) Movement in financial liabilities			

	Current borrowings	Non-current borrowings	Interest expense on financial liabilities	Total
As at 1 April 2017	7,072.00	1,603.59		8,675.59
Cash flows	(1,798.83)	1,237.67		(561.16)
Interest expenses			631.55	631.55
Interest paid			(631.55)	(631.55)
As at 31 March 2018#	**5,273.17**	**2,841.26**	**-**	**8,114.43**
Summary of significant accounting policies		2		

Cash used in operating activities for the year ended 31 March 2018 is after considering Corporate Social Responsibility Expenditure of Rs. 128 Lakhs (31 March 2017: Rs. 84.48 Lakhs)

*Includes deposit with original maturity of less than three months of Rs 125 Lakhs (31st March : Rs. Nil) which is pledged with banks.

Includes balances , current borrowings - Rs 3130.26 Lakhs , non current borrowings - Rs 1603.59 Lakhs pertaining to companies which have ceased to be subsidiaries of the Company (refer note 47 A).

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A : Equity share capital

	Number of shares	(Amount in Rs Lakhs)
Balance as at 01 April 2016	**227,863,982**	**5,419.83**
Change in equity share capital during the year		
Movement in share capital due to sale of shares by trust	#	0.60
Balance as at 31 March 2017	**227,863,982**	**5,420.43**
Change in equity share capital during the year		
Movement in share capital due to sale of shares by trust	#	632.06
Balance as at 31 March 2018	**227,863,982**	**6,052.49**

During the year Employee Benfit Trust has sold 1,700,335 equity shares (March 2017 : Nil) face value of Rs 3 each and Independent non Promoter trust has sold 19,368,439 equity shares (March 2017 : 20,000) face value of Rs 3 each

B : Other equity

For the year ended 31 March 2018

(Amount in Rs Lakhs)

Particulars	Trust Shares (Refer note 52)	Reserves and Surplus					Items of other comprehensive income		Total	Non-controlling interests	Total equity
		Capital reserve on Consolidation (i)	Securities Premium (ii)	Capital Redemption Reserve (iii)	General Reserve	Retained Earnings	Foreign Currency Translation Reserve (iv)	Foreign Currency Monetary Item Translation Difference Account (v)			
As at April 01, 2017	**(3,014.49)**	**472.19**	**2,101.68**	**306.66**	**5,712.74**	**17,186.45**	**(0.45)**	**(282.97)**	**22,481.81**	**(842.72)**	**21,639.09**
(Loss) for the year	-	-	-	-	-	(3,574.92)	-	-	(3,574.92)	(894.79)	(4,469.71)
Other comprehensive income (net of tax)	-	-	-	-	-	9.17	256.87	(114.45)	151.59	(20.21)	131.38
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**3,565.75)**	**256.87**	**(114.45)**	**(3,423.33)**	**(915.00)**	**4,338.33)**
Adjustments relating to sale of shares by Trust	3,157.07	-	-	-	-	-	-	-	3,157.07	-	3,157.07
Share of FCTR brought forward moved to minority from majority	-	-	-	-	-	-	(42.33)	(60.91)	(103.24)	103.24	-
Share of (Loss) brought forward moved to minority from majority	-	-	-	-	-	12.46	-	-	12.46	(12.46)	-
Shares bought back	-	-	-	-	-	-	-	-	-	(10.86)	(10.86)
Adjustment on account of change in ownership	-	-	(330.88)	-	-	330.88	-	-	-	5,396.67	5,396.67
Acquisition of non-controlling interest of subsidiary	-	(487.95)	-	-	-	32.05	13.03	(45.02)	(487.89)	(2,969.16)	(3,457.05)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	570.17	570.17
As at March 31, 2018	**142.58**	**(15.76)**	**1,770.80**	**306.66**	**5,712.74**	**13,996.09**	**227.12**	**(503.35)**	**21,636.88**	**1,319.88**	**22,956.76**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018 (CONTINUED)

(Amount in Rs Lakhs)

Particulars	Trust Shares (Refer note 52)	Reserves and Surplus					Items of other comprehensive income		Total	Non-controlling interests	Total equity
		Capital reserve on Consolidation (i)	Securities Premium (ii)	Capital Redemption Reserve (iii)	General Reserve	Retained Earnings	Foreign Currency Translation Reserve (iv)	Foreign Currency Monetary Item Translation Difference Account (v)			
As at April 01, 2016	**(3,013.89)**	**472.19**	**1,770.80**	**306.66**	**41,652.97**	**(20,309.68)**	**176.95**	**-**	**21,056.00**	**3,474.76**	**24,530.76**
(Loss) for the year	-	-	-	-	-	(3,568.57)	-	-	(3,568.57)	(281.38)	(3,849.95)
Other comprehensive income (net of tax)	-	-	-	-	-	20.28	(177.40)	(282.97)	(440.09)	(201.96)	(642.05)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**(3,548.29)**	**(177.40)**	**(282.97)**	**(4,008.66)**	**(483.34)**	**(4,492.00)**
Sale of shares by trust	(0.60)	-	-	-	-	-	-	-	(0.60)	-	(0.60)
Issue of share capital	-		330.88	-	-	-	-	-	330.88	317.91	648.79
Equity share capital transfer to non controlling interest	-	-	-	-	-	-	-	-	-	952.14	952.14
Share of retained earning moved to non controlling from controlling	-	-	-	-	-	5,104.19	-	-	5,104.19	(5,104.19)	-
Transferred to/from retained earning	-	-	-	-	(35,940.23)	35,940.23	-	-	-	-	-
As at March 31, 2017	**(3,014.49)**	**472.19**	**2,101.68**	**306.66**	**5,712.74**	**17,186.45**	**(0.45)**	**(282.97)**	**22,481.81**	**(842.72)**	**21,639.09**

Notes:

(i) excess of Company's share of equity of the subsidiary on the date of investment over cost of investment.

(ii) represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

(iii) created upon cancellation of shares pursuant to buy back.

(iv) arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the reporting date.

(v) arise due to exchange differences on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the year.

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

1. Corporate information

The Consolidated financial statements comprise financial statements of Spice Mobility Limited ("the parent" or "the Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and a joint venture for the year ended 31 March 2018. The Company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its share are listed in two stock exchanges in India.

The Group is primarily engaged into the Information and Communication Technology business providing Value Added Services, and Mobile Content services to the domestic/international Telecom Operators. Also, the Group undertakes development and sale of telecom related software. In addition to this, Group is corporate agent of IRCTC for booking of railway tickets all over India though its appointed agents. Besides IRCTC ticketing, agents also book air tickets, hotels and provides other travel needs through the platform provided by the Group. Group is also providing financial technologies services such as Domestic Money Transfer(DMT) services, Aadhar enabled payment services (AEPS), Bharat Bill payment system (BBPS) and other related services.

The Board of Directors of the Company had approved the sale of entire stake in Omniventures Pvt Ltd.(OVPL), a wholly owned subsidiary of the Company, subsequently, the shareholders of the Company have also approved the same through postal ballot. Consequent to sale of stake in OVPL, OVPL and its subsidiary companies i.e. Spice Online Pvt. Limited and Hotspot Sales & Solutions Private Limited have ceased to be the subsidiaries of the Company with effect from 13 February 2018.

The registered office of the Company is situated at 622, 6th Floor, DLF Tower A, Jasola Distt Centre, New Delhi – 110025 .

These financial statements were approved by the Board of Directors of the Group in their meeting held on 17 May 2018.

2. Summary of Significant accounting policies

2.1 Basis of preparation

The financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016 .

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Rs. Lakhs and all values are rounded upto two decimal places, except when otherwise indicated.

2.2 Basis of consolidation of financial statements

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, associates and a joint venture as at and for the year ended 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full Intra Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from Intra Group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra Group losses may indicate an impairment that requires recognition in the financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from Intra Group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All Intra Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets and liabilities.

2.3 Summary of significant accounting policies

A. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward without adjustment. The same first time adoption exemption is also used for associates and joint venture.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non- controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non- controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 *Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

B. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Impairment in the value of investments' in an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

C. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

D. Foreign currencies

The Groups consolidated financial statements are presented in Rs.Lakhs, which is also Comapny's functional currency. For each entity the group determines the functional currency and items included in the financial statement of each entity are measured using that functional currency. The group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at currency spot rates at the date the transaction first qualifies for recognition.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following;

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Rs. at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz., 1 April 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

E. Fair value measurement

The Group measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability (The principal or the most advantageous market must be accessible by the Group.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The group determines the policies and procedures for fair value measurement.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Group decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Group and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

F. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT)/goods and services tax (GST) is not received by the Group on its own account, rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of software/hardware (customised bundled solution) and software services

Revenue is recognised based on milestone achieved by the Group on development of softwares, and invoice for that milestone raised on the customer.

The Group derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software related services are either on a fixed-price, fixed-time frame or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

Income from services

Revenue from value added services are recognized as per arrangment with the customers at the end of each month/period in which the services are rendered.

Revenue from Fintech services such as Domestic Money Transfer(DMT), AEPS, BBPS, Top up recharges etc.are recognized when the services are actually rendered on real time basis.

Interest income

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties and leasehold improvements is accounted for on a straight-line basis over the lease terms unless the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.Rental income is included in other income in the statement of profit or loss due to its operating nature.

G. Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India, where the Group operates and generates taxable income.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specific period.

H. Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

I. Non-current assets held for sale/ distribution to owners and discontinued operations

The Group classifies non-current assets and disposal group as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal Group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal group), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale/ distribution of the asset or disposal to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal Group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal Groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal Group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 43. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

J. Property, plant and equipment

The Group has elected to continue with the carrying value for all of its property, plant & equipment, as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015 .

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on cost of PPE less their estimated residual values over their estimated useful lives using straight line method and is recognised in Statement of Profit and loss .The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful Life (estimated by management)
Building	period of lease, or useful life of 25 years, whichever is lower
Plant and Machinery	15 Years
Computers(other than servers etc)	3-5 Years
Server	6 Years
Leasehold Land	90 years (as per lease period)
Leasehold Improvements	1-9 years
Furniture and fittings	3-10 Years
Office equipments (other than mobile handests)	2-7 Years
Mobile handsets	3 Years
Vehicles	8-10 years

The Group, based on assessment made, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

K. Investment properties

The Group has elected to continue with the carrying value for all of its investment property as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

If Group classify a property as an investment property on the basis of its use, which was previously classified under "property, plant and equipment", then on the date of reclassification, the cost of investment property will be the carrying value of that property.

The Company depreciates building component of investment property over 60 years from the date of original purchase. Furniture & fixture and office equipment, which form part of investment property are depreciated at useful life mentioned in para J.

The Group depreciates building (on leasehold land) component of investment property over the leasehold period of land.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

The residual values, useful lives and methods of depreciation of investment properties are reviewed at each financial year end and adjusted prospectively, if appropriate.

L. Intangible assets

The Group has elected to continue with the carrying value for all of its intangible assets as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015.

Intangible assets (software) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Group capitalises intangible asset under development for a project in accordance with its accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Costs incurred towards in–house Software Development are capitalized in the books of account as "Inhouse Developed Software". The cost of developed software is determined on the basis of actual time spent by the technical persons on each software and capitalized on technical/marketing evaluation basis.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are amortised using the Straight Line Method over their estimated useful lives as follows :

Intangible Asset	Estimated Useful Life
Computer Software (Office)	3 Years
Computer Software (Site)	5 Years
Inhouse developed Software	5 Years
Intellectual Property Right	5 Years
Web site Development Cost	3 Years

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

M. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

N. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that retains substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Rental income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term, unless the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

O. Inventories

Inventories comprise of traded goods which are valued at the lower of cost and net realisable value.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on transaction moving weighted average method.

P. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

Impairment losses recognised in prior periods as assessed at end of each reporting period for any indiciations that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset;s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation , if no impairment loss had been recognised in the statement of profit and loss.

Q. Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent Liabilities are disclosed when there is a possible obligation arising from past events ,the existence of which will be confirmed only by the occurance or non occurance of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will requried to settle or reliable estimate of the amount cannot be made.

Warranty

The Group gives warranty on spice brand handsets. Warranty costs on these mobile handsets are provided on an accrual basis, taking into account the past trend of warranty claims received by the "Spice Brand Handset Business" of the Company, to settle the obligation at the balance sheet date.

R. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The liability as at the year end represents the difference between the actuarial valuation of the gratuity liability of continuing employees and the fair value of the plan assets with the Life Insurance Corporation of India (LIC) as at the end of the year. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose & such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non current liability.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non- routine settlements; and
- Net interest expense or income

S. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1) Debt instruments at amortised cost
2) Debt instruments at fair value through other comprehensive income (FVTOCI)
3) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the fair value through other comprehensive income (FVTOCI) if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the fair value through other comprehensive income category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income. However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to statement of profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
    (a) the Group has transferred substantially all the risks and rewards of the asset
    (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables and all other financial assets with no significant financing component is measured at an amount equal to 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured for specific assets. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

T. Trust Shares as per Scheme of Amalgamation (refer Note 52)

In pursuance to a Scheme of Amalgamation following trusts were created:

- Independent Non-Promoter Trust ("NPT')
- Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT')

EBT holds equity shares of the Group for the benefit of the employees of the Company, its associates and subsidiaries and NPT holds equity shares for the benefit of the company. Considering conservative interpretation of Ind AS 32, number of equity shares held by the NPT and EBT are reduced from total number of issued equity shares.

Equity shares that are held by two trusts are recognised at cost and deducted from Equity / Other Equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

U. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

V. Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision makers review the performance of the Group according to the nature of business of the Group. The Group is operating in Value added services segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Group as a whole.

Recent Accounting pronouncements

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

(i) Ind AS 115:- Revenue from Contracts

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised.

It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Group has completed its preliminary evaluation of the possible impact of Ind AS 115. The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Group does not expect the impact of the adoption of the new standard to be material.

(ii) Ind AS 21:- The effect of changes in foreign exchange rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The appendix explains that the date of transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.

The amendment will come into force from April 1, 2018. The Group has preliminary evaluated the effect of this on the financial statements and the impact is not material.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

3 Property ,plant and equipment and capital work in progress

(Amount in Rs. Lakhs)

Particulars	Leasehold Land	Building	Leasehold Improvement	Plant and Machinery	Office Equipments	Furniture and Fittings	Computers	Vehicle	Total	Capital Work in Progress	Grand Total
As at 01 April 2016	**676.84**	**3,102.31**	**477.36**	**440.67**	**494.13**	**632.43**	**2,808.17**	**197.99**	**8,829.90**	**46.93**	**8,876.83**
Additions for the year	-	1.13	150.74	-	61.59	64.94	725.17	79.98	1,083.55	438.79	1,522.34
Disposals	-	-	(53.14)	-	(24.00)	(89.29)	(66.78)	(36.94)	(270.15)	-	(270.15)
Discontinued operations (Note 47)	-	-	(340.79)	(33.83)	(145.19)	(210.05)	(104.91)	(37.71)	(872.48)	-	(872.48)
Exchange differences	-	-	-	-	(0.70)	(2.56)	(123.41)	3.07	(123.60)	(11.80)	(135.40)
At 31 March 2017	**676.84**	**3,103.44**	**234.17**	**406.84**	**385.83**	**395.47**	**3,238.24**	**206.39**	**8,647.22**	**473.92**	**9,121.14**
Additions for the year	-	-	-	-	26.29	21.69	956.07	54.74	1,058.79	17.96	1,076.75
Disposals	-	-	-	-	(1.58)	(0.48)	(39.80)	(13.23)	(55.09)	(5.91)	(61.00)
Transfers	-	-	-	-	-	-	444.28	-	444.28	(444.28)	-
Acquisition of a subsidiary (Note 44)			-	-	-	-	11.46	-	11.46	-	11.46
Transferred to Investment Property	(264.63)	(589.10)	-	-	-	-	-	-	(853.73)	-	(853.73)
Exchange differences	-	-	-	-	0.24	(0.32)	85.80	1.67	87.39	0.14	87.53
At 31 March 2018	**412.21**	**2,514.34**	**234.17**	**406.84**	**410.78**	**416.36**	**4,696.05**	**249.57**	**9,340.32**	**41.83**	**9,382.15**
Accumulated depreciation											
As at 01 April 2016	**28.86**	**414.39**	**213.63**	**38.09**	**261.72**	**149.04**	**992.34**	**39.71**	**2,137.78**	**-**	**2,137.78**
Depreciation for the year	28.86	414.68	164.08	62.72	115.44	146.39	839.07	43.42	1,814.66	-	1,814.66
Disposals	-	-	(53.12)	-	(17.45)	(86.79)	(25.24)	(6.03)	(188.63)	-	(188.63)
Discontinued operations (Note 47)	-	-	(119.01)	(33.83)	(55.17)	(37.24)	(84.90)	(2.70)	(332.85)	-	(332.85)
Exchange differences	-	-	-	-	(0.23)	(0.85)	(70.58)	0.48	(71.18)	-	(71.18)
At 31 March 2017	**57.72**	**829.07**	**205.58**	**66.98**	**304.31**	**170.55**	**1,650.69**	**74.88**	**3,359.78**	**-**	**3,359.78**
Depreciation for the year	4.96	360.71	175.22	33.49	62.12	129.69	677.54	31.36	1,475.09	-	1,475.09
Disposals	-	-	-	-	(0.67)	(0.48)	(17.47)	(5.24)	(23.86)	-	(23.86)
Discontinued operations (Note 47)	-	-	(158.38)	-	(27.64)	(78.02)	(15.34)	(3.91)	(283.29)	-	(283.29)
Transferred to Investment Property	(47.79)	(104.91)	-	-	-	-	-	-	(152.70)	-	(152.70)
Exchange differences	-	-	-	-	0.09	(0.39)	59.27	0.08	59.05	-	59.05
At 31 March 2018	**14.89**	**1,084.87**	**222.42**	**100.47**	**338.21**	**221.35**	**2,354.69**	**97.17**	**4,434.07**	**-**	**4,434.07**
Net Book Value											
At 31 March 2017	**619.12**	**2,274.37**	**28.59**	**339.86**	**81.52**	**224.92**	**1,587.55**	**131.51**	**5,287.44**	**473.92**	**5,761.36**
At 31 March 2018	**397.32**	**1,429.47**	**11.75**	**306.37**	**72.57**	**195.01**	**2,341.36**	**152.40**	**4,906.25**	**41.83**	**4,948.08**

Net Book Value

Particulars	As at 31 March 2018	As at 31 March 2017
Property, plant & equipment	4,906.25	5,287.44
Capital Work in Progress	41.83	473.92

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

Notes:

1. **Property plant and equipment include the following assets given on operating lease :**

(Amount in Rs. Lakhs)

Particulars	Gross Block		Depreciation*		Accumulated Depreciation	
	As at 31 March 2018	As at 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2017
Building	189.00	660.28	28.98	71.07	87.18	142.13
Leasehold Land	22.96	234.66	0.28	19.40	0.86	38.80
Furniture and Fittings	19.24	19.24	3.02	3.09	9.14	6.12
Plant and Machinery	30.78	30.78	2.76	2.76	8.27	5.51
Office Equipment	**17.90**	**17.39**	**0.67**	**2.88**	**16.50**	**15.83**
Total #	**279.88**	**962.35**	**35.71**	**99.20**	**121.95**	**208.39**

* Depreciation is for the period during which building along with other assets were given on operating lease.

In the current year, a property with gross carrying value of Rs 682.98 Lakhs has been classified as Investment property because Group has leased out property in Mumbai. (Refer note 4)

1. Leasehold land and building with a carrying amount of Rs.802.81 Lakhs (31 March 2017: Rs.835.62 Lakhs) is subject to a first charge to secure bank loans availed by Hotspot Sales & Solutions Private Limited / Spice Online Private Limited (erstwhile subsidiaries of the Company).
2. Depreciation for the year includes depreciation on Property plant and equipment, pertaining to discontinued operation of Rs. 283.28 Lakhs (31 March 2017 Rs.383.24 Lakhs)

4 **Investment Property**

(Amount in Rs. Lakhs)

Particulars	Free hold land	Lease hold land	Building	Office Equipments	Furniture and Fittings	Total
As at 01 April 2016	**-**	**-**	**5,311.24**	**76.59**	**57.69**	**5,445.52**
Transferred from Held for sale	8.00	-	92.72	2.08	-	102.80
Additions for the year	-	-	11.68	1.31	-	12.99
Impairment	-	-	(40.39)	-	-	(40.39)
Disposals	-	-	(773.95)	(0.63)	(23.92)	(798.50)
Exchange differences	-	-	(28.68)	-	-	(28.68)
At 31 March 2017	**8.00**	**-**	**4,572.62**	**79.35**	**33.77**	**4,693.74**
Transferred from property plant and equipment (refer note 3)	-	264.63	589.10	-	-	853.73
Disposals	-	-	(3,440.93)	-	(21.61)	(3,462.54)
Exchange differences	-	-	12.25	-	-	12.25
At 31 March 2018	**8.00**	**264.63**	**1,733.04**	**79.35**	**12.16**	**2,097.18**
Accumulated depreciation						
As at 01 April 2016	-	-	96.11	48.94	7.37	152.42
Depreciation for the year	-	-	187.58	26.56	7.24	221.38
Disposals	-	-	(22.37)	(0.22)	(4.15)	(26.74)
Exchange differences	-	-	(1.35)	-	-	(1.35)
At 31 March 2017	**-**	**-**	**259.97**	**75.28**	**10.46**	**345.71**
Depreciation for the year	-	23.90	107.37	-	4.48	135.75
Disposals	-	-	(303.21)	-	(11.30)	(314.51)
Transferred from property plant and equipment (refer note 3)	-	47.79	104.91	-	-	152.70
Exchange differences	-	-	0.62	-	-	0.62
At 31 March 2018	**-**	**71.69**	**169.66**	**75.28**	**3.64**	**320.27**
Net Book Value						
At 31 March 2017	**8.00**	**-**	**4,312.65**	**4.07**	**23.31**	**4,348.03**
At 31 March 2018	**8.00**	**192.94**	**1,563.38**	**4.07**	**8.52**	**1,776.91**

Information regarding income and expenditure of Investment property

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Rental income derived from investment properties	342.50	409.13
Direct operating expenses (including repairs and maintenance) generating rental income(repairs & maintenance)	-	11.87
Direct operating expenses (including repairs and maintenance) that did not generate rental income(Property tax)	22.72	17.39
Profit arising from investment properties before depreciation and indirect expenses	**319.78**	**379.87**
Less - Depreciation	135.75	221.38
Less - Exchange differences	0.63	(1.36)
Profit arising from investment properties before indirect expenses	**183.40**	**159.85**

The Group's investment properties as on 31 March 2018 consist of two office properties situated at Mumbai(Jogeshwari) and Kolkata and one factory land and building situated at Rampur in India. The management has determined the classification of investment properties based on the nature, characteristics and risks of each property.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

As at 31 March 2018 and 31 March 2017 the fair values of the properties are Rs. 4,277.50 Lakhs and Rs. 6,044.29 Lakhs respectively. These valuations are based on valuations performed by accredited independent valuers and best estimate of the management in respect of property of the subsidiary company and subsequent realisable value thereof.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

Fair value hierarchy disclosures for investment properties have been provided in Note 48 B.

Reconciliation of fair value:

(Amount in Rs. Lakhs)

Opening balance as at 01 April 2016	5,684.63
Transfer from held for sale	1,290.00
Addition during the year	-
Sales	(977.00)
Depreciation	(14.25)
Fair Value Difference	88.23
Exchange differences	**(27.32)**
Transfer to Level 2 hierarchy	(501.10)
As at 31 March 2017	**5,543.19**
Fair Value Difference	(852.19)
Transfer from property, plant and equipments	1,897.50
Sales	(2,311.00)
As at 31 March 2018	**4,277.50**

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	Valuation technique	Significant unobservable Inputs	Area	Range	
				31 March 2018	31 March 2017
Office properties					
-Bangalore	Market Approach	Reference pricing	Build-up area (Sq. feet) - 6,380	-	Sold during the year
-Kolkata	Market Approach	Reference pricing	Build-up area (Sq. feet) - 14,689	Rs. 6,500 per sqft	Rs. 6,400 per sqft
-Rampur Land	Market Approach	Reference pricing	Land area- 6 acres	Rs. 155 Lakhs-165 Lakhs per acre	Rs. 156 Lakhs-165 Lakhs per acre
-Rampur Building	Depreciated Replacement Cost		Build-up area (Sq. feet) - 37,405	Rs 265 Lakhs	Rs 330 Lakhs
-Mumbai	Market Approach	Reference pricing	Carpet area (Sq. feet) - 13,546	Sold during the year	Rs 13,723 per sqft
-Mumbai (Jogeshwari)	Sale Comparison Method	Reference pricing	Super built area (Sq. feet) - 16,500	Rs. 11,500 per sqft	-
-Singapore*	Sale Comparison Method	Reference pricing	Build-up area (Sq. feet) - 657	Sold during the year	Rs. 76,270 per sqft

The market approach uses prices and other relevant information generated by market transactions involving identical or complete assets, such as business. valuation techniques consistent with the market approach often use market multiples derived from a set of comparables. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors specific to the reasurement.

*Assets has been transferred to level 2 hierarchy on entering memorandum of understanding for sale of property.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

5 **Intangible assets**

(Amount in Rs. Lakhs)

Particulars	Intellectual Property Rights	Computer Software	Inhouse developed Software	Web site Development Cost	Total	Intangible asset under development	Grand Total
As at 01 April 2016	**70.62**	**1,087.02**	**-**	**29.93**	**1,187.57**	**6.73**	**1,194.30**
Additions for the year	-	144.91	320.11	-	465.02	480.97	945.99
Disposals	-	-	(68.16)	-	(68.16)	-	(68.16)
Discontinued operations (Note 47)	-	(0.41)	-	(29.93)	(30.34)	-	(30.34)
Exchange differences	-	2.87	-	-	2.87	(18.95)	(16.08)
At 31 March 2017	**70.62**	**1,234.39**	**251.95**	**-**	**1,556.96**	**468.75**	**2,025.71**
Additions for the year	-	187.99	-	-	187.99	763.92	951.91
Transfers	-	516.83	-	-	516.83	(516.83)	-
Acquisition of a subsidiary (Note 44)	0.59	-	7.58	-	8.17	-	8.17
Exchange differences	-	6.32	-	-	6.32	(3.45)	2.87
At 31 March 2018	**71.21**	**1,945.53**	**259.53**	**-**	**2,276.27**	**712.39**	**2,988.66**
Accumulated amortisation							
As at 01 April 2016	23.04	361.23	-	3.19	387.46	-	387.46
Amortisation for the year	23.04	429.19	84.75	2.65	539.63	-	539.63
Disposals	-	-	(68.16)	-	(68.16)	-	(68.16)
Discontinued operations (Note 47)	-	(6.92)	-	(5.84)	(12.76)		(12.76)
Exchange differences	-	2.68	-	-	2.68	-	2.68
At 31 March 2017	**46.08**	**786.18**	**16.59**	**-**	**848.85**	**-**	**848.85**
Amortisation for the year	19.52	360.98	0.71	1.70	382.91	-	382.91
Discontinued operations (Note 47)		(11.60)	-	(1.70)	(13.30)		(13.30)
Exchange differences	-	5.38	-	-	5.38	-	5.38
At 31 March 2018	**65.60**	**1,140.94**	**17.30**	**-**	**1,223.84**	**-**	**1,223.84**
Net Book Value							
At 31 March 2017	**24.54**	**448.21**	**235.36**	**-**	**708.11**	**468.75**	**1,176.86**
At 31 March 2018	**5.61**	**804.59**	**242.23**	**-**	**1,052.43**	**712.39**	**1,764.82**

Net Book Value

Particulars	As at 31 March 2018	As at 31 March 2017
Intangible assets	1,052.43	708.11
Intangible asset under development	712.39	468.75

1. Amortisation for the year includes amortisation of intangible asset, pertaining to discontinued operation of Rs. 13.30 Lakhs (31 March 2017 Rs.172.43 Lakhs)

2. Intangible assets under development includes Manpower and other cost incurred for various internally developed softwares.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

6. Investment in associates and a joint venture

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Investment in associates (refer note 45)		
Creative Functionapps Lab Pvt. Ltd 3,514 (31 March 2017 : 3,514) equity share of Rs 10 each	82.56	94.41
Exponentially I Mobility LLP 28.47% profit sharing	-	56.94
Sunstone Learning Private Limited 95,058 (31 March 2017 : 95,058) equity share of Rs 1 each*	782.09	782.09
Less: Impairment of Investment	(782.09)	(782.09)
Investment in joint venture (refer note 45)		
Adgyde Solutions Pvt. Ltd 1,230,000 (31 March 2017 : 1,230,000) equity share of Rs 1 each	49.81	116.38
	132.37	**267.73**

*In the previous year, the Group has identified an impairment of Rs. 782.09 Lakhs on investment in an Associate as its business has closed during the year. The impairment of investment in the associate company has been recognised as exceptional items in the statement of profit or loss.

7 Investments

(Amount in Rs. Lakhs)

As at 31 March 2018	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Financial instrument carried at fair value through profit and loss				
Investment in equity instrument (unquoted)				
Sunstone Eduversity Pvt Ltd Nil (31 March 2017 : 27,301) equity share of Rs 1 each	-	0.27	-	-
Riot Labz Private Limited Nil (31 March 2017 : 200) equity share of Rs 10 each	-	1.25	-	-
Super Highway Labs Pvt Ltd Nil (31 March 2017 : 20) equity share of Rs 10 each	-	0.41	-	-
911 India Healthcare Private Limited 1 (31 March 2017 : 1) equity share of Rs 10 each	0.01	0.00	-	-
Propinquity Technology Pvt. Ltd. Nil (31 March 2017 : 5)	-	0.05	-	-
Less: Impairment of Investment	-	(0.05)	-	-
S Mobile Devices Limited	5.00	5.00	-	-
Investment in fully paid up cumulative compulsorily convertible preference shares (unquoted)				
Sunstone Eduversity Pvt Ltd Nil (31 March 2017 : 4,275) preference share of Rs 10 each	-	15.00	-	-
Super Highway Labs Pvt Ltd Nil (31 March 2017 : 3,379) preference share of Rs 10 each	-	43.59	-	-
Riot Labz Private Limited Nil (31 March 2017 : 1,800) preference share of Rs 10 each	-	11.25	-	-
911 India Healthcare Private Limited 2,688 (31 March 2017 : 5,999) preference share of Rs 10 each	34.94	15.00	-	-
Propinquity Technology Pvt. Ltd. Nil (31 March 2017 : 1,662)	-	14.95	-	-
Less: Impairment of Investment	-	(14.95)	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

As at 31 March 2018	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Talentuno Software Pvt Ltd Nil (31 March 2017 : 20,000)	-	15.00	-	-
Less: Impairment of Investment	-	(15.00)	-	-
Investment in cumulative compulsorily convertible bonds (unquoted)				
Investment in PT Solusi Pasti Indonesia (IDR 27,000,000,000 (Twenty Seven Billion Rupiah) convertible bonds) (31 March 2017: Nil)	1,389.46	-	-	-
Investment in PT Jasa Digital Nusantara (USD 2,00,000 (Two hundred thousand USD) convertible bonds (31 March 2017: Nil)	139.85	-	-	-
Less: Impairment of Investment (refer note 56)	(139.85)	-	-	-
Government and trust securities (unquoted)				
5 (31 March 2017 : 5) National Saving Certificates of Rs.10,000 each (Purchased in the name of an employee of the Company and pledged with sales tax department)	0.50	0.50	-	-
Debt securities (unquoted)				
Debentures of Reliance Capital Limited Nil (31 March 2017:100) units of Rs 100,000 each	-	-	-	117.04
Mutual fund units (unquoted) of Rs. 10 each fully paid up				
Reliance Regular Savings Fund- Debt- Growth Nil (31 March 2017: 1,270,705) units of Rs 19.26 each	-	-	-	287.90
IDFC Super Saver Income Fund-Investment Plan-Growth (Regular Plan) 564,052 (31 March 2017: 564,052) units of Rs 35.46 each	-	-	232.82	228.09
	1,429.91	**92.27**	**232.82**	**633.03**
Aggregate amount of unquoted investments	1,429.91	92.27	232.82	633.03
Aggregate amount of impairment in value of investments	139.85	30.00	-	-

8 Loans - financial assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Secured, considered good				
Security deposits	55.87	64.24	-	-
Loans to body corporate#	300.00	300.00	-	-
Unsecured, considered good				
Security deposits	53.24	-	153.52	149.72
Loans to employees	21.86	6.33	159.95	41.92
Advances recoverable in cash or kind	-	-	125.08	100.00
	430.97	**370.57**	**438.55**	**291.64**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Doubtful				
Security deposits	-	-	2.10	2.10
Advances recoverable in cash or kind	-	-	404.92	4.90
	-	**-**	**407.02**	**7.00**
Allowances for bad & doubtful				
Security deposits	-	-	2.10	2.10
Advances recoverable in cash or kind	-	-	404.92	4.90
	-	**-**	**407.02**	**7.00**
	430.97	**370.57**	**438.55**	**291.64**

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Loan to body corporate secured against property, plant and equipment and receivables.

9 Others- financial assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good				
Receivable from related party (refer note 41)				
Rent and other receivable	-	-	7.82	20.23
Receivable against ticketing	-	-	54.72	46.60
Receivable from others				
Interest accrued on fixed deposits	-	-	22.06	53.49
Interest accrued on inter-corporate loans	-		31.42	30.59
Interest accrued on loan to employees	-		-	21.84
Rent and other receivable	-		11.47	1.13
Income accrued but not billed	-		5,260.64	3,353.72
Receivable against ticketing			63.73	82.26
Receivable against collection from agents			1,110.72	271.84
Fixed deposits with remaining maturity of more than 12 months (Refer note 12 for fixed deposit pledged with bank)	9.19	748.21	-	-
	9.19	**748.21**	**6,562.58**	**3,881.70**
Unsecured, considered doubtful				
Receivable against collection from agents	-	-	3.27	13.70
Rent and other receivables - from others	-	-	22.23	22.23
	-	**-**	**25.50**	**35.93**
Allowances for bad & doubtful				
Receivable against collection from agents	-	-	3.27	13.70
Rent and other receivables - from others	-	-	22.23	22.23
	-	**-**	**25.50**	**35.93**
	9.19	**748.21**	**6,562.58**	**3,881.70**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

10 Trade receivables

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Trade receivables	5,192.75	6,561.16
Less: allowance for doubtful debts	(1,504.22)	(1,169.17)
	3,688.53	**5,391.99**
Unsecured, considered good	3,688.53	5,391.99
Doubtful	1,504.22	1,169.17
	5,192.75	6,561.16
Allowance for doubtful debts	(1,504.22)	(1,169.17)
	3,688.53	**5,391.99**

11 Cash and cash equivalents

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Balance with banks :		
On current accounts	4,277.40	5,110.30
Cheques, drafts on hand	0.08	0.10
Cash on hand	4.45	2.10
Deposit with original maturity of less than three months*	937.32	-
	5,219.25	**5,112.50**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

*The Company has pledged its fixed deposit of Rs 125 Lakhs (31 March 2017 : Rs. Nil) in respect of the bill discounting/overdraft facility taken by a erstwhile step down subsidiary company

Balance with banks on current account does not earn interest. Short-term deposits are made for varying periods of between one day and three months, more than 3 months and in some cases more than 12 months (which have been classified as non current assets under note no 9) also, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

12 Bank balances other than (11) above

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Unclaimed dividend accounts	45.97	59.40
Fixed deposits with remaining maturity for more than 3 months but less than 12 months	3,081.22	2,377.56
Fixed deposits with remaining maturity of more than 12 months	9.19	748.21
	3,136.38	3,185.17
Amount disclosed under other non current financial assets (refer note 9)	(9.19)	(748.21)
	3,127.19	**2,436.96**

Deposit with banks earns interest at fixed rates based on bank deposit rates for the tenor of deposit at the time of placing the deposit.

Fixed deposits with carrying amount of Rs. 1,783.50 Lakhs (31 March 2017: Rs.4,838.33 Lakhs) pledged with bank/government authority (including fixed deposits as at 31 March 2018 of Rs 419.75 Lakhs (31 March 2017: Rs. 3,572.35 Lakhs) transferred to assets held for discontinued operations.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

13 Non current tax assets

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Advance income-tax (net of provision for taxation)	5,114.96	4,165.81
	5,114.96	**4,165.81**

14 Other assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Capital advances	16.73	-	-	-
Prepaid expenses	17.64	14.14	248.26	290.04
Prepaid rent	4.10	0.50	3.55	0.84
Balances with statutory / government authorities*	125.01	106.24	259.65	451.47
Interest receivable on income Tax/ VAT refund	-	-	-	35.24
Advance to suppliers/ service providers	-	-	468.15	390.60
	163.48	**120.88**	**979.61**	**1,168.19**
Unsecured, considered doubtful				
Advances receivable in cash or kind	-	-	164.45	164.50
Allowances for bad and doubtful				
Advances receivable in cash or kind	-	-	164.45	164.50
	163.48	**120.88**	**979.61**	**1,168.19**

*includes Rs 20 Lakhs (31 March 2017 : Rs 20 Lakhs) deposited under protest by the Company with excise authorities and Rs. 86 Lakhs (31 March 2017 : Rs 86 Lakhs) deposited under protest by a subsidiary company with service tax authorities.

15 Inventories (valued at lower of cost and net realisable value)

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Traded goods	5.53	234.89
	5.53	**234.89**

16. Deferred tax

Recognised deferred tax assets and liabilities

A. Deferred tax assets and liabilities are attributable to the following:

(Amount in Rs. Lakhs)

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/ (liabilities)	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Property, plant and equipments and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(172.47)	(196.77)	(172.47)	(196.77)
Investment at fair value through profit or loss	-	-	(9.56)	(32.61)	(9.56)	(32.61)
Other financial liabilities at fair value (Security deposits)	-	-	(0.99)	-	(0.99)	-
Acquisition of a subsidiary (refer note 44)	2.29	-	-	-	2.29	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

	Deferred tax assets		Deferred tax (liabilities)		Net deferred tax asset/ (liabilities)	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Loans at fair value (security deposits)	0.96	-	-	-	0.96	-
Other financial assets at fair value	18.88	-	-	-	18.88	-
Provisions- bad and doubtful debts	378.59	321.19	-	-	378.59	321.19
Provisions-employee benefits	175.27	176.50	-	-	175.27	176.50
Other items	11.03	11.28	-	-	11.03	11.28
Deferred tax assets/ (liabilities)	**587.02**	**508.97**	**(183.02)**	**(229.38)**	**404.00**	**279.59**
MAT credit receivable	1,117.82	1,107.08	-	-	1,117.82	1,107.08
Net deferred tax assets/ (liabilities)	**1,704.84**	**1,616.05**	**(183.02)**	**(229.38)**	**1,521.82**	**1,386.67**

B. Movement in temporary differences

(Amount in Rs. Lakhs)

	As at 31 March 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	As at 31 March 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	As at 31 March 2018
	(A)	(B)	(C)	(D=A-B+C)	(E)	(F)	(G=D-E+F)
Property, plant and equipments and intangible assets	(245.35)	(48.58)	-	(196.77)	(24.30)	-	(172.47)
Investment at fair value through profit or loss	(8.65)	23.96	-	(32.61)	(23.05)	-	(9.56)
Other financial liabilities at fair value (Security deposits)	-	-	-	-	0.99	-	(0.99)
Acquisition of a subsidiary (refer note 44)	-	-	-	-	-	-	2.29
Loans at fair value (security deposits)	-	-	-	-	(0.96)	-	0.96
Other financial assets at fair value	-	-	-	-	(18.88)	-	18.88
Provisions- bad and doubtful debts	113.01	(208.18)	-	321.19	(57.40)	-	378.59
Provisions-employee benefits	177.72	1.22	-	176.50	1.23	-	175.27
Other items	5.98	(4.18)	1.12	11.28	(4.24)	(4.49)	11.03
Exchange difference on translation	-	0.26	-	-	(0.16)	-	-
	42.71	**(235.50)**	**1.12**	**279.59**	**(126.77)**	**(4.49)**	**404.00**

(Amount in Rs. Lakhs)

Disclosed in the balance sheet as follows:	**As at 31 March 2018**	**As at 31 March 2017**
Deferred tax assets	1,526.54	1,397.57
Deferred tax liabilities	4.72	10.90
Deferred tax assets (net)	**1,521.82**	**1,386.67**

(Amount in Rs. Lakhs)

Disclosed in the statement of profit and loss as follows:	**As at 31 March 2018**	**As at 31 March 2017**
Tax income/(expense) during the year	(126.77)	(235.50)
Deferred tax impact OCI	(4.49)	1.12
Total	**(131.26)**	**(234.38)**

- The Group offsets deferred tax assets and deferred tax liabilities if and only if it relate to income taxes levied by the same tax authority.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

The MAT credit of INR 1,117.82 Lakhs (31 March 2017: INR 1,107.08 Lakhs) recognised by the Company as 'MAT credit entitlement' under 'Deferred tax assets' in respect of MAT payment for earlier years, represents that portion of MAT credit which can be recovered and set off in future years based on the provisions of Section 115JAA of the Income Tax Act,1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Company to utilize MAT credit assets.

C. Unrecognised deferred tax assets

Entity	As at 31 March 2018	Expiry date	As at 31 March 2017	Expiry date
- Company				
Loss from business	2,668.63	31 March 2019 to 31 March 2027	1,705.59	31 March 2012 to 31 March 2020
Unabsorbed depreciation	2,082.24	Carried forward indefinitely	1,831.51	Carried forward indefinitely
Total	**4,750.86**		**3,537.10**	
Potential tax benefit	**1,235.22**		**1,092.96**	
- Subsidiaries				
Loss from business	1,202.26	Indefinite Period	1,043.05	Indefinite Period
Property, plant and equipments and intangible assets	(2.58)	Not Applicable	35.70	Not Applicable
Provisions- bad and doubtful debts	202.34	Not Applicable	141.16	Not Applicable
Provisions-employee benefits	19.48	Not Applicable	12.40	Not Applicable
Other items	358.21	Not Applicable	406.96	Not Applicable
Total	**1,779.71**		**1,639.27**	
Potential tax benefit	**507.51**		**469.88**	

17. Equity share capital

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Authorized		
330,000,000 (31 March 2017: 330,000,000) equity shares of Rs. 3 each	9,900.00	9,900.00
Issued, subscribed and fully paid-up		
227,863,982 (31 March 2017: 227,863,982) equity shares of Rs. 3 each	6,835.92	6,835.92
Less: Equity shares held by Independent Non-Promoter (Spice Employee Benefit) Trust / Independent Non-Promoters Trust (face value of 26,114,193 (March 31, 2017 :47,182,967) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer to note 52)	783.43	1,415.49
	6,052.49	5,420.43

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Nos.	Rs. Lakhs
Outstanding at the end of the year as at 31 March 2017	227,863,982	6,835.92
Outstanding at the end of the year as at 31 March 2018	227,863,982	6,835.92

(b) Terms/ rights attached to equity shares

The Company has single class of equity shares having a par value of Rs 3 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

In winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	As at 31 March 2018	As at 31 March 2017
Holding Company		
Spice Connect Private Limited, the holding company		
169,447,570 (31 March 2017: 169,447,570) equity shares of Rs. 3 each fully paid	5,083.43	5,083.43

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 3 each fully paid				
Spice Connect Private Limited (formerly Smart Ventures Private Limited), the holding company	**169,447,570**	**74.36%**	16,94,47,570	74.36%
Mediatek India Technology Private Limited	**19,368,439**	**8.50%**	-	-
Independent Non Promoter Trust	**15,912,776**	**6.98%**	3,52,81,215	15.48%
Independent Non Promoter (Spice Employee Benefit) Trust*	**-**	**-**	1,19,01,752	5.22%

* During the year, the holding of the said trust has gone below 5%.

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

17A. Other equity

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Securities premium	1,770.80	2,101.68
Capital redemption reserve	306.66	306.66
General reserve	5,712.74	5,712.74
Capital reserve on consolidation	(15.76)	472.19
Retained earnings	13,996.09	17,186.45
Trust shares (refer note 52)	142.58	(3,014.49)
Other comprehensive income (OCI)	(276.23)	(283.42)
	21,636.88	**22,481.81**
a) Securities premium		
Balance as per the last financial statements	2,101.68	1,770.80
Add: Created during the year	-	330.88
Add: Adjustment on account of change in ownership	(330.88)	-
Closing Balance	**1,770.80**	**2,101.68**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

		As at 31 March 2018	As at 31 March 2017
b)	**Capital redemption reserve**		
	Balance as per the last financial statements	306.66	306.66
	Add: Created during the year	-	-
	Closing Balance	**306.66**	**306.66**
c)	**General reserve**		
	Balance as per the last financial statements	**5,712.74**	**41,652.97**
	Add: Created during the year	-	-
	Add: Transfer to retain erarning	-	(35,940.23)
	Closing Balance	**5,712.74**	**5,712.74**
d)	**Capital reserve on consolidation**		
	Balance as per the last financial statements	**472.19**	**472.19**
	Add: Created during the year	(487.95)	-
	Closing Balance	**(15.76)**	**472.19**
e)	**Retained earnings**		
	Balance as per the last financial statements	**17,186.45**	**(20,309.68)**
	Add: Created during the year	(4,469.71)	(3,849.95)
	Non Controlling Interest	894.79	281.38
	Transfer from general reserve	-	35,940.23
	Share of retained earning moved to non controlling from controlling	12.46	5,104.19
	Remeasurement gain/(loss) on defined benefit plan, net of tax impact (from OCI)	9.17	20.28
	Add: Acquisition of non-controlling interest of subsidiary	32.05	-
	Add: Adjustment on account of change in ownership	330.88	-
	Closing Balance	**13,996.09**	**17,186.45**
f)	**Trust shares (refer note 52)**		
	Opening balance	**(3,014.49)**	(3,013.89)
	Add: Adjustments relating to sale of shares by Trust	3,157.07	(0.60)
	Closing Balance	**142.58**	**(3,014.49)**
g)	**Items of OCI**		
1.	**Foreign Currency Translation Reserve**		
	Balance as per the last financial statements	**(0.45)**	**176.95**
	Add: Created during the year	256.87	(177.40)
	Less: Transaction with Non Controlling Interest	(42.33)	-
	Add: Acquisition of non-controlling interest of subsidiary	13.03	-
	Closing Balance	**227.12**	**(0.45)**
2.	**Foreign Currency Monetary Item Translation Difference Account**		
	Balance as per the last financial statements	**(282.97)**	-
	Add: Created during the year	(114.45)	(282.97)
	Less: Transaction with Non Controlling Interest	(60.91)	-
	Add: Acquisition of non-controlling interest of subsidiary	(45.02)	-
	Closing Balance	**(503.35)**	**(282.97)**
	Total (1+2)	**(276.23)**	**(283.42)**
	Total other equity	**21,636.88**	**22,481.81**

Description of nature and purpose of each component of Other Equity

(i) Capital reserve on consolidation arise due to excess of Company's share of equity of the subsidiary on the date of investment over cost of investment.

(ii) Securities premium represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

(iii) Capital redemption reserve is created upon cancellation of shares pursuant to buy back.

(iv) Foreign currency translation reserve arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the reporting date.

(v) Foreign currency monetary item translation difference account arise due to exchange differences on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the year.

18 Borrowings

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2018**	**As at 31 March 2017**
Secured				
Bill discounting facility from a bank (secured) (repayable on demand) $	-	-	1,667.86	524.94
Overdraft limit from bank (repayable on demand) #	-	-	399.47	-
	-	**-**	**2,067.33**	**524.94**
Unsecured				
Loans from related party (refer note 41) (repayable on 10 April 2019)				
Effective interest rate 2% p.a	1,237.67	-	-	-
Interest free loan and advances from others repayable on demand (repayable on demand)	-	-	75.58	86.34
	1,237.67	**-**	**75.58**	**86.34**
	1,237.67	**-**	**2,142.91**	**611.28**

$ The bill discounting facility from a bank is secured by first and exclusive charge on current assets of a subsidiary company, both present and future. Further, lien is marked on fixed deposit receipt to the extent of 15% of Rs.1,667.86 Lakhs (31 March, 2017: 15% of Rs. 524.94 Lakhs). The facility carries interest at MCLR plus 1.10% (31 March 2017: MCLR plus 1.10%).

#The bank overdraft facility is 100% secured against fixed deposits

19 Trade payables

(Amount in Rs. Lakhs)

	As at 31 March 2018	**As at 31 March 2017**
Trade payables (refer note 53 for details of due to micro and small enterprises)		
- Due to Micro and Small Enterprises	-	-
- Due to Other than Micro and Small Enterprises	5,076.95	3,789.72
Trade payable to related parties (refer note 41)*	64.77	62.66
	5,141.72	**3,852.38**

* Balance as at 31 March 2018 excludes Rs. 136.55 Lakhs (31 March 2017: Rs 302.99 Lakhs) transferred to liabilities for discontinued operations.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

20 Other financial liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
At amortised cost				
Security deposits	43.38	142.81	-	15.92
Unpaid dividends	-	-	45.97	59.40
Payable towards capital goods	-	-	35.61	49.17
Employee related liabilities (includes salary payable and variable compensation)				
- to related parties (refer note 41)	-	-	22.63	5.62
- to other employees	-	-	994.59	964.85
	43.38	**142.81**	**1,098.80**	**1,094.96**

21 Provisions

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Provision for employee benefit				
Gratuity	392.12	324.69	53.06	42.11
Compensated absences	205.59	135.61	85.32	66.91
Provision for bank liability payout of discontinued operations (Refer Note 40 D (a) and 47)	-	-	600.00	-
	597.71	**460.30**	**738.38**	**109.02**

22 Current tax liabilities (net)

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Provision for income-tax (net of advance tax)	211.36	64.06
	211.36	**64.06**

23 Other liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Rent received in advance	13.11	45.04	6.95	17.88
Security deposits	7.78	-	-	-
Deposits from customers	17.67	-	-	-
Employee statutory deductions	-	-	59.67	53.24
TDS payable	-	-	331.36	382.94
Advance from customers and their credit balances	-	-	2,334.43	2,833.32
Deferred revenue	-	-	72.76	7.54
Indirect taxes and duties payable	-	-	146.70	132.58
Others	-	-	21.95	2.13
	38.56	**45.04**	**2,973.82**	**3,429.63**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

24 Revenue from operations

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sales of traded goods	2,299.55	3,647.94
Sales/rendering of services	25,752.93	22,204.00
	28,052.48	**25,851.94**

25 Other income

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on income tax refund	22.95	228.02
Interest received on financial and non financial assets -carried at amortised cost		
Bank deposits	160.02	350.91
Inter corporate loans*	-	634.95
Loan to an employee and body corporate	40.15	33.64
Others	12.42	4.53
	-	-
Rental Income	403.21	511.37
Profit on sale of investment property	-	237.29
Net gain on sale of investments in equity investments	-	82.15
Profit on sale of investment in an associates	331.52	11.72
Net gain on sale of current investments in mutual fund units	8.90	43.84
Unclaimed balances written back (net)	114.39	597.36
Fair value gain on financial instruments at fair value through profit or loss #	32.96	81.66
Maintenance charges recovery	70.69	72.03
Miscellaneous income	32.10	51.97
Other non-operating income	92.19	46.87
	1,321.50	**2,988.31**

* Pertaining to inter corporate loans from discontinued operations during previous year.

#Fair value gain on financial instruments at fair value through profit or loss relates to investment in debt securities.

26 Purchases of stock In trade

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Traded goods	3,240.69	3,175.09
	3,240.69	**3,175.09**

27 (Increase)/decrease in inventories of traded goods

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year		
Traded goods	5.53	234.89
Inventories at the beginning of the year		
Traded goods	234.89	84.75
	229.35	**(150.14)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

28 Connectivity and content cost

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Value added service charges	9,727.30	8,758.22
Software development charges	-	22.29
	9,727.30	**8,780.51**

29 Employee benefits expense

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus*	6,072.47	4,826.53
Contribution to provident and other funds	368.20	300.02
Gratuity expense (refer note 39)	118.89	86.97
Staff welfare expenses	231.60	182.97
	6,791.16	**5,396.49**

* Net of Rs. 162.41 Lakhs (31 March 2017: Rs.240.48 Lakhs capitalised as intangible assets and Rs. 429.67 Lakhs (31 March 2017: Rs.210.16 Lakhs transferred to intangible assets under development.

30 Finance costs

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on:		
Borrowings	23.14	0.00
Security deposit	23.24	21.22
Income Tax	0.30	0.33
Bill discounting charges	158.69	5.82
	205.37	**27.37**

31 Depreciation and amortization expense

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment (refer note 3)	1,191.80	1,431.43
Amortization on intangible assets (refer note 5)	369.61	367.20
Depreciation on investment property (refer note 4)	135.75	221.38
	1,697.16	**2,020.01**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

32 Other expenses

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Loss on foreign exchange fluctuation (net)	280.14	855.90
Rent	223.79	77.27
Rates and taxes	190.54	215.11
Insurance	70.92	67.76
Repairs and maintenance		
- Buildings	67.38	66.35
- Others	244.64	197.00
Advertising and sales promotion	250.35	216.01
Loss on disposal of plant,property and equipments (net)	9.67	27.23
Travelling and conveyance	1,342.89	1,310.52
Legal and professional fees	2,212.82	1,938.66
Payment to statutory auditors (refer note A below)	137.07	160.82
Fair Value decrease in investment properties		40.39
Bank charges	0.32	0.78
Corporate social responsibility expenses (refer note B below)	128.00	84.48
Provision for doubtful advances	389.59	145.23
Provision for doubtful debts	319.34	593.69
Irrecoverable balances written off	391.95	-
Donation and contributions to charitable institutions	1.20	5.05
Miscellaneous expenses	1,237.32	1,086.06
	7,497.93	**7,088.31**

A. Payment to auditors

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor:		
Statutory audit fees	60.24	96.20
Tax audit fees	2.91	7.77
Limited reviews*	22.60	42.29
Other services (certification fees)*	31.73	6.86
Reimbursement of expenses*	19.59	7.70
	137.07	**160.82**

* Includes fee paid to erstwhile auditor amounting to INR 12.73 Lakhs.

B. Details of CSR expenditure

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
a. Gross amount required to be spent by the Group during the year	30.88	34.86
b. Amount spent during the year ending :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	128.00	84.48
ii) On purposes other than (i) above yet to be paid	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

33 Exceptional items

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Provision for bank liability payout of discontinued operations	600.00	-
Provision for doubtful debts and loans and advances (refer note 58)	5,280.21	-
Fair value loss in the value of Non Current Investments	(30.00)	30.00
Provision for diminution in the value of non current investments (refer note 56)	134.08	-
Loss on sale of investment property	380.00	-
Impairment of goodwill of subsidiary (refer note 57)	104.34	-
Provision for demand raised by tax authorities (refer note 54)	277.60	-
Impairment in value of investment in an associate company	-	782.09
	6,746.23	**812.09**

34 Items of other comprehensive income that will not be reclassified to profit and loss

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Remeasurement gain of defined benefit plan	13.66	0.78
Deferred tax impact	(4.49)	1.12
	9.17	**1.90**

35 Items of other comprehensive income that will be reclassified to profit and loss

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Exchange differences on translations of foreign operations	259.23	(210.43)
Exchange difference on long term loan*	(137.02)	(455.66)
	122.21	**(666.09)**

* Represents foreign exchange loss on translation of a long term monetary item forming part of a subsidiary's net investment in its foreign subsidiary.

36 Income Tax

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

A. Amount recognised in profit and loss:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax:		
Current income tax charge	816.40	1,320.03
Adjustment in respect of current tax of previous year*	88.51	(63.19)
Deferred tax		
Relating to origination and reversal of temporary differences	(126.77)	(235.50)
Income tax expense reported in the statement of profit or loss*	**778.14**	**1,021.34**
* including Rs (27.80) Lakhs (31 March 2017 Rs (2.16) Lakhs) pertaining to discontinued operations		
Deferred tax impact on component of other comprensive income (OCI)		
Remeasurement of defined benefit obligations	(4.49)	1.12
Total income tax benefit recognized in other comprehensive income	**(4.49)**	**1.12**

B. Reconciliation of effective tax rate

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018		For the year ended 31 March 2017	
Profit/(loss) before tax from continuing operations		(6,839.81)		1,645.32
Profit/(loss) before tax from discontinued operations		3,148.24		(4,473.93)
(Loss) before tax		**(3,691.57)**		**(2,828.61)**
Tax using the Company's domestic tax rate	29.12%	(1,074.98)	34.61%	(978.93)
Adjustments in respect of current income tax of previous years	-2.40%	88.51	2.23%	(63.19)
Permanent differences related to fixed assets	-0.53%	19.56	-1.22%	34.43
Amount not eligile of CSR	-0.50%	18.64	-0.53%	15.06
Standard deduction related to property on rental	0.96%	(35.35)	1.33%	(37.72)
Foreign withholding taxes expensed off	-5.27%	194.37	-9.42%	266.37
Tax adjustment due to rate difference	-10.61%	391.78	-2.91%	82.38
Income on sale of investment taxed as capital gain	1.60%	(59.16)	-0.46%	13.00
Share of losses of associates and joint venture	-0.62%	22.89	-0.55%	15.64
Tax credit not accounted in respect of entities having nil tax due to business loss	-24.07%	888.52	-58.33%	1,649.88
Gain on loss of control (consolidation adjustment, non taxable)	44.37%	(1,637.99)	0.00%	-
Income Tax exemption on income in bangladesh	0.69%	(25.54)	10.07%	(284.95)
Changes in estimates related to prior years	-9.48%	349.98	0.27%	(7.74)
Permanent differences in earlier years regarding 80IC	0.18%	(6.62)	0.78%	(22.18)
Differences in tax rates for dividend received from foreign subsidiaries	0.00%	-	-1.98%	55.97
Permanent difference related to provision for advances	-41.91%	1,547.26	-9.21%	260.48
Unrecognised tax losses	-2.28%	84.31	2.09%	(59.01)
Others	-0.32%	11.96	-2.89%	81.85
Effective tax rate	**-21.08%**	**778.14**	**-36.11%**	**1,021.34**

37 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Loss attributable to equity holders of the parent:		
Continuing operations	(6,750.96)	903.20
Discontinued operation	3,176.04	(4,471.77)
Loss attributable to equity holders of the parent for basic earnings	(3,574.92)	(3,568.57)
Weighted average (net) number of equity shares in calculating basic and diluted EPS	227,863,982	227,863,982

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Earnings per share for continuing operations		
Basic, computed on the basis of loss from continuing operations attributable to equity holders of the parent	(2.96)	0.39
Diluted, computed on the basis of loss from continuing operations attributable to equity holders of the parent	(2.96)	0.39
Earnings per share for discontinued operations		
Basic, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	1.39	(1.96)
Diluted, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	1.39	(1.96)
Earnings per share for continuing and discontinued operations		
Basic, computed on the basis of loss for the year attributable to equity holders of the parent	(1.57)	(1.57)
Diluted, computed on the basis of loss for the year attributable to equity holders of the parent	(1.57)	(1.57)

There have been no transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements, hence the weighted average number of shares remain same as at 31 March 2018 and 31 March 2017.

38 Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

S. No.	Name	Country of Incorporation	% Equity Interest	
			As at 31 March 2018	As at 31 March 2017
1	Spice Digital Limited	India	99.98%	89.19%
2	Kimaan Exports Private Limited (c)	India	100.00%	100.00%
3	Hindustan Retail Private Limited	India	100.00%	100.00%
4	New Spice Sales & Solutions Limited (a) (j)	India	100.00%	100.00%
5	Cellucom Retail India Private Limited (f)	India	100.00%	100.00%
6	Spice Online Private Limited (formerly known as Spice Online Retail Private Limited) (b) (m)	India	-	51.00%
7	S Mobility (HK) Limited (j)	Hong Kong	100.00%	100.00%
8	Hotspot Sales & Solutions Pvt Ltd (w.e.f. June 01, 2016) (h) (m)	India	-	100.00%
9	Omniventures Private Limited (w.e.f. June 07, 2016) (m)	India	-	100.00%
10	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.) (c)	Singapore	100.00%	100.00%
11	Mobisoc Technology Private Limited (c)	India	100.00%	99.90%
12	Spice Labs Private Limited (c)	India	99.90%	99.90%
13	Luharia Technologies Private Limited (w.e.f Janurary 01, 2018) (c) (j)	India	30.00%	0.00%
14	Spice Digital Bangladesh Limited (c)	Bangladesh	100.00%	100.00%
15	Beoworld SDN. BHD (d) (j)	Malaysia	100.00%	100.00%
16	PT Spice Digital Indonesia (w.e.f. April 7, 2016) (i) (j)	Indonasia	100.00%	100.00%
17	Omnia Pte. Ltd. (w.e.f. February 17, 2017) (e) (j)	Singapore	100.00%	100.00%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

S. No.	Name	Country of Incorporation	% Equity Interest	
			As at 31 March 2018	As at 31 March 2017
18	S Mobility Pte. Ltd. (d) (j)	Singapore	100.00%	100.00%
19	Spice VAS (Africa) Pte. Limited (d) (j)	Singapore	80.00%	69.63%
20	Spice Digital Nigeria Limited (e)	Nigeria	100.00%	100.00%
21	Spice VAS Kenya Limited (g) (l)	Kenya	100.00%	100.00%
22	Spice VAS Uganda Limited (g)	Uganda	75.00%	75.00%
23	Spice VAS Ghana Limited (e)	Ghana	100.00%	100.00%
24	Spice VAS Zambia Limited (e)	Zambia	100.00%	100.00%
25	Spice VAS Tanzania Limited (e) (k) (j)	Tanzania	100.00%	100.00%
26	Spice Digital South Africa Pty Limited (e)	South Africa	100.00%	100.00%
27	Spice VAS RDC (w.e.f. April 08, 2016) (g) (j)	Democratic Republic of Congo	100.00%	100.00%
28	SVA (Mauritius) Pvt Ltd.(w.e.f. October 04, 2016) (e) (j)	Mauritus	100.00%	100.00%
29	Spice Digital FZCO (w.e.f. March 26, 2017) (d) (j)	UAE	100.00%	100.00%
30	Spice IOT Solutions Private Limited (w.e.f. October 29, 2016) (j)	India	100.00%	100.00%

a) Subsidiary through Hindustan Retail Private Limited.

b) Subsidiary through Omniventures Private Limited.

c) Subsidiary through Spice Digital Limited.

d) Subsidiary through S Global Services Pte. Ltd.(formerly known as S GIC Pte. Ltd.)

e) Subsidiary through Spice VAS (Africa) Pte. Limited.

f) Subsidiary through New Spice Sales & Solutions Limited.

g) Subsidiary through SVA (Mauritius) Pvt Ltd.

h) Subsidiary through Spice Online Private Limited.

i) Subsidiary through Omnia Pte. Ltd.

j) Management financial statements have been considered for consolidation.

k) Current year 0.1% an equity interest in the subsidiary company is held by a subsidiary company namely Spice VAS (Africa) Pte. Limited jointly with a third party.

l) An equity interest of 20% in the subsidiary company is held by a third party on behalf of a subsidiary company namely Spice VAS (Africa) Pte. Limited.

m) The Board of Directors of the Company had approved the sale of entire stake in Omniventures Pvt Ltd.(OVPL), a wholly owned subsidiary of the Company, subsequently, the shareholders of the Company have also approved the same through postal ballot. Consequent to sale of stake in OVPL, OVPL and its subsidiary companies i.e. Spice Online Pvt. Limited and Hotspot Sales & Solutions Private Limited have ceased to be the subsidiaries of the Company with effect from 13 February 2018.

Ultimate Holding Company
Smart Global Corporate Holdings Private Limited

Holding Company
Spice Connect Private Limited

Name of associates and joint venture	Nature	Country of Incorporation	% Equity Interest	
			As at 31 March 2018	As at 31 March 2017
Sunstone Learning Private Limited	Associate	India	41.61%	41.61%
Creative Functionapps Lab Private Limited	Associate	India	26.00%	26.00%
Exponentially I Mobility LLP*	Associate	India	-	28.47%
Adgyde Solutions Private Limited	Joint Venture	India	49.00%	49.00%

* Ceased to be an associate w.e.f. 24 February 2018

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

39. Gratuity (defined benefit plan)

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Gratuity plan*	**455.88**	484.06
Total	**455.88**	484.06

*Also includes Rs. 10.70 Lakhs (31 March 2017 Rs. 117.26 Lakhs) for discontinued operations.

The Company and its subsidiaries have a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months. The scheme was partially funded with an insurance company in the form of a qualifying insurance policy. The level of benefits provided depends on the member's length of service and salary at the time of departure.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the plans:

Statement of profit and loss

Net employee benefit expense (recognised in personnel expenses) for gratuity

(Amount in Rs. Lakhs)

	Gratuity	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	89.86	88.54
Interest cost on benefit obligation	32.06	42.69
Past service cost including curtailment losses	3.85	-
Return on plan assets	(0.09)	(7.19)
Net benefit expense*	**125.68**	**124.04**

*Also includes Rs. 6.79 Lakhs (31 March 2017 Rs. 37.07 Lakhs) for discontinued operations.

Balance sheet

Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2018	As at 31 March 2017
Opening defined benefit obligation	**502.22**	**573.87**
Acquisition adjustment for the previous year	34.00	0.00
Current service cost	89.86	88.54
Interest cost	32.06	42.69
Actuarial loss arising from change in demographic assumption	3.85	0.00
Expenses Recognised in Profit and loss statement	**125.77**	**131.23**
Benefits paid*	(81.82)	(178.88)
Actuarial (Gain)/Loss arising from change in financial assumption	(1.47)	13.48
Actuarial (Gain)/Loss arising from experience adjustment	(12.28)	(37.48)
Total Change in defined benefit obligation due to change in actuarial losses/ (gains) recognised in OCI	**(13.75)**	**(24.00)**
Liability transferred to third party due to change in ownership	(109.28)	-
Closing defined benefit obligation	**457.14**	**502.22**

*Rs. Nil (31 March 2017: Rs. 102.27 Lakhs) has been paid directly by the Group.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

Changes in the fair value of plan assets are as follows:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2018	**As at 31 March 2017**
Opening fair value of plan assets	**18.16**	**89.78**
Expected return	0.09	7.19
Benefit Paid	-	(75.91)
Actuarial gain /(loss) for the year on asset recognised in OCI	**(0.09)**	**(2.90)**
Liability transferred to third party due to change in ownership	(16.90)	-
Closing fair value of plan assets	**1.26**	**18.16**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31 March 2018	**As at 31 March 2017**
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	As at 31 March 2018	**As at 31 March 2017**
Discount rate	7.80%	7.35%
Future salary increase	8.00%	8.00%
Retirement age	58 Years	58 Years
Employee turnover		
- Upto 30 years	4% to 15%	4% to 35%
- 31-44 years	4% to 15%	4% to 35%
- Above 44 years	1% to 15%	1% to 35%
Mortality rate	100% of IALM	100% of IALM

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below::

(Amount in Rs. Lakhs)

	As at 31 March 2018 Discount Rate		**As at 31 March 2018 Future Salary Increase**	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(14.70)	15.74	14.29	(13.58)

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

(Amount in Rs. Lakhs)

	As at 31 March 2017 Discount Rate		**As at 31 March 2017 Future Salary Increase**	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(11.79)	12.48	12.34	(11.77)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2018	**As at 31 March 2017**
Within the next 12 months (next annual reporting period)	65.30	73.62
Between 2-5 Years	189.74	188.38
Between 5-10 years	30.88	83.02
Beyond 10 years	171.22	157.20
Total expected payments	**457.14**	**502.22**

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 to 26 years (31 March 2017: 2 to 26 years).

40. Commitments and contingencies

A. Leases

Operating lease commitments — Group as lessee

Outlet premises, warehouses and office premises are obtained on operating lease. There are no contingent rents in the lease agreements. The lease terms are for 1-9 years and renewable by mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are subleases and most of the leases are cancellable in nature. The Group has recognised lease expenses of Rs.1,840.77 Lakhs (31 March 2017 Rs. 2,455.19 Lakhs) (including Rs. 1616.98 Lakhs and Rs. 2,377.92 Lakhs respectively for the year ended 31 March 2018 and 31 March 2017 related to discontinued operations).

During the current year, the Company has also obtained one more office building on lease. The lease term is for 6 years and can be extended on mutual consent of both the parties. There is a lock in period for three years. The Company has recognised lease expenses of Rs. 0.96 lakh for the year ended 31 March 2018.

The total of future minimum lease payments under the non cancellable operating leases is as under:

(Amount in Rs. Lakhs)

	As at 31 March 2018	**As at 31 March 2017**
Within one year	13.70	-
After one year but not more than five years	57.79	-
More than five years	15.94	-
	87.43	-

Operating lease commitments – Group as lessor

The Group has leased out a portion of the office premises on operating lease. The lease term is for 11 months and thereafter renewable on mutual agreement. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

The Company leased its investment property at Rampur, through a lease agreement. The lease is cancellable and there are no restrictions imposed by the lease agreement and there are no contingent rents. Further, the Company has leased its Buildings at Kolkata & Mumbai for terms ranging from three to five years and can be extended by mutual consent of both the parties. The leases have a lock in periods between one to five years and are cancellable after the lock in period by either party by serving a notice of atleast 3 months. The Company, during the year, has sold its investment property in Mumbai.

One of the subsidiary has entered into operating leases on its office buildings situated at Mumbai and Singapore. The lease term is for 3 months and 3 years in relation to the office buildings at Singapore given on lease, and thereafter renewable on mutual agreement. The lease agreement in relation to the office premises at Mumbai has a lock in period of 2 years and is cancellable after the lock in period by either party by serving a notice of atleast 3 months. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangement. During the year the subsidiary company has sold its investment property at Singapore.

(Amount in Rs. Lakhs)

	As at 31 March 2018	**As at 31 March 2017**
Rent received during the year	403.21	511.37

Future minimum rentals receivable under non-cancellable operating leases are as follows:

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Within one year	226.81	334.64
After one year but not more than five years	339.80	456.44
More than five years	-	-
	566.61	**791.08**

B. Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 92.17 Lakhs (31 March 2017, Rs. 80.80 Lakhs).

C. Contingent liabilities

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Demands and claims from government authorities*		
Demand from excise/ service tax authorities		
a) Demand raised by the excise authorities. The Company has deposited Rs 20 Lakhs (31 March 2017 Rs 20 Lakhs) under protest and the same has been included in the note of other assets under balances with statutory / government authorities.)***	662.63	662.63
b) Demand in respect of non charging the service tax on the short messaging peer-to-peer service including penalty thereon, including Rs 86 Lakhs (31 March 2017 Rs 86 Lakhs) paid under protest which is appearing in note no. 14 under balances with statutory/ government authorities.) Includes penalty Rs 324.46 Lakhs (31 March 2017: Rs 324.46 Lakhs)	1,235.55	1,177.14
The Group is of the view that it is an 'information technology service' and thus is exempt from the service tax. Based on discussions with the solicitors, the management believes that the Group has a good chance of success in the above mentioned case and hence, no provision there against is considered necessary.		
c) Demand in respect of non-registration of corporate office as a input service distributor and availment of input service CENVAT credit. Includes penalty Rs 66.96 Lakhs (31 March 2017: Rs 66.96 Lakhs)	332.91	314.68
The Group is of the view that since it is having central registration so there is no requirement for separately registering the corporate office as input service distributor.		
d) Show cause notice in respect of non-payment of service tax on unbilled revenue	584.30	584.30
The Group is of the view that the service tax liability becomes payable only on the actual billing i.e. on actualization of the unbilled revenue.		
e) Show cause notice in respect of wrong availment of input service tax credit on various expenses. Includes penalty Nil (31 March 2017 : Rs. 49.63 Lakhs)	-	70.31
The Group is of the view that the service tax are in relation to the output services provided and service tax paid hence can be availed.		
f) Demand in respect of wrong cenvat taken from dealer mentioning non PAN based registration.	1.50	6.26
The Group received the SCN in the financial year 2013-14. Out of total show cause notice amount of Rs.13.30 Lakhs department has disallowed Rs.3.13 Lakhs and also imposed the penalty Rs. 3.13 Lakhs in the financial year 2016-17 and the Group had paid Rs 0.24 Lakhs under protest. the Group had filed appeal against the order of Department and Commissioner (Appeals) has disallowed Rs 0.75 Lakhs and also imposed the penalty Rs 0.75 lakhs. Includes penalty Rs 0.75 Lakhs (31 March 2017: Rs 3.13 Lakhs)		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

		As at 31 March 2018	As at 31 March 2017
g)	The group has not provided for demand raised by revenue authorities (Spice VAS Tanzania Limited).	-	160.33
h)	The group has not provided for against Labour case (Spice VAS Tanzania Limited).	29.24	-
i)	The group has not provided against case filed by content partner (Spice VAS Uganda Limited).	24.11	-
j)	Consumer disputes*/***	28.01	40.61
k)	Demands raised by sales tax authorities**/***	9,080.88	9,119.02
l)	**Demands raised by income tax authorities*****		
	Income Tax Demands being disputed by the Group. During the year matter pertaining to AY 2011-12 of Rs. 685.42 Lakhs has been remanded back to ITAT. Further in respect of assessment year 2010-11, the Company has received a notice from Income tax authorities wherein income has been enhanced by Rs.753.38 Lakhs. The effect of the order has not yet been given. The Company has filed an appeal against the said notice. The notice has an income tax impact of Rs.226.88 Lakhs approximately plus interest.	672.31	672.31
m)	Penalty under foreign trade (development and regulation) act, 1992, on account of non fulfillment of export obligation***	-	408.60
n)	Various other claims against the Group not acknowledged as debts***	67.81	67.81
		12,719.25	**13,284.00**

* The cases are pending with various consumer disputes redressal forums. As per the management, the Group is made only a proforma party to these claims and liability, if any, arising out of these claims would be on the manufacturer and not likely to devolve on the Group.

**The Hon'ble Supreme Court of India vide its order dated 17 December 2014 on the judgment in case of State of Punjab Vs. Nokia India Pvt. Ltd. has held that sales tax liability on battery charger sold along with mobile phone should be charged at sales tax rate applicable to chargers, which is higher than the sales tax rate applicable to mobile phones in few states. Demand of Rs. 515.10 Lakhs, Rs 107.02 Lakhs, Rs 425.45 Lakhs, Rs 16.99 Lakhs, Rs 217.31 Lakhs and Rs.159.48 Lakhsl (31 March 2017 : Rs. 515.10 Lakhs, Rs 107.02 Lakhs, Rs 425.45 Lakhs, Rs 16.99 Lakhs, Rs 217.31 Lakhs and Rs.159.48 Lakhs) have been received from Bihar,Punjab, Rajasthan, Haryana, Uttar Pradesh and Karnatka respectively.

***The Group has fair chances of success in all these cases and likelihood of liability devolving on the Group is less than probable. Hence no provision in respect thereof has been made in the books.

D. Financial guarantees

a) In relation to bill discounting/bank guarantee/overdraft facility taken by Hotspot Sales & Solutions Private Limited (Hotspot) / Spice Online Private Limited (erstwhile subsidiaries of the Company) to the extent of outstanding exposure of Rs 600 Lakhs as at 31 March 2018, the Company alongwith step down subsidiary Kimaan Exports Private Limited (Kimaan) has given corporate guarantee of Rs. 1,000 Lakhs (31 March 2017: 2,600 Lakhs) which is backed by mortgage of property at Plot 19A & 19B Sector 125, Noida. In addition, the Company has pledged fixed deposit of Rs. 200 Lakhs (31 March 2017: Rs. 175 Lakhs) and one of its subsidiary has pledged fixed deposit of Rs. 400 Lakhs (31 March 2017: Rs 525 Lakhs). The Company has fully provided for the possible obligation of Rs. 600 Lakhs against the above outstanding.

b) One of the subsidiaries has pledged its fixed deposit of Rs. 317.47 Lakhs (31 March 2017 : Rs. 741.75 Lakhs) against issuance of bank guarantees of Rs. 546.07 Lakhs (31 March 2017 : Rs. 436.83 Lakhs). Bank guarantees are further secured by industrial property of a subsidiary in Dehradun.

c) One of the subsidiaries has pledged its fixed deposit of Rs. 321.63 Lakhs (31 March 2017 : Rs. 337.11 Lakhs) for its pre paid Instrument business.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

41. Related party transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

Entity with significant influence:

Ultimate Holding Company	Smart Global Corporate Holding Private Limited
Holding Company	Spice Connect Private Limited
Names of other related parties with whom transactions have taken place during the year	
Enterprises directly or indirectly through one or more intermediaries are under common control with the Company	Smart Entertainment Private Limited
	Wall Street Finance Limited
	Smartvalue Ventures Private Limited
	Smart Dream Private Limited
	Single Stop Evaluation Private Limited
	Sterea Infratech Limited
	Bougainvillea Multiplex & Entertainment Center Private Limited
	Goldman Securities Private Limited
Key Management Personnel (KMP)	Mr. Dilip Modi (Executive Chairman)
	Mr. Subramanian Murali (Non Executive Director)
	Mr. Umang Das (Independent Director)
	Mr. Suman Ghosh Hazra (Independent Director)
	Mr. Hanif Mohamed Dahya (Independent Director)
	Ms. Preeti Malhotra-Director(till 21.02.2018)
	Mr. Madhusudan V.- Chief Financial Officer
	Mr. M R Bothra- Vice President- Corporate Affairs and Company Secretary
Associates and joint venture of the Group	Sunstone Learning Private Limited, an associate of a subsidiary company
	Adgyde Solutions Private Limited, a joint venture of a subsidiary company
Relatives of Key Management Personnel	Mr. Rudrav Modi
	Ms. Siya Modi
	Ms. Sonal Modi
Other Related parties with whom transactions have taken place during the year	Momagic Technologies Private Limited S Global Innovation Centre Pte Ltd
Enterprises over which individuals having significant influence over the Company is able to exercise significant influence	S i2i Limited

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
Revenue from Value Added Services		**13.37**		**-**
Momagic Tecnologies Private Limited	13.37		-	
Remuneration		**98.14**		**98.15**
Mr. Madhusudan V.	59.88		61.91	
Mr. M R Bothra	38.26		36.24	
Director sitting Fees*		**9.25**		**7.75**
Mr. Umang Das	3.75		3.25	
Mr. Suman Ghosh Hazra	5.25		4.25	
Mr. Hanif Mohamed Dahya	0.25		0.25	
*excluding Service Tax/GST.				
Security Received		**4.80**		**-**
Smart Dreams Private Limited	4.80			
Miscellaneous Expenses		**2.84**		**16.95**
Wall Street Finance Limited	2.84		5.96	
Bharat IT Services Limited	-		10.99	
Provision in the value of Investment/share application money/Provision for doubtful debts/advances		**-**		**4.88**
Plus Paper Foodpac Private Limited	-		4.88	
Rent Income		**29.28**		**47.16**
Spice Connect Private Limited	10.08		10.08	
Smart Dreams Private Limited	19.20		1.60	
Wall Street Finance Limited	-		30.80	
Goldman Securities Private Limited	-		4.68	
Reimbursement of Expenses (recovered)		**61.06**		**57.44**
Spice Connect Private Limited	20.41		25.18	
Wall Street Finance Limited	0.80		23.05	
Goldman Securities Private Limited	-		1.23	
Single Stop Evaluation Private Limited	-		7.98	
Mr. Rudrav Modi	8.97		-	
Ms. Siya Modi	13.60		-	
Ms. Sonal Modi	17.28		-	
Reimbursement of Expenses (provided)		**25.46**		**57.32**
Spice Connect Private Limited	2.54		1.72	
Wall Street Finance Limited	21.62		55.11	
Mr. Hanif Mohamed Dahya	1.30		0.49	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
Purchase of Investment		**-**		**158.00**
Sunstone Learning Private Limited	-		35.00	
Adgyde Solutions Private Limited	-		123.00	
Loan taken during the year		**1,237.67**		**-**
S Global Innovation Centre Pte Ltd	1,237.67			
Purchase of assets		**0.90**		**-**
Smartvalue Ventures Private Limited	0.90			
Management Fees		**668.19**		**1,374.97**
Spice Connect Private Limited	668.19		1,374.97	
Travel Commission		**3.70**		**2.24**
Spice Connect Private Limited	0.63		1.76	
Single Stop Evaluation Private Limited	-		0.35	
Wall Street Finance Limited	0.30		0.13	
Mr. Rudrav Modi	0.84		-	
Ms. Siya Modi	0.89		-	
Ms. Sonal Modi	1.04		-	
Commission expense		**4.66**		**-**
Wall Street Finance Limited	4.66		-	
Interest expense		**23.14**		**-**
S Global Innovation Centre Pte Ltd	23.14		-	
Value Added Service Charges		**-**		**9.69**
Wall Street Finance Limited	-		9.69	
Outstanding balances at the end of year/ period	**As at 31 March 2018**		**As at 31 March 2017**	
Payables		**201.32**		**365.65**
Smart Global Corporate Holding Private Limited	2.70		2.70	
Wall Street Finance Limited	0.93		3.35	
Bharat IT Services Limited	-		4.10	
Si2i Ltd	136.55		161.50	
Spice Connect Private Limited	61.14		194.00	
Loan/advances receivable		**87.54**		**87.54**
Si2i Ltd	87.54		87.54	
Loan/advances payable		**1,237.67**		**-**
S Global Innovation Centre Pte Ltd	1,237.67		-	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
Provision for doubtful debts and advances		**87.54**		**87.54**
Si2i Ltd	87.54		87.54	
Other Receivable		**62.54**		**66.83**
Smart Dreams Private Limited	6.91		1.84	
Spice Connect Private Limited	21.94		7.50	
Mr. Rudrav Modi	5.17		12.06	
Ms. Siya Modi	6.71		9.88	
Ms. Sonal Modi	12.83		7.41	
Bougainvillea Multiplex & Entertainment Center Private Limited	-		0.42	
Sterea Infratech Limited	0.52		0.52	
Smart Entertainment Private Limited	2.62		2.62	
Single Stop Evaluation Private Limited	-		0.84	
Smartvalue Ventures Private Limited	4.74		4.58	
Wall Street Finance Limited	1.10		19.16	
Payables to KMP		**22.63**		**5.62**
Mr. Madhusudan V.	13.05		3.01	
Mr. M R Bothra	9.58		2.61	

The remuneration to the key managerial personnel as disclosed above does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Moreover remuneration part contains only actual paid portion of variable compensation.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except for loan given) and settlement occurs in cash. This assessment for impairment of receivables relating to amounts owed by related parties is undertaken each financial year through examining the financial position of the related parties.

42. Segment information

Operating segments: Business Segments

The Spice Group has organized its operations into two primary business segments;

(i) Devices – The segment is engaged in trading and manufacturing of mobile handsets, IT products and their accessories.*

ii) Services - The segment is engaged in Information and Communication Technology business providing Value Added Services to the Telecom Operators and development and sale of telecom related software and also providing financial technologies services such as Domestic Money Transfer(DMT) services, aadhar enabled payment services (AEPS), Bharat Bill payment system (BBPS) and other related services.

*The Company during the year has sold its investment in Omniventures Private Limited and its subsidiaries which was into the segment of 'Devices'. The Company has discontinued the devices segment in the current year and hence, the continuing business represents single segment as per the requirement if IND AS 108.

These are the reportable segments in terms of Ind AS-108 on Segment Reporting issued by Institute of Chartered Accountants of India. These have been identified taking into account the nature of activities carried out.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

Segment Revenue & Segment Income/ Expense

(Amount in Rs. Lakhs)

Particulars	Services	
	31 March 2018	**31 March 2017**
Revenue		
External revenue (including other operating revenue)	28,052.48	25,851.94
Inter segment revenue		
Total revenue	**28,052.48**	**25,851.94**
Income/ (expense)		
Depreciation and amortisation	1,171.24	1,290.17
Share of profit/(loss) of associates and a joint venture	-78.60	-45.20
Segment profit	100.38	1,181.44
Segment assets	20,714.60	20,263.59
Segment liabilities	10,008.78	8,654.92
Other disclosures		
Investment in associates and a joint venture	132.37	267.73
Capital expenditure	2,022.09	2,114.25

Reconciliations to amounts reflected in the financial statements

(Amount in Rs. Lakhs)

Particulars	31 March 2018	31 March 2017
Reconciliation of profit		
Segment profit	100.38	1,181.44
Reconciliation items:-		
Dividend income	-	-
Interest income	235.53	1,736.79
Profit on sale of Investment property	-	237.29
Profit on sale of Investments in equity investments	-	82.15
Profit on sale of investment in an associates	331.52	11.72
Profit on sale of current investments in mutual fund units	8.90	43.84
Fair value gain on financial instruments at fair value through profit or loss	32.96	81.66
Rent Received	403.21	511.37
Employee benefits expense	(269.02)	(268.35)
Depreciation and amortisation	(525.92)	(729.84)
Interest Cost	(205.37)	(27.37)
Exceptional items	(6,521.26)	(812.09)
Other expenses	(430.74)	(403.29)
Profit before tax from continuing operations	**(6,839.81)**	**1,645.32**
Profit /(Loss) before tax from Discontinued Operations	3,148.24	(4,473.93)
Profit/Loss before tax for Continued + Discontinued Operation	**(3,691.57)**	**(2,828.61)**

Reconciliation of assets

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Segment operating assets	20,714.60	20,263.59
Property, plant and equipment including intangible assets, capital work in progress and intangible asset under development	1,936.79	2,403.99
Investment Property	1,776.91	4,348.05
Goodwill	5,494.52	5,201.55
Non-current/current investments	1,795.11	993.04
Income Tax assets (net)	5,114.96	4,165.80

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred Tax assets (net)	1,526.54	1,397.57
Cash and bank balances	4,226.21	3,360.63
Loans and advances	435.42	403.38
Assets of a discontinued operations	1,161.48	11,896.92
Others	24.74	264.14
Total assets	**44,207.28**	**54,698.66**

Reconciliation of liabilities

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Segment operating liabilities	10,008.78	8,654.92
Long-term borrowings	1,237.67	-
Deferred tax liabilities (net)	4.72	10.90
Short-term borrowings	2,142.92	611.29
Provisions	663.43	50.43
Trade payables	89.28	120.51
Income Tax liabilities (net)	-	64.06
Liabilities of a discontinued operations	969.00	17,818.76
Others	82.22	308.27
Total liabilities	**15,198.02**	**27,639.14**

Information about geographical areas

The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.

Secondary Segment Reporting (by Geographical Segments)

(Amount in Rs. Lakhs)

Geographical Segment	31 March 2018	31 March 2017
Revenue from the Domestic market	16,787.27	16,097.53
Revenue from the Overseas markets	11,265.21	9,754.41
Total Revenue	**28,052.48**	**25,851.94**

There are no major external customer where revenue exceeds more than 10% of the entity's revenue.

The following table shows the carrying amount of property, plant and equipment and additions to property, plant and equipment and intangible fixed assets by geographical area in which the assets are located:

Particulars	Carrying amount of Property Plant and Equipment, Intangible Assets and Investment Property* (Rs. in Lakhs)		Additions to Property Plant and Equipment, Intangible Assets and Investment Property (Rs. in Lakhs)		Carrying amount of other non current assets** (Rs. in Lakhs)	
	As at 31 March 2018	As at 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017	As at 31 March 2018	As at 31 March 2017
Domestic Market	12,107.84	13,811.14	1,779.94	1,381.70	584.27	1,225.97
Overseas Markets	1,876.47	2,676.66	248.72	1,099.61	19.38	13.69
Total	**13,984.31**	**16,487.80**	**2,028.66**	**2,481.31**	**603.65**	**1,239.66**

* including capital work in progress, intangible assets under development and goodwill on consolidation.

** including carrying amount of non current loans, non current other financial assets and other non current assets by geographical area in which the assets are located.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

43. Additional information pursuant to schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financials statement" for financials year 2017-18.

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Amount in Rs. Lakhs	As % of consolidated profit and loss	Amount in Rs. Lakhs	As % of consolidated other comprehensive income	Amount in Rs. Lakhs	As % of total comprehensive income	Amount in Rs. Lakhs
Company									
	Spice Mobility Limited								
	Balance as at 31 March 2018	40.74%	11,281.09	10.26%	(366.83)	1.90%	2.87	10.63%	(363.96)
	Balance as at 31 March 2017	28.16%	7,855.91	245.21%	-8,750.40	-0.72%	3.19	218.21%	(8,747.21)
Subsidiaries Indian									
1	Spice Digital Limited								
	Balance as at 31 March 2018	95.85%	26,540.34	175.46%	-6,272.52	7.21%	10.93	182.91%	(6,261.59)
	Balance as at 31 March 2017	107.23%	29,920.10	-10.08%	359.84	0.48%	(2.12)	-8.92%	357.72
2	Mobisoc Technology Private Limited								
	Balance as at 31 March 2018	2.30%	636.55	8.74%	-312.42	-1.34%	(2.03)	9.19%	(314.45)
	Balance as at 31 March 2017	3.41%	951.00	0.46%	-16.43	0.14%	(0.60)	0.42%	(17.03)
3	Spice Labs Private Limited								
	Balance as at 31 March 2018	2.21%	611.58	-0.15%	5.40	-1.73%	(2.62)	-0.08%	2.78
	Balance as at 31 March 2017	2.18%	608.79	0.63%	-22.59	-0.33%	1.43	0.53%	(21.16)
4	Kimaan Exports Private Limited								
	Balance as at 31 March 2018	3.43%	949.07	-5.93%	212.13	0.00%	-	-6.20%	212.13
	Balance as at 31 March 2017	2.64%	736.94	-4.54%	161.92	0.00%	-	-4.04%	161.92
5	Spice IOT Solutions Private Limited								
	Balance as at 31 March 2018	0.00%	0.02	0.02%	-0.80	0.00%	-	0.02%	(0.80)
	Balance as at 31 March 2017	0.00%	0.82	0.00%	-0.18	0.00%	-	0.00%	(0.18)
6	Hindustan Retail Private Limited								
	Balance as at 31 March 2018	-0.57%	(157.81)	88.22%	-3,153.82	0.00%	-	92.13%	(3,153.82)
	Balance as at 31 March 2017	0.16%	46.01	217.59%	-7,764.84	0.00%	-	193.70%	(7,764.84)
7	New Spice Sales & Solutions Limited								
	Balance as at 31 March 2018	-46.87%	(12,977.65)	24.85%	-888.28	0.00%	-	25.95%	(888.28)
	Balance as at 31 March 2017	-44.71%	(12,474.70)	65.41%	-2,334.34	-3.65%	16.05	57.83%	(2,318.29)
8	Cellucom Retail India Private Limited								
	Balance as at 31 March 2018	-0.03%	(8.72)	0.43%	-15.49	0.00%	-	0.45%	(15.49)
	Balance as at 31 March 2017	0.02%	6.77	-45.88%	1,637.24	0.00%	-	-40.84%	1,637.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Amount in Rs. Lakhs	As % of consolidated profit and loss	Amount in Rs. Lakhs	As % of consolidated other comprehensive income	Amount in Rs. Lakhs	As % of total comprehensive income	Amount in Rs. Lakhs
9	Spice Online Private Limited (till 12 Feb 2018)								
	Balance as at 31 March 2018	0.00%	-	-1.71%	61.28	0.00%	-	-1.79%	61.28
	Balance as at 31 March 2017	4.88%	1,360.95	3.62%	-129.28	0.25%	(1.12)	3.25%	(130.40)
10	Omniventures Private Limited (till 12 Feb 2018)								
	Balance as at 31 March 2018	0.00%	-	0.01%	-0.37	0.00%	-	0.01%	(0.37)
	Balance as at 31 March 2017	-0.01%	-2.00	0.08%	-3.00	0.00%	-	0.07%	(3.00)
11	Hotspot Sales and Solution Pvt Ltd.(till 12 Feb 2018)								
	Balance as at 31 March 2018	0.00%	-	64.64%	-2,310.85	0.00%	-	67.50%	(2,310.85)
	Balance as at 31 March 2017	-36.32%	(10,133.10)	42.76%	-1,525.85	-1.23%	5.39	37.93%	(1,520.46)
12	Luharia Technologies Private Limited (w.e.f 01 Jan 2018)								
	Balance as at 31 March 2018	3.01%	832.35	-0.50%	17.75	0.00%	-	-0.52%	17.75
	Balance as at 31 March 2017	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign									
1	Spice Digital Bangladesh Limited								
	Balance as at 31 March 2018	3.39%	938.01	-2.88%	102.91	-12.81%	(19.42)	-2.44%	83.49
	Balance as at 31 March 2017	3.06%	854.52	-23.88%	852.05	17.18%	(75.60)	-19.37%	776.45
2	S Global Servicers Pte. Ltd.								
	Balance as at 31 March 2018	23.88%	6,610.99	-78.97%	2,823.14	0.00%	-	-82.47%	2,823.14
	Balance as at 31 March 2017	12.31%	3,435.40	20.53%	(732.62)	0.00%	-	18.28%	(732.62)
3	Beoworld SDN. BHD								
	Balance as at 31 March 2018	0.05%	14.32	0.12%	(4.26)	0.00%	-	0.12%	(4.26)
	Balance as at 31 March 2017	0.06%	16.51	0.11%	(4.07)	0.00%	-	0.10%	(4.07)
4	PT Spice Digital Indonesia								
	Balance as at 31 March 2018	0.50%	138.16	-1.70%	60.89	0.00%	-	-1.78%	60.89
	Balance as at 31 March 2017	0.29%	80.59	1.20%	(42.74)	0.00%	-	1.07%	(42.74)
5	Omnia Pte. Ltd.								
	Balance as at 31 March 2018	-0.11%	(30.96)	1.12%	(39.97)	0.00%	-	1.17%	(39.97)
	Balance as at 31 March 2017	0.04%	10.06	0.05%	(1.85)	0.00%	-	0.05%	(1.85)
6	S Mobility Pte. Ltd.								
	Balance as at 31 March 2018	-0.01%	(2.66)	0.08%	(2.74)	0.00%	-	0.08%	(2.74)
	Balance as at 31 March 2017	0.00%	0.19	0.09%	(3.35)	0.11%	(0.47)	0.10%	(3.82)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Amount in Rs. Lakhs	As % of consolidated profit and loss	Amount in Rs. Lakhs	As % of consolidated other comprehensive income	Amount in Rs. Lakhs	As % of total comprehensive income	Amount in Rs. Lakhs
7	Spice VAS (Africa) Pte. Limited								
	Balance as at 31 March 2018	19.84%	5,494.24	-38.70%	1,383.56	0.00%	-	-40.42%	1,383.56
	Balance as at 31 March 2017	10.55%	2,943.09	-8.33%	297.11	0.00%	-	-7.41%	297.11
8	Spice Digital Nigeria Limited								
	Balance as at 31 March 2018	-1.27%	(350.35)	4.31%	(154.11)	0.00%	-	4.50%	(154.11)
	Balance as at 31 March 2017	-0.82%	(227.47)	5.55%	(197.92)	0.00%	-	4.94%	(197.92)
9	Spice VAS Kenya Limited								
	Balance as at 31 March 2018	0.04%	10.21	-2.89%	103.40	0.00%	-	-3.02%	103.40
	Balance as at 31 March 2017	-0.33%	(90.90)	-1.77%	63.13	0.00%	-	-1.57%	63.13
10	Spice VAS Uganda Limited								
	Balance as at 31 March 2018	0.48%	134.06	0.32%	(11.46)	0.00%	-	0.33%	(11.46)
	Balance as at 31 March 2017	0.51%	142.94	-1.04%	36.98	0.00%	-	-0.92%	36.98
11	Spice VAS Ghana Limited								
	Balance as at 31 March 2018	0.83%	229.65	-2.13%	76.02	0.00%	-	-2.22%	76.02
	Balance as at 31 March 2017	0.55%	153.95	-3.88%	138.46	0.00%	-	-3.45%	138.46
12	Spice VAS Zambia Limited								
	Balance as at 31 March 2018	0.33%	90.36	-0.08%	2.81	0.00%	-	-0.08%	2.81
	Balance as at 31 March 2017	0.31%	85.50	-3.93%	140.18	0.00%	-	-3.50%	140.18
13	Spice VAS Tanzania Limited								
	Balance as at 31 March 2018	-1.27%	(352.64)	7.66%	(273.79)	0.00%	-	8.00%	(273.79)
	Balance as at 31 March 2017	-0.30%	(82.86)	1.18%	(41.98)	0.00%	-	1.05%	(41.98)
14	Spice Digital South Africa Pty Limited								
	Balance as at 31 March 2018	1.43%	394.59	0.89%	(31.87)	0.00%	-	0.93%	(31.87)
	Balance as at 31 March 2017	1.40%	389.91	-1.18%	42.01	0.00%	-	-1.05%	42.01
15	Spice Digital RDC Limited								
	Balance as at 31 March 2018	-0.03%	(7.17)	0.05%	(1.74)	0.00%	-	0.05%	(1.74)
	Balance as at 31 March 2017	-0.02%	(6.19)	0.25%	(8.82)	0.00%	-	0.22%	(8.82)
16	SVA (Mauritius) Pvt Ltd.								
	Balance as at 31 March 2018	-0.05%	(15.12)	0.22%	(7.92)	0.00%	-	0.23%	(7.92)
	Balance as at 31 March 2017	-0.03%	(7.12)	0.21%	(7.45)	0.00%	-	0.19%	(7.45)
17	S Mobility (HK) Limited								
	Balance as at 31 March 2018	0.00%	(0.63)	-0.61%	21.65	-1.95%	(2.96)	-0.55%	18.69
	Balance as at 31 March 2017	-0.06%	(17.50)	3.23%	(115.14)	-0.41%	1.81	2.83%	(113.33)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

	Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Amount in Rs. Lakhs	As % of consolidated profit and loss	Amount in Rs. Lakhs	As % of consolidated other comprehensive income	Amount in Rs. Lakhs	As % of total comprehensive income	Amount in Rs. Lakhs
18	Spice Digital FZCO								
	Balance as at 31 March 2018	-0.73%	(200.96)	5.58%	(199.41)	0.00%	-	5.83%	(199.41)
	Balance as at 31 March 2017	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests in all subsidiaries									
	Balance as at 31 March 2018	-4.77%	(1,319.88)	-25.03%	894.79	13.33%	20.21	-26.73%	915.00
	Balance as at 31 March 2017	3.02%	842.72	-7.88%	281.38	-45.89%	201.96	-12.06%	483.34
Associates									
1	Vavia Technologies Private Limited (till 24 Aug 2016)								
	Balance as at 31 March 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Balance as at 31 March 2017	0.00%	-	0.94%	(33.62)	0.00%	-	0.84%	(33.62)
2	Sunstone Learning Private Limited								
	Balance as at 31 March 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Balance as at 31 March 2017	0.00%	-	0.30%	(10.53)	0.00%	-	0.26%	(10.53)
3	Creative Functionapps Lab Private Limited								
	Balance as at 31 March 2018	0.00%	-	0.33%	(11.85)	0.00%	-	0.35%	(11.85)
	Balance as at 31 March 2017	0.00%	-	-0.17%	6.13	0.00%	-	-0.15%	6.13
4	Exponentially I Mobility LLP (till 24 Feb 2018)								
	Balance as at 31 March 2018	0.00%	-	0.01%	(0.18)	0.00%	-	0.01%	(0.18)
	Balance as at 31 March 2017	0.00%	-	0.02%	(0.56)	0.00%	-	0.01%	(0.56)
Joint Venture									
1	Adgyde Solutions Private Limited								
	Balance as at 31 March 2018	0.00%	-	1.86%	(66.57)	0.00%	-	1.94%	(66.57)
	Balance as at 31 March 2017	0.00%	-	0.19%	(6.62)	0.00%	-	0.17%	(6.62)
Eliminations									
	Balance as at 31 March 2018	-42.59%	(11,791.68)	-133.89%	4,786.61	95.38%	144.59	-144.05%	4,931.20
	Balance as at 31 March 2017	1.80%	501.41	-397.05%	14,169.18	134.07%	(590.01)	-338.75%	13,579.17
Total	**Balance as at 31 March 2018**	**100.00%**	**27,689.37**	**100.00%**	**(3,574.92)**	**100.00%**	**151.59**	**100.00%**	**(3,423.33)**
	Balance as at 31 March 2017	**100.00%**	**27,902.24**	**100.00%**	**(3,568.57)**	**100.00%**	**(440.09)**	**100.00%**	**(4,008.66)**

44. Business combinations

Acquisition of Luharia Technologies Private Limited

On 01 January 2018, the Group acquired 0.1% Compulsorily Convertible Preference Share Capital (CCPS), resulting in a minimum shareholding of 30% of the issued and paid up equity share capital of Luharia Technologies Private Limited, a non-listed company based in India, which is engaged in providing online P2P loan platform services.

Assets acquired and liabilities assumed

The values of the identifiable assets and liabilities of Luharia Technologies Private Limited as at the date of acquisition were:

Summarised balance sheet as at 31 March 2018:

(Amount in Rs. Lakhs)

	Values recognised on acquisition
Assets	
Property, plant and equipment	11.46
Other intangible assets	8.17
Deferred tax assets (Net)	2.29
Non current tax assets	16.81
Cash and cash equivalents	206.41
Other bank balances	162.00
Other financial assets	6.10
Total assets	**413.24**
Liabilities	
Trade payables	74.64
Other financial liabilities	8.61
Other current liabilities	140.40
Total liabilities	**223.65**
Total identifiable net assets	**189.59**

Calculation of Goodwill	**Values recognised on acquisition**
Consideration transferred	625.03
Add: Non-controlling interest in the acquired entity	570.17
Less: Cumulative preference share capital acquired	(4.14)
Less: Securities premium on preference share capital acquired	(620.89)
Less: Net identifiable assets acquired	(189.59)
Goodwill	**380.58**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	206.41
Net cash flow on acquisition	**206.41**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

45. Investment in associates and a joint venture

(Amount in Rs. Lakhs)

Particulars	Note	As at 31 March 2018		As at 31 March 2017	
		Carrying value of investment	Sharing of profit/(loss) during the year	Carrying value of investment	Sharing of profit/(loss) during the year
Investment in joint venture					
Adgyde Solutions Pvt. Ltd	(A)	49.81	(66.57)	116.38	(6.62)
Investment in associates					
Nil (31 March 2017 : Nil) equity shares of Rs10 each in Vavia Technologies Private Limited	(B)	-	-	-	(33.62)
95,058 (31 March 2017 : 95,058) equity share of Re 1 each in Sunstone Learning Private Limited	(C)	-	-	-	(10.53)
3,514 (31 March 2017 : 3,514) equity share of Re 10 each in Creative Functionapps Lab Pvt. Ltd	(D)	82.56	(11.85)	94.41	6.13
Nil (31 march 2017: 28.47%) profit sharing in Exponentially I Mobility LLP	(E)	-	(0.18)	56.94	(0.56)
Total		**132.37**	**(78.60)**	**267.73**	**(45.20)**

Investment in Joint Venture

A) Investment in Adgyde Solutions Pvt. Ltd.

The Group has a 49% interest in Adgyde Solutions Private Limited (incorporated on 28th April 2016), a joint venture which is engaged in the business of building analytics based solutions for the device companies and to create business model around the advertisement on the mobile, basis mobile user profiling. The Group's interest in Adgyde Solutions Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its audited financial statements (IND AS), and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet as at 31 March 2018:

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Current assets	63.80	145.12
Non-current assets	44.04	103.56
Current liabilities	(6.18)	(11.10)
Non-current liabilities		(0.07)
EQUITY	**101.66**	**237.51**
Group's % share of net assets	49%	49%
Carrying amount of interest in joint venture	49.81	116.38

Summarised statement of profit and loss of the Adgyde Solutions Private Limited:

(Amount in Rs. Lakhs)

	For the year ended on 31 March 2018	For the period from 28 April 2016 to 31 March 2017
Other Income	3.02	-
Depreciation and amortization	(64.42)	(0.37)
Finance cost	(0.16)	(0.03)
Employee benefits expense	(42.95)	(0.62)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

	For the year ended on 31 March 2018	For the period from 28 April 2016 to 31 March 2017
Other expenses	(37.42)	(12.43)
(Loss) before tax	**(141.93)**	**(13.45)**
Income tax expense	6.08	(0.07)
(Loss) for the year	**(135.85)**	**(13.52)**
Total comprehensive income	(135.85)	(13.52)
Group's share of total comprehensive income (Share 49%)	**(66.57)**	**(6.62)**

The group had no contingent liabilities or capital commitments relating to its interest in Adgyde Solutions Private Limited as at 31 March 2018. The joint venture had no other contingent liabilities or capital commitments as at 31 March 2018.

Investment in associate companies

(B) Investment in Vavia Technologies Private Limited

The Group had acquired 26% interest in Vavia Technologies Pvt Limited on 5 September 2014, a company engaged in the business of internet technologies, mobile value added services,advertising and social networking. The Group's interest in Vavia Technologies Pvt Limited was accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, based on its management accounts, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet:

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
EQUITY	**-**	**-**
Group's % share of net assets	0%	26%
Group share of net assets	-	-
Add: Goodwill	-	-
Carrying amount of interest in associates	-	-

Summarised statement of profit and loss:

(Amount in Rs. Lakhs)

	For three months ended 30 June 2016*
Revenue from operations	0.16
Other Income	-
Depreciation and amortization	-
Finance cost	-
Employee benefits expenses	(48.57)
Other expenses	(80.91)
(Loss) before tax	**(129.32)**
Income tax expense	-
(Loss)	**(129.32)**
Total comprehensive income	(129.32)
Group's share of total comprehensive income (Share 26%)	**(33.62)**

Vavia Technologies Private Limited has ceased to be an associate as the Group had sold its entire stake on 24 August 2016.

* Group had considered the management accounts for three months ended on 30 June 2016 for calculating the group's share of profit/(loss).

(C) Investment in Sunstone Learning Private Limited (formerly known as Anytime Learning Pvt. Ltd.)

The Group had acquired 38.54% interest in Sunstone Learning Private Limited (formerly known as Anytime Learning Pvt. Ltd.) on 12 February 2015 and the stake had been increased to 41.61% on 26 June 2016 , a company engaged in providing online education. The Group's interest in Sunstone Learning Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, based on its management accounts, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet:

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
EQUITY	**-**	**-**
Group's % share of net assets	41.61%	41.61%
Group share of net assets	-	-
Add: Goodwill		-
Carrying amount of interest in associates	-	-

Summarised statement of profit and loss:

(Amount in Rs. Lakhs)

	For three months ended 30 June 2016*
Revenue from operations	50.31
Other Income	-
Depreciation and amortization	-
Finance cost	(0.05)
Employee benefits expenses	(18.85)
Other expenses	(58.75)
(Loss) before tax	**(27.34)**
Income tax expense	-
(Loss)	**(27.34)**
Total comprehensive income	(27.34)
Group's share of total comprehensive income (Share 41.61%)	**(10.53)**

* Group had considered the management accounts for three months ended on 30 June 2016 for calculating the group's share of profit/(loss). As the associate's business was closed in the previous year, the Group had fully impaired its investment in the associate company.

Financial information as at 31 March 2017 has not been given as the financial statements for the year ended 31 March 2017 were not available.

(D) Investment in Creative Functionapps Lab Private Limited

The Group has acquired 26% interest in Creative Functionapps Lab Pvt. Ltd on 1 July 2015, a company engaged in the business of telecom and mobile internet and developing innovative products and solutions for the next generation telecom networks. The Group's interest in Creative Functionapps Lab Pvt. Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, audited financial statements (Ind-AS) for the year ended on 31 March 2018 and 31 March 2017, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

Summarised balance sheet:

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Current assets	45.71	104.20
Non-current assets	39.86	0.71
Current liabilities	(66.23)	(40.01)
Non-current liabilities	-	-
EQUITY	**19.34**	**64.90**
Group's % share of net assets	26%	26%
Group share of net assets	5.03	16.88
Add: Goodwill	77.53	77.53
Carrying amount of interest in associates	82.56	94.41

Summarised statement of profit and loss:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	15.98	129.42
Other Income	1.59	2.48
Depreciation and amortization	(2.71)	(1.91)
Employee benefits expenses	(34.81)	(55.61)
Other expenses	(34.67)	(54.24)
(Loss)/ profit before tax	**(54.62)**	**20.14**
Income tax expense	9.08	3.46
(Loss)/ profit	**(45.54)**	**23.60**
Group's share of (loss)/profit for the year (Share 26%)	**(11.85)**	**6.13**

The associate had no contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

(E) Investment in Exponentially I Mobility LLP

The Group has acquired 28.47% interest in Exponentially I Mobility LLP on 27 February 2017, a limited liability partnership firm engaged in development and promotion of mobile applications and technologies. The Group's interest in Exponentially I Mobility LLP is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate, based on its audited financial statements (Ind AS), and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below: During the year, the stake has been decreased to 22.37% and the Group has sold its entire stake on 24 February 2018.

Summarised balance sheet:

(Amount in Rs. Lakhs)

	As at 31 March 2018	As at 31 March 2017
Current assets	-	15.66
Non-current assets	-	162.97
Current liabilities	-	(0.29)
EQUITY	**-**	**178.34**
Group's % share of net assets	22.37%	28.47%
Group share of net assets	-	50.75
Add: Goodwill	-	6.19
Carrying amount of interest in associates	-	56.94

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

Summarised statement of profit and loss:

(Amount in Rs. Lakhs)

	For the period from 1 Apr 2017 to 24 Feb 2018	For the period from 27 Feb 2017 to 31 March 2017
Revenue from operations	0.33	-
Other expense	(1.15)	(0.08)
Loss before exceptional items	**(0.82)**	**(0.08)**
Exceptional items	-	1.88
Loss before tax	**(0.82)**	**(1.96)**
Income tax expense	-	-
Loss	**(0.82)**	**(1.96)**
Total comprehensive income	(0.82)	(1.96)
Group's share of total comprehensive income (Share 22.37%)	**(0.18)**	**(0.56)**

The associate had no contingent liabilities or capital commitments as at 31 March 2018 and 31 March 2017.

46. Share-based payments

1) During the financial year 2015-16, Spice Digital Limited, a subsidiary company had adopted 'SDL Employee Stock Option Plan 2015' ('Plan'). Each option when exercised, would give the option holder a right to get one fully paid equity share of the subsidiary company. The total number of options granted were 19,88,550. The options were valued at fair value. The fair value for the shares were Rs.100 and the exercise price of the share were at Rs.100 and accordingly, no expenses were recorded during the vesting period. The grant remained unvested in the period of the grant and based on the approval from Nomination and Remuneration Committee dated 13 February 2018 these options were surrendered.

2) Share Award Scheme (The Scheme)

The Scheme was approved by the Board of Directors of Spice Vas Africa Pte Ltd, Singapore, a step down subsidiary of the Group, on 17 September 2012 and by its shareholders on 20 September 2012. The Scheme is administered by Share Award Committee of Directors. The Scheme applies to the full time employees of the company or its subsidiaries including an executive director of the company and for any of its subsidiaries or any Promoter Group Employee (as defined in the scheme) based on certain eligibility criteria as may be decided by the Board of Directors or Share Award Committee.

The eligible employees or participants are not required to pay for the grant of share award or share received pursuant to the terms and conditions of The Scheme. The Scheme awards fully paid shares to the participants. The shares are issued at par Value of 1$ SGD, which is equivalent to the fair value. During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

Given below is the status of Share award at 31 March 2018 and 31 March 2017:

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year (excluding SARs):

	As at 31 March 2018	As at 31 March 2017
Outstanding at 1 April	**2,260**	**2,260**
Granted	-	-
Expired/Forfeited	-	-
Exercised	-	-
Outstanding at 31 March	**2,260**	**2,260**

Unissued shares under option

Except as disclosed above, there were no unissued shares of the subsidiary company under options granted by that company as at the end of the financial year

47. Discontinued operations

A. The Board of Directors of the Company had approved the sale of entire stake in Omniventures Pvt Ltd.(OVPL), a wholly owned subsidiary of the Company, subsequently, the shareholders of the Company have also approved the same through postal ballot. Consequent to sale of stake in OVPL, OVPL and its subsidiary companies i.e. Spice Online Pvt. Limited and Hotspot Sales & Solutions Private Limited have ceased to be the subsidiaries of the Company with effect from 13 February 2018.

B. Pursuant to decision of board of directors of a step down subsidiary company on 10 February 2017, the said Company has discontinued "Spice" Brand mobile handset business.

Both the above being discontinued operation, Device segment is no longer presented in the segment note. Accordingly, assets and liabilities of the business have been classified separately as assets / liabilities related to discontinued operations.

The details of assets and liabilities as at 31 March 2018 and 31 March 2017 classified separately as assets / liabilities related to discontinued operations are given below:

(Amount in Rs Lakhs)

	As at 31 March 2018	As at 31 March 2017
Assets		
Non-current assets		
Property ,Plant and Equipment	-	539.63
Intangible assets	-	17.57
Financial Assets		
Loans	0.24	433.98
Others	0.20	50.16
Other assets	0.15	48.10
Non Current Tax Assets	80.06	242.46
Total non-current assets	**80.65**	**1,331.90**
Current assets		
Inventories	-	3,149.51
Financial Assets		
Trade receivables	123.71	1,725.59
Cash and bank balances	94.95	462.24
Other Bank Balances	419.75	3,522.18
Loans	7.59	279.85
Others	5.99	201.93
Other assets	428.84	1,223.72
Total current assets	**1,080.83**	**10,565.02**
Assets directly associated with assets pertaining to discontinued operations	**1,161.48**	**11,896.92**
Non-current liabilities		
Financial Liabilities		
Borrowings	-	1,603.59
Others	143.79	272.32
Other liabilities	-	37.80
Provisions	7.88	86.48
Total non-current liabilities	**151.67**	**2,000.19**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs Lakhs)

	As at 31 March 2018	As at 31 March 2017
Current liabilities		
Financial Liabilities		
Borrowings	-	6,460.72
Trade payables	542.39	6,580.25
Others	25.11	478.10
Other liabilities	239.14	1,923.50
Provisions	10.69	351.27
Current tax liabilities (net)	-	24.73
Total current liabilities	**817.33**	**15,818.57**
Liability directly associated with assets pertaining to discontinued operations	**969.00**	**17,818.76**
Net assets directly associated with discontinued operations	**(192.48)**	**5,921.84**

The following statement shows the revenue and expenses of discontinued operations, of the Company which has been discontinued.

(Amount in Rs Lakhs)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Income		
Revenue from operations	33,534.61	81,877.70
Revenue from operations (net)	**33,534.61**	**81,877.70**
Other income	656.52	518.04
Total revenue (I)	**34,191.13**	**82,395.74**
Expenses		
Purchase of traded goods	27,929.45	72,382.35
Decrease in inventories of traded goods	2,543.44	2,296.07
Employee benefits expense	1,844.44	3,507.51
Depreciation and amortization expense	296.59	555.67
Finance costs	549.92	1,420.87
Other expenses	3,504.00	6,707.20
Total (II)	**36,667.84**	**86,869.67**
(Loss) before exceptional items and tax from discontinued operations (I) – (II)	**(2,476.71)**	**(4,473.93)**
Exceptional items (refer note 58)	(5,624.95)	-
(Loss) before tax	**3,148.24**	**(4,473.93)**
Tax adjustment related to an earlier year	(27.80)	(2.16)
Profit/(Loss) for the year from discontinued operations	**3,176.04**	**(4,471.77)**
Other comprehensive income from discontinued operations		
Items that will not be reclassified to profit or loss		
Remeasurement gain of defined benefit plan	**-**	20.33
Items that will be reclassified to profit or loss		
Exchange differences on translations of foreign operations	**-**	1.81
Total comprehensive income for the year from discontinued operations	**3,176.04**	**(4,449.63)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

The Net cash flow incurred by discontinued business are, as follows;

(Amount in Rs Lakhs)

	31 March 2018	31 March 2017
Operating	(32.57)	(11,125.27)
Investing	3,036.26	(802.49)
Financing	(539.70)	11,627.87
Net cash (outflow)/inflow	2,463.99	(299.89)
Earning Per Share:		
Earnings per equity share from discontinued operations	1.39	(1.96)

Effect of disposal of Omniventures Private Limited and its subsidiaries on the financial position of the group (refer note A above)

(Amount in Rs Lakhs)

	As at 12 February 2018
Non-current assets	
Property, plant and equipment	(222.10)
Other intangible assets	(36.27)
Financial Assets	
Loans and advances	(232.34)
Others	(201.89)
Other assets	(202.72)
Non Current Tax Assets	(46.62)
Total non-current assets	**(941.94)**
Inventories	(606.07)
Financial assets	
Trade receivables	(296.52)
Cash and cash equivalents	(115.46)
Bank balance other than (iii) above	(3,443.79)
Loans & advances	(80.00)
Others	(274.88)
Other assets	(343.95)
Total current assets	**(5,160.67)**
Total assets	**(6,102.61)**

(Amount in Rs Lakhs)

Non-current liabilities	**As at 12 February 2018**
Financial liabilities	
Borrowings	1,603.59
Others	65.43
Provisions	45.13
Total non-current liabilities	**1,714.15**
Financial liabilities	
Borrowings	9,186.11
Trade payables	2,299.12
Others	467.19
Other liabilities	3,435.66
Provisions	25.47
Total current liabilities	**15,413.55**
Total liabilities	**17,127.70**
Liabilities net of assets	**11,025.09**
Consideration received, satisfied in Cash	1.00
Cash and cash equivalents disposed of (including bank overdrafts)	(3,184.49)
Net Cash Inflows	**3,185.49**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

48 A. Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments

(Amount in Rs. Lakhs)

	As at 31 March 2018		As at 31 March 2017	
Financial assets	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**
Non current assets				
- Equity and other investment	1,429.91		92.27	
- Loans and advances		430.97		370.57
- Other financial assets		9.19		748.21
Total non current assets	**1,429.91**	**440.16**	**92.27**	**1,118.78**
Current assets				
- Current investment	232.82		633.03	
- Trade receivables		3,688.53		5,391.99
- Cash and cash equivalents		5,219.25		5,112.50
- Bank balances other than above		3,127.19		2,436.96
- Loans and advances		438.55		291.64
- Other financial assets		6,562.58		3,881.70
Total current assets	**232.82**	**19,036.10**	**633.03**	**17,114.79**
Total financial assets	**1,662.73**	**19,476.26**	**725.30**	**18,233.57**
Financial liabilities				
Non current liabilities				
- Borrowings		1,237.67		-
- Other financial liabilities		43.38		142.81
Total non current liabilities	**-**	**1,281.05**	**-**	**142.81**
Current liabilities				
- Borrowings		2,142.91		611.28
- Trade payables		5,141.72		3,852.38
- Other financial liabilities		1,098.80		1,094.96
Total current liabilities	**-**	**8,383.43**	**-**	**5,558.62**
Total financial liabilities	**-**	**9,664.48**	**-**	**5,701.43**

The Group has assessed that the fair value of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Borrowings are evaluated by the Group based on parameters such as interest rates and specific country risk factors.
- The fair value of other financial liabilities, obligations under finance leases, is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair values of the FVTPL quoted financial investments are derived from quoted market prices in active markets.
- The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. No own non- performance risk as at 31 March 2018 was assessed.

48 B. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

Fair value measurement using

(Amount in Rs. Lakhs)

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Assets for which fair values are disclosed :					
Investment properties (Note 4)	31-Mar-18	4,277.50	-		4,277.50
Non current investments:					
Investment in equity/other instruments	31-Mar-18	1,429.91	-	-	1,429.91
Current investments:					
Investment in equity/other instruments	31-Mar-18	232.82	-	232.82	-
Loan and other financial assets					
Loans (non-current)	31-Mar-18	430.97	-	-	430.97
Loans (current)	31-Mar-18	438.55	-	-	438.55
Other financial assets	31-Mar-18	9.19	-	-	9.19

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2018:

(Amount in Rs. Lakhs)

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Libilities measured at fair value:					
Borrowings:					
Long term borrowings	31-Mar-18	1,237.67	-	-	1,237.67
Short term borrowings	31-Mar-18	2,142.91	-	-	2,142.91
Other financial liabilities	31-Mar-18	43.38	-	-	43.38

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

Fair value measurement using

(Amount in Rs. Lakhs)

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Assets for which fair values are disclosed:					
Investment properties (Note 4)	31-Mar-17	6,044.29	-	501.10	5,543.19
Non current investments:					
Investment in equity/other instruments	31-Mar-17	92.27	-	-	92.27

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(Amount in Rs. Lakhs)

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Current investments:					
Investment in equity/other instruments	31-Mar-17	633.03	-	633.03	-
Loan and other financial assets					
Loans (non-current)	31-Mar-17	370.57	-	-	370.57
Loans (current)	31-Mar-17	291.64		-	291.64
Other financial assets	31-Mar-17	748.21	-	-	748.21

There have been no transfers between Level 1 and Level 2 during the year.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2017:

(Amount in Rs. Lakhs)

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Libilities measured at fair value:					
Borrowings:					
Short term borrowings	31-Mar-17	611.28	-	-	611.28
Other financial liabilities	31-Mar-17	142.81	-	-	142.81

There have been no transfers between Level 1 and Level 2 during the year.

49. Financial risk management objectives and policies

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Group also holds FVTPL investments and investment in subsidiary companies, associates and a joint venture measured using the equity method.

The Group is exposed to market risk, credit risk and liquidity risk. The senior management of the Group advises on financial risks and the appropriate financial risk governance framework. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments. The Group is not effected by commodity risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt instruments are all constant .

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2018 and 31 March 2017.

The sensitivity of equity is calculated by considering the effect of any associated cash flow of a net investment in a foreign subsidiary at 31 March 2018 for the effects of the assumed changes of the underlying risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the loan given, Security deposits received/paid and borrowing.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, with all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, present rate is MCLR plus 1.10%, the impact of change in rate is as follows:

Interest rate sensitivity calculated on borrowing and interest bearing deposits from customers. The impact of change in interest rate is given below:-

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-18		
Rs. Lakhs	50	-17.12
Rs. Lakhs	-50	17.12
31-Mar-17		
Rs. Lakhs	50	-3.85
Rs. Lakhs	-50	3.85

Interest rate sensitivity calculated on loans given to body corporate, employees (including interest bearing security deposits and FDR's). The impact of change in interest rate is given below:-

	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-18		
Rs. Lakhs	50	-23.97
Rs. Lakhs	-50	23.97
31-Mar-17		
Rs. Lakhs	50	-18.71
Rs. Lakhs	-50	18.71

- **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD,AFN, SGD and BDT exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Group's exposure to foreign currency changes for all other currencies is not material.

(Amount in Rs. Lakhs)

	Currency	Change in rates	Effect on profit before tax	Effect on pre-tax equity
31-Mar-18	USD (US Dollar)	5%	(12.91)	(12.91)
		-5%	12.91	12.91
	SGD (Singapore Dollar)	5%	(4.88)	(4.88)
		-5%	4.88	4.88
	AFN (Afghanistan Afghani)	5%	17.00	17.00
		-5%	(17.00)	(17.00)
	BDT (Bangladeshi Taka)	5%	46.70	46.70
		-5%	(46.70)	(46.70)
31-Mar-17	USD (US Dollar)	5%	12.01	12.01
		-5%	(12.01)	(12.01)
	SGD (Singapore Dollar)	5%	0.27	0.27
		-5%	(0.27)	(0.27)
	AFN (Afghanistan Afghani)	5%	30.50	30.50
		-5%	(30.50)	(30.50)
	BDT (Bangladeshi Taka)	5%	19.57	19.57
		-5%	(19.57)	(19.57)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

(a) Foreign currency risk exposure:

The groups exposure to foreign currency risk at the end of the reporting period, are as follows:

(Amount in Rs. Lakhs)

Date	Currency	Trade Receivables	Unbilled Revenue	Balances with banks	Advances	Net exposure to foreign currency risk (assets) (A)	Trade payable	Net exposure to foreign currency risk (liabilities) (B)	Net exposure to foreign currency risk (A-B)	Sensitivity at 50 basis points
As at 31 March 2018	**Dirahm**	-	0.04	-	-	**0.04**	-	**-**	0.04	
	ID	-	7.17	-	-	**7.17**	-	**-**	7.17	
	NPR	-	144.43	-	-	**144.43**	-	**-**	144.43	
	SDG	-	5.99	-	-	**5.99**	-	**-**	5.99	
	SLR	-	0.96	-	-	**0.96**	-	**-**	0.96	
	JOD	-	-	-	-	**-**	-	**-**	-	
	AED	-	-	-	-	**-**	-	**-**	-	
	ETB	-	-	-	-	**-**	-	**-**	-	
	AFN	0.55	339.54	-	-	**340.09**	-	**-**	340.09	17.00
	IDR	11.52	0.20	-	-	**11.72**	-	**-**	11.72	
	MYR	0.14	-	-	-	**0.14**	1.74	**1.74**	-1.60	
	Euro	-	-	-	-	**-**	-	**-**	-	
	BDT	933.90	0.16	-	-	**934.06**	-	**-**	934.06	46.70
	SGD	-	-	-	-	**-**	97.66	**97.66**	-97.66	-4.88
	USD	961.81	69.32	52.33	16.08	**1,099.54**	1,357.82	**1,357.82**	-258.28	-12.91
As at 31 March 2017	**AED**	-	0.69	-	-	**0.69**	-	**-**	0.69	
	ETB	-	-	-	-	**-**	-	**-**	-	
	AFN	-	610.03	-	-	**610.03**	-	**-**	610.03	30.50
	IDR	-	0.98	-	-	**0.98**	-	**-**	0.98	
	MYR	-	-	-	-	**-**	-	**-**	-	
	Euro	-	-	-	-	**-**	-	**-**	-	
	BDT	389.35	2.07	-	-	**391.42**	-	**-**	391.42	19.57
	SGD	65.65	-	-	-	**65.65**	60.33	**60.33**	5.32	0.27
	USD	735.58	150.42	-	-	**886.00**	645.71	**645.71**	240.29	12.01

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

- **Equity price risk**

The Groups listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group don't engage in active trading of equity instruments. Reports on the equity portfolio are submitted to the Group senior management on a regular basis. The Board of Directors of Company reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed and unlisted equity securities at fair value is not material (excluding investment in subsidiaries).

- **Other risk**

The Group operates in a service sector on revenue sharing model. There is downward revision of revenue shares frequently, as a result, the revenue of Group may reduce depending upon percentage decrease in revenue share of Group with the telecom operators.

2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group has used a practical expedient and analysed the recoverable amount of the receivables on an individual basis by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking informations.

The following table provides information about exposure to credit risk and expected credit loss for trade receivables for customers for the year ended 31 March 2018:

(Amount in Rs. Lakhs)

In Rs. Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance	Credit-Impaired
Not Due	1,210.57	4%	49.02	Yes
1- 90 days	985.64	8%	83.61	Yes
91-180 days	470.78	18%	84.44	Yes
181-270 days	323.93	25%	79.49	Yes
271-360 days	142.42	81%	115.59	Yes
More than 360 days	2,059.41	53%	1,092.07	Yes
	5,192.75		**1,504.22**	

Movement in the expected credit loss allowance of receivables

(Amount in Rs. Lakhs)

	For the year ended March 31, 2018
Balance at beginning of the year	1,169.17
Add: provided during the year	319.34
Less: FCTR	15.71
Balance at the end of the year	**1,504.22**

- **Trade receivables**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment and also based upon agreements/terms with respective customers. Outstanding customer receivables are regularly monitored. At 31 March 2018, the Group had 12 customers (31 March 2017: 11 customers) that owed the Group Rs 3,927.16 Lakhs (31 March 2017 : Rs 4,190.14 Lakhs) and accounted for approximately 72% (31 March 2017: 77%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 48A. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

- **Financial instruments and cash deposits**

  Credit risk from balances with banks and financial institutions is managed in accordance with the Group policy. Investments of surplus funds are made only with approved counterparties and based on the Investment Policy of the Group. All investments are reviewed by the Group Board of Directors on a quarterly basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

- **Loans**

  Credit risk from the loan given to Hotspot Sales & Solutions Private Limited and Spice Online Private Limited amounting to Rs. 5,087.89 Lakhs and 99.82 Lakhs respectively has been reviewed by the Group's Board of Directors and entire amount has been impaired in the current year based on their assessment of recoverability.

3) Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bill discounting facility. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

(Amount in Rs. Lakhs)

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2018						
Borrowings	-	2,067.33	75.59	1,237.66	-	3,380.58
Other financial liabilities(non-current)	-	-	-	43.38	-	43.38
Other financial liabilities(current)	46.74	886.85	165.20	-	-	1,098.79
Trade and other payables	4.49	2,012.99	3,124.25	-	-	5,141.73
Total	**51.23**	**4,967.17**	**3,365.04**	**1,281.04**	**-**	**9,664.48**

* Based on the maximum amount that can be called for under the financial guarantee contract.

(Amount in Rs. Lakhs)

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2017						
Borrowings	-	524.94	86.34	-	-	611.28
Other financial liabilities(non-current)	-	-	-	142.81	-	142.81
Other financial liabilities(current)	59.40	952.64	82.92	-	-	1,094.96
Trade and other payables	-	1,321.69	2,530.69	-	-	3,852.38
Total	**59.40**	**2,799.27**	**2,699.95**	**142.81**	**-**	**5,701.43**

* Based on the maximum amount that can be called for under the financial guarantee contract.

- **Excessive risk concentration**

  Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group performance to developments affecting a particular industry.

  In order to avoid excessive concentrations of risk, the Group policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

- **Collateral**

  The Group has pledged part of its fixed deposits with bank as margin money against issuance of bank/corporate guarantees in order to fulfill the collateral requirements for its various contracts. At 31 March 2018 and 31 March 2017, the fair values of fixed deposits pledged were Rs. 1,908.50 Lakhs (31 March 2017: Rs.4,838.33 Lakhs) (including fixed deposits as at 31 March 2018 of Rs. 419.75 Lakhs (31 March 2017 of Rs. 3,572.35 Lakhs) transferred to assets held for discontinued operations). The Group has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral (refer note 11 and 12).

50. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio less than 50%. The Group includes within net debt, interest bearing loans and borrowings, trade payable, other current liabilities, other financial liabilities and provisions, less cash and cash equivalents (excluding discontinued operations).

	As at 31 March 2018	As at 31 March 2017
	Rs. Lakhs	**Rs. Lakhs**
Borrowings	2,142.91	611.28
Trade and other payables	5,141.72	3,852.38
Other Current Liabilities	2,973.82	3,429.63
Other Financial Liabilities	1,098.80	1,094.96
Provisions	738.38	109.02
Less: cash and cash equivalents	5,219.25	5,112.50
Net debt	**6,876.38**	**3,984.77**
Equity	6,052.49	5,420.43
Other equity attributable	21,636.88	22,481.81
Total equity attributable to owner of the Company	**27,689.37**	**27,902.24**
Capital and net debt	**34,565.75**	**31,887.01**
Gearing ratio	24.83%	14.28%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

51. During the previous year Group has specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, are given below:

Particulars (Amount in Rs. Lakhs)	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	177.90	4.36	182.26
(+)Permitted receipts	-	411.01	411.01
(-) Permitted payments	-	51.84	51.84
(-) Amount deposited in Banks	177.90	340.41	518.31
Closing cash in hand as on 30.12.2016	-	23.11	23.11

Opening SBN in hand is inclusive of Petty Cash amounts received back from employees subsequent to November 8, 2017.

As represented by the management, cash of Rs. 6,638.41 Lakhs was deposited by Cash Management Executives, agents and distributors in the bank accounts of one of the subsidiaries during the period, November 8, 2016 to December 30, 2016. These deposits have not been included in the above particulars.

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

52. As on 31st March, 2018, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,201,417 (March 31, 2017: 11,901,752) equity shares of the Company, for the benefit of the employees of the Company, its associates and subsidiaries and Independent Non-Promoter Trust ('NPT') holds 15,912,776 (March 31, 2017: 35,281,215) equity shares of the Company for the benefit of the Company. These equity shares were transferred to the Trusts pursuant to the Scheme of amalgamation of Spice Televentures Private Limited ('STPL'), the erstwhile holding company, with the Company, duly approved by High Court, Allahabad, at a value at which these equity shares were held in the books of STPL.

During the year the Company has received Rs. 3,450 Lakhs (including surplus of Rs. 1,399.12 Lakhs), as a beneficiary, from the Independent Non-Promoter Trust including surplus arising from sale of its shares. The surplus fund would be utilised by the Company as per the terms of the Trust deed of Independent Non-Promoter Trust. Further, the Company has received Rs.342 Lakhs against receivables, from the Independent Employee Benefit Trust and includes surplus arising from sale of its shares .The above receipts are shown as part of the Trust Reserve.

Taking a conservative interpretation of "Ind AS 32" face value of shares held by these trusts has been deducted from equity and amount over and above face value has been shown as deduction under the head "Trust shares" separately in other equity.

53. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2018	As at 31 March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
-Principal amount due to micro and small enterprises	NIL	NIL
-Interest due on above	NIL	NIL
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	NIL	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	NIL	NIL

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

54. During the year, one of the step down subsidiary of the Company Spice VAS Tanzania Limited, has received additional tax demand from Tax authorities of Tanzania for earlier years amounting to Rs 277.60 Lakhs against which, as a matter of prudence, a provision of Rs 277.60 Lakhs has been provided as an expense and shown under exceptional item during the year ended 31 March 2018.

55. A step down subsidiary company has invested amount of IDR 270,000 Lakhs equivalent to Rs. 1,389.46 Lakhs by way of investment in convertible bonds in M/s PT Solusi Pasti, Indonesia. The same is substantially funded by way of loan taken by the step down subsidiary company from S Global Innovation Centre Pte. Ltd. amounting to Rs. 1,237.67 Lakhs. The loan is scheduled for bullet repayment on 10 April 2019. In view of the management of the Group, the fair value of investment in the PT Solusi Pasti, Indonesia has increased marginally as of 31 March 2018. Accordingly, no adjustment is required to be made to the carrying value of the investments in the consolidated financial statements and same may be fairly stated at cost.

56. A step down subsidiary company has during the year invested amount of USD 2 Lakhs equivalent to Rs. 139.85 Lakhs by way of investment in convertible bonds in M/s PT Jasa Digital Nusantara. In view of the management of the Group the projections forecasted from the investee company have actualised to be significantly lower. As a result, Subsidiary Company has recorded reduction in carrying value of investment amounting to Rs 134.08 Lakhs (after FCTR impact of Rs 5.77 Lakhs) and the same has been shown under exceptional item during the year ended 31 March 2018.

57. Goodwill on consolidation appearing in the financial statements denotes the goodwill in respect of subsidiaries acquired by the Group in the earlier years and during the year

The Group has recognized and is carrying forward goodwill of Rs 401.41 Lakhs (31 March 2017: Rs 381.43 Lakhs), Rs 109.15 Lakhs (31 March 2017 : Rs 107.72 Lakhs), Rs 380.60 Lakhs (31 March 2017: Rs Nil) and Rs 4,658.62 Lakhs (31 March 2017 : Rs 4,658.62 Lakhs), Rs 53.75 lakhs (31 March 2017: Rs 53.75 Lakhs) in respect of subsidiaries, Spice VAS Kenya Limited, Spice VAS Tanzania Limited, Luharia Technologies Private Limited , Kimaan Exports Private Limited and Spice Labs Private Limited respectively.

In respect of these entities, such goodwill has been tested for impairment using the cash flow projections, which are based on most recent financial budgets/ forecasts approved by the management as on 31 March 2018 and provision for impairment amounting to Rs 104.34 Lakhs (after FCTR impact of Rs 4.81 Lakhs) on investment in Spice VAS Tanzania Limited has been shown under exceptional items during the year ended 31 March 2018.

58. During the year the Board of Directors of the Company has approved the sale of entire stake in Omniventures Pvt Ltd.(OVPL), a wholly owned subsidiary of the Company, subsequently, the shareholders of the Company have also approved the same through postal ballot. Consequent to sale of stake in OVPL, OVPL and its subsidiary companies i.e. Spice Online Pvt. Limited and Hotspot Sales & Solutions Private Limited have ceased to be the subsidiaries of the Company with effect from 13 February, 2018.

Pursuant to the above, the gain resulting from Loss of Control of the above subsidiaries amounting to Rs.5,624.95 Lakhs has been shown as part of Profit/(Loss) from Discontinued Operations while the provision for the loans/receivables from the Discontinued Business amounting to Rs. 5,280.21 Lakhs has been shown under exceptional items.

59. The Group is engaged in process of establishing a comprehensive system of maintenance of information and documents on a global basis across all global subsidiary companies by way of a composite document instead of company wise compliance with respective transfer pricing regulations. As a result, certain cross charge of expenses and income may change which shall get eliminated on consolidation and not impact the consolidated financial statements. However, the same may have an impact on the related income taxes and provision for taxation. The management of the Group believes its international transactions are at arm's length so that the aforesaid changes will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

60. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 4.

Taxes

The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group respective companies in the group which has reognised MAT credit will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

The tax assets of Rs 1,117.82 Lakhs (31 March 2017: Rs 1,107.08 Lakhs) recognised by the Group as 'MAT Credit Entitlement' under' Non current Tax assets'in respect of MAT payment for earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent years based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the Group to utilize MAT credit assets.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has tax losses carried forward. These losses may expire in 8 years and may not be used to offset taxable income elsewhere in the Group. The Group neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2018

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future, salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 39.

Intangible asset under development

The group capitalises intangible asset under development for project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2018, the carrying amount of intangible asset under development was Rs 712.38 Lakhs (31 March 2017: 468.75 Lakhs).

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Allowance for bad and doubtful debts and advances

Trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

Useful lives of depreciable assets

The management estimates the useful life and residual value of depreciable assets based on technical evaluation. These assumptions are reviewed at each reporting date.

As per our report of even date

FOR B S R & CO. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership no.: 091765

Place : Noida
Date : 17 May 2018

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

FORM AOC - I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES
(PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Part "A" : Subsidiaries

(Amount in Rs. Lakhs)

Sl. No.	Name of Subsidiary Company	Reporting period for the subsidiary*	Date when subsidiary was acquired	Reporting Currency	Exchange Rate on the last date of the FY (to be given only in case of foreign subsidiaries)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment made in subsidiaries)	Turnover / Total Income	Profit/ (Loss) Before Tax	Provision For Tax	Profit/ (Loss) After Tax	Proposed Dividend	% of shareholding #
1	Spice Digital Limited	1st April'2017 to 31st March'2018	04 November 2010	INR	1.00	4,334.74	22,205.62	35,497.88	35,497.88	232.82	18,585.52	(6,383.43)	(110.92)	(6,272.51)		99.98%
2	Hindustan Retail Private Limited	1st April'2017 to 31st March'2018	04 November 2010	INR	1.00	42,238.00	(42,395.81)	467.67	467.67	-	-	(3,153.81)	-	(3,153.81)		100.00%
3	Kimaan Export Private Limited	1st April'2017 to 31st March'2018	24 December 2010	INR	1.00	2.00	947.07	1,059.48	1,059.48	-	339.69	269.20	57.06	212.13		100.00%
4	Spice IOT Solutions Private Limited**	1st April'2017 to 31st March'2018	29 October 2016	INR	1.00	1.00	(1.01)	0.27	0.27	-	-	(0.78)	-	(0.78)		100.00%
5	Hotspot Sales & Solutions Private Limited ***	1st April'2017 to 12th February'2018	01 June 2016	INR	1.00	NA	NA	NA	NA		33,504.32	(2,310.85)	-	(2,310.85)		-
6	Omniventures Private Limited ***	1st April'2017 to 12th February'2018	07 June 2016	INR	1.00	NA	NA	NA	NA		32.16	(0.37)	-	(0.37)		-
7	S Mobility (HK) Limited	1st July'2017 to 30th June'2018	12 May 2011	USD	64.92	0.64	(1.27)	3.52	3.52	-	0.09	(6.16)	(27.80)	21.65		100.00%
8	New Spice Sales & Solutions Limited	1st April'2017 to 31st March'2018	04 November 2010	INR	1.00	9,971.74	(22,949.40)	976.16	976.16	-	-	(888.28)	-	(888.28)		100.00%
9	Cellucom Retail India Private Limited	1st April'2017 to 31st March'2018	04 November 2010	INR	1.00	5,000.00	(5,008.72)	19.14	19.14	-	-	(15.49)	-	(15.49)	-	100.00%
10	Spice Online Private Limited (formerly known as Spice Online Retail Private Limited) ***	1st April'2017 to 12th February'2018	24 July 2012	INR	1.00	NA	NA	NA	NA	-	1,343.26	61.28	-	61.28		-
11	Mobisoc Technology Private Limited	1st April'2017 to 31st March'2018	04 November 2010	INR	1.00	1,001.00	(364.45)	897.80	897.80	-	1,997.94	(233.77)	78.65	(312.42)	-	100.00%
12	Spice Labs Private Limited	st April'2017 to 31st March'2018	04 November 2010	INR	1.00	1,005.00	(393.42)	1,033.80	1,033.80	34.96	1,545.67	108.83	103.44	5.40	-	99.90%
13	Spice Digital Bangladesh Limited	1st April'2017 to 31st March'2018	11 August 2012	BDT	0.77	81.26	856.75	1,652.47	1,652.47	-	316.77	109.16	6.25	102.91	-	100.00%
14	Luharia Technologies Private Limited ****	1st January'2018 to 31st March'2018	01 January 2018	INR	1.00	13.80	818.55	909.00	909.00	-	76.61	21.50	3.75	17.75	-	30.00%
15	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)	1st April'2017 to 31st March'2018	28 February 2008	SGD	49.52	7,791.77	(1,180.77)	8,012.89	8,012.89	1,389.46	3,562.49	2,823.14	-	2,823.14	-	100.00%
16	Beoworld SDN. BHD	1st April'2017 to 31st March'2018	02 December 2010	MYR	16.81	72.01	(57.69)	14.70	14.70	-	0.00	(4.23)	0.03	(4.26)	-	100.00%
17	Spice VAS (Africa) Pte. Limited ##	1st April'2017 to 31st March'2018	04 November 2010	SGD	49.52	3,193.34	2,300.90	5,834.88	5,834.88	-	2,462.70	1,690.81	307.25	1,383.56	-	80.00%

Sl. No.	Name of Subsidiary Company	Reporting period for the subsidiary*	Date when subsidiary was acquired	Reporting Currency	Exchange Rate on the last date of the FY (to be given only in case of foreign subsidiaries)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investment made in subsidiaries)	Turnover / Total Income	Profit/ (Loss) Before Tax	Provision For Tax	Profit/ (Loss) After Tax	Proposed Dividend	% of shareholding #
18	S Mobility Pte. Limited	1st April'2017 to 31st March'2018	20 October 2011	SGD	49.52	148.55	(151.21)	(0.57)	(0.57)	-	-	(2.74)	-	(2.74)	-	100.00%
19	PT Spice Digital Indonesia	1st April'2017 to 31st March'2018	07 April 2016	IDR	0.00	131.21	6.94	1,869.16	1,869.16	-	2,361.06	99.73	38.84	60.89	-	100.00%
20	Omnia Pte. Ltd.	1st April'2017 to 31st March'2018	17 February 2017	SGD	49.52	12.63	(43.58)	447.64	447.64	-	1,021.83	31.24	71.21	(39.97)	-	100.00%
21	Spice Digital FZCO	1st April'2017 to 31st March'2018	26 March 2017	AED	17.67	-	(200.96)	(179.33)	(179.33)	-	0.00	(199.41)	-	(199.41)	-	100.00%
22	Spice Digital Nigeria Limited	1st April'2017 to 31st March'2018	04 November 2010	NAIRA	0.18	43.74	(394.09)	272.62	272.62	-	1,795.37	(41.61)	112.50	(154.11)	-	100.00%
23	Spice VAS Kenya Limited	1st April'2017 to 31st March'2018	31 March 2011	KSH	0.65	0.76	9.45	345.83	345.83	-	1,134.17	157.77	54.36	103.40	-	100.00%
24	Spice VAS Uganda Limited	1st April'2017 to 31st March'2018	11 November 2010	UGX	0.02	0.28	133.78	148.91	148.91	-	60.54	(14.17)	(2.71)	(11.46)	-	75.00%
25	Spice VAS Ghana Limited	1st April'2017 to 31st March'2018	15 April 2011	GHS	14.70	32.78	196.87	606.14	606.14	-	1,840.09	95.31	19.29	76.02	-	100.00%
26	Spice VAS Zambia Limited	1st April'2017 to 31st March'2018	01 September 2011	ZMW	6.87	0.63	89.73	299.34	299.34	-	407.15	2.82	0.01	2.81	-	100.00%
27	Spice VAS Tanzania Limited	1st April'2017 to 31st March'2018	29 November 2011	TZS	0.03	74.59	(427.23)	(28.87)	(28.87)	-	352.05	(254.05)	19.74	(273.79)	-	100.00%
28	Spice Digital South Africa Pty Limited	1st April'2017 to 31st March'2018	15 October 2011	ZAR	5.49	2,248.16	(1,853.57)	783.45	783.45	-	1,039.15	9.30	41.17	(31.87)	-	100.00%
29	Spice VAS RDC	1st April'2017 to 31st March'2018	08 April 2016	CDF	0.04	0.35	(7.52)	(7.16)	(7.16)	-	-	(1.74)	-	(1.74)	-	100.00%
30	SVA (Mauritius) Pvt Ltd.	1st April'2017 to 31st March'2018	04 October 2016	USD	64.92	0.07	(15.19)	(7.99)	(7.99)	-	131.71	(1.90)	6.02	(7.92)	-	100.00%

* Subsidiaries whose reporting period is different from that of the Parent Company, financial statement used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent Company i.e year ended March 31, 2018

**Company yet to commence operations.

*** Companies ceased to be subsidiaries with effect from 13th Feb 2018 and the information given is for the period 1st April 2017 to 12th Feb 2018.

**** Luharia Technologies has been consolidated as a Subsidiary in the consolidated financials in accordance with the definition of Control under Ind AS 110

Refer Note no 38 of Consolidated financial statement .

During the year the Shareholding in the Company has increased from 69.63% to 80%.

FORM AOC - I

Part "B": Associates companies

(Amount in Rs. Lakhs)

Name of Associates / Joint Ventures		SunStone Learning Private Limited*****	Creative Functionapps Labs Private Limted	Adgyde Solutions Private Limited
1	Latest audited Balance Sheet Date	Unaudited	Audited (30th April 2018)	Unaudited
2	Date on which the Associate or Joint Venture was associated or acquired	12-Feb-15	1-Jul-15	28-Apr-16
3	Shares of Associate company held by the company on the year end			
	No.	95508	3514	1230
	Amount of Investment in Associates	814.88	100.00	123.00
	Extent of Holding%	41.6%	26.00%	49.00%
4	Description of how there is significant influence	Associate	Associate	Joint Venture
5	Reason why the associate company is not consolidated	NA	NA	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet	-	5.03	49.81
7	Profit / (Loss) for the year			
(i)	Considered in Consolidation	-	(11.85)	(66.57)
(ii)	Not Considered in Consolidation	-	(33.70)	(69.28)

*****The investment has been fully impaired in the financials as the networth is fully eroded

Names of entities which ceased to be assocaites during the year

1. Exponentially I Mobility LLP - The investment was sold during the year

For and on behalf of the board of directors of **Spice Mobility Limited**

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN : 00012223

Madhusudan V.
Chief Financial Officer

M R Bothra
Vice President- Corporate Affairs and Company Secretary

Place : Noida
Date : 17 May 2018

NOTES

DiGiSPICE

Ek Soch SANDBOX

An ecosystem nurturing Innovation and Entrepreneurship

The **Ek Soch Sandbox** works to create an effective ecosystem where resources are put to use through entrepreneurship, innovation and sustainability.

Primary Education

Community Health

Student Leadership

Micro Entrepreneurship

SANDBOX SAMVIDHA
PLATFORM FOR NEXT GEN SOCIAL IMPACT IDEATORS

Development Dialogue

AGASTYA INTERNATIONAL FOUNDATION
SUPPORTED BY R. JHUNJHUNWALA FOUNDATION & OTHERS

LEAD

Towards Social Responsibility

DiGiSPICE

Spice Mobility Ltd.

Registered Office : 622, 6th Floor, DLF Tower A,
Jasola Distt. Centre, New Delhi - 110 025

DIGISPICE

SPICE MOBILITY LIMITED

Registered Office: 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025

CIN: L72900DL1986PLC330369

Tel.: 011- 41251965; Email: complianceofficer@smobility.in

Website: www.spicemobility.in

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of Spice Mobility Limited will be held on Wednesday, the 14th day of November, 2018 at 10:15 A.M. at Sri Sathya Sai International Centre, Bhisma Pitamah Marg, Lodhi Road, New Delhi – 110003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   i. the Audited Financial Statement for the financial year ended 31st March, 2018 along with the Board of Directors' and Auditors' Report thereon.

   ii. the Audited Consolidated Financial Statement for the financial year ended 31st March, 2018 and the Auditors' Report thereon.

2. To consider and appoint a Director in place of Mr. Dilip Modi (DIN: 00029062) who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), as the Statutory Auditors of the Company.

   (a) To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution to fill the Casual Vacancy caused by the resignation of Statutory Auditors of the Company.

   "Resolved that in accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members of the Company be and is hereby accorded for the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), as the Statutory Auditors of the Company, with effect from 5th October, 2018 to fill the casual vacancy caused by the resignation of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) and to hold office till the conclusion of this Annual General Meeting, at such remuneration and reimbursement of travel and out-of-pocket expenses as may be decided by the Board of Directors.

   Resolved further that the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be considered necessary, proper and expedient to give effect to the said resolution."

   (b) To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution to appoint M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), as the Statutory Auditors of the Company and to fix their remuneration.

   "Resolved that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) be and are hereby appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of thirty fifth Annual General Meeting of the Company to be held in the year 2023 at such remuneration and reimbursement of travel and out-of-pocket expenses as may be decided by the Board of Directors from time to time.

   Resolved further that the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be considered necessary, proper and expedient to give effect to the said resolution."

DIGISPICE

SPECIAL BUSINESS:

4. **To approve the Re-appointment of Mr. Dilip Modi (DIN: 00029062) as an Executive Director of the Company**

   To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "Resolved that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Dilip Modi (DIN: 00029062) as an Executive Director of the Company for a period of three years with effect from 30th November, 2018 without any remuneration.

   Resolved further that the Board of Directors of the Company or a duly authorized Committee thereof be and is hereby authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment, including the remuneration payable to him, as an Executive Director of the Company.

   Resolved further that notwithstanding anything contained in Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V thereto and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors or a duly authorized Committee thereof be and is hereby authorised to fix and revise from time to time the remuneration payable to Mr. Dilip Modi within the permissible limits under the law during his tenure as an Executive Director of the Company.

   Resolved further that the Board of Directors of the Company or a duly authorised Committee thereof be and is hereby authorised to do all such acts, deeds and things as it may think necessary or desirable to settle any question or doubt that may arise in order to give effect to the above resolution and to seek such approval/consent from the Government or any other concerned authority, if required, for any purpose in connection with the appointment of Mr. Dilip Modi as an Executive Director and for making payment of remuneration as may be allowed under the applicable law from time to time."

5. **To consider and approve the appointment of Mr. Shrenik Mahendra Khasgiwala (DIN: 08136159) as Director of the Company.**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "Resolved that pursuant to the provisions of Sections 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Shrenik Mahendra Khasgiwala (DIN: 08136159) who was appointed as Additional Director of the Company w.e.f. 17th May, 2018 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation."

By Order of the Board
For Spice Mobility Limited

(M R Bothra)

Vice President-Corporate Affairs &
Company Secretary

Date: 5th October, 2018
Place: Noida

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**

   A person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person.

2. Only registered members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the Meeting.

3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

4. The Register of Members and Share Transfer Books of the Company will remain closed from 8th November, 2018 to 14th November, 2018 (both days inclusive) for the purpose of Annual General Meeting.

5. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has directed all the listed companies to update Bank Account details and PAN of the shareholders holding shares in physical form. It has been observed that many of the shareholders holding physical shares have not updated the said information. Therefore, such shareholders are requested to please send the following documents to the Company's RTA M/s. MAS Services Limited at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi – 110020:

   i. Self-attested copy of PAN card including that of joint shareholders;

   ii. An original cancelled cheque of 1st shareholder. (Name of 1st shareholder should be printed on cheque leaf). If name of 1st shareholder is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker alongwith cancelled cheque (Photocopy of cheque will not be accepted/ entertained).

   Member are also requested to update Email ID for our records and to send their consent for receiving communications by electronic means in accordance with various Circulars issued by the Ministry of Corporate Affairs from time to time.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN details to the RTA of the Company or at the Registered Office of the Company.

7. Members are requested to bring their copy of Annual Report with them at the Annual General Meeting. Corporate members intending to send their authorised representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.

8. Members holding shares in physical mode are requested to quote their Ledger Folio No. in all their correspondence and intimate the following directly to the Company's Registrar and Share Transfer Agent i.e. MAS Services Ltd.

   i) Changes, if any, in their address with PIN code numbers.

   ii) Request for making nominations as per the provisions contained in Section 72 of the Companies Act, 2013 in the prescribed Form SH-13.

   Members holding shares in dematerialized mode are requested to intimate the aforesaid changes directly to their Depository Participant.

9. Pursuant to Sections 124 and 125 of the Companies Act, 2013 the dividend amount which remains unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend accounts of the Company, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, unpaid or unclaimed amount in respect of dividend for the Financial Year 2009-10 have been transferred to IEPF.

   Unclaimed dividends for the financial year 2010-11 and thereafter will be transferred by the Company to IEPF as and when they become due. Members who have not encashed their dividend warrants are, therefore, requested to contact the Company's Registrar and Transfer Agent, M/s. MAS Services Limited, for revalidation/ issue of duplicate dividend warrant. Kindly note that after transfer of the said amount to IEPF, the concerned members can claim the same only from IEPF Authority by making an application in the prescribed Form and the manner. The details of unclaimed dividends lying with the Company has been uploaded on the website of the Company viz. www.spicemobility.in.

10. Members desiring any information with regard to Accounts/Reports are requested to submit their queries addressed to the Company Secretary of the Company at least 10 days in advance of the Annual General Meeting so that the information called for can be made available at the Meeting.

11. All documents, including those required to be kept for inspection, referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and holidays, during the business hours up to the date of the Annual General Meeting.

12. In terms of the relevant provisions of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, a company can serve Annual Report through electronic mode to the shareholders who have registered their e-mail address either with the Company or with the Depository Participant. Accordingly, the

Annual Report of the Company, Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and manner of remote e – voting along with Attendance slip and Proxy Form, Balance Sheet, Statement of Profit & Loss, Board's Report, Auditors' Reports, etc. are being sent on the email addresses of the members made available to the Company by the Depositories (NSDL/CDSL) or registered by the Members with the Company or RTA of the Company. For shareholders who have not registered their e-mail addresses, physical copy of the aforesaid documents are being sent by the permitted mode.

Members are requested to update their e-mail ID with their Depository Participant in case the shares are held in demat mode and to the RTA of the Company or at the Registered Office of the Company in case the shares are held in physical mode to ensure that the documents reach them on their preferred email address.

13. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices etc. from the Company in electronic mode. Even after registering their e-mail addresses, members are entitled to receive such communications in physical mode upon making a request for the same to the Company.

14 The Notice of Annual General Meeting and Annual Report of the Company for the year 2017-18 being circulated to the members of the Company are available on the Company's website, viz. www.spicemobility.in.

15. The Route map of the Venue of the 30th Annual General Meeting is attached.

16. Voting through electronic means:

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote electronic voting facility to its members for transacting all the businesses as stated in this Notice through e-voting services being provided by National Securities Depository Limited (NSDL). The member may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

II. The facility for voting through ballot paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e–voting shall be able to vote at the Meeting.

III. The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through Ballot Paper will not be considered.

Process and Manner for members opting for Remote e-voting on NSDL e-Voting system consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details will be as per details given below :

   a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******).

   b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12************** then your user ID is 12**************).

   c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

(a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

(b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Other Instructions for Shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to contact@cssanjaygrover.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
4. The Remote E-Voting period commences on **11th November, 2018 at 9:00 A.M. and ends on 13th November, 2018 at 5:00 P.M.** During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. on **7th November, 2018** may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **7th November, 2018**.

6. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 7th November, 2018 may also obtain the Login ID and Password by sending a request at evoting@nsdl.co.in or the Company at complianceofficer@smobility.in or MAS Services Limited, RTA at info@masserve.com.

. Any member who has received the notice of Annual General Meeting but ceased to be a member as on cut-off date i.e. 7th November, 2018 should treat this notice for information purpose only.

In case of any grievance connected with voting by electronic means, you may contact Mr. Amit Vishal, Senior Manager, NSDL through e–mail at evoting@nsdl.co.in or amitv@nsdl.co.in or on toll free No.: 1800-222-990 or Mr. Sharwan Mangla, General Manager, MAS Services Limited, RTA at info@masserve.com or on Telephone No.: 011 – 26387281.

7. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 7th November, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

8. Mr. Sanjay Grover, Managing Partner, falling him, Mr. Devesh Kumar Vashisht, Partner of M/s Sanjay Grover & Associates, has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

9. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

10. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

11. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of Annual General Meeting i.e. 14th November, 2018.

12. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.spicemobility.in and on the website of NSDL immediately after the declaration of result and communicated to the BSE Limited and National Stock Exchange of India Limited.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

The members of the company at the 29th Annual general Meeting ('AGM') of the company held on September 26, 2017, had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for a term of Five consecutive years till the conclusion of 34th Annual general Meeting to be held in the year 2022.

M/s. B S R & Co. LLP, vide its letter dated 26th September, 2018, has tendered their resignation as the Statutory Auditors of the Company due to reason that the cost estimated by them and the proposed fee is not commensurate with the efforts and time needed to carry out the audit, resulting a casual vacancy in the office of the Auditors of the Company.

In accordance with the Section 139 (8) of the Act, the casual Vacancy caused due to resignation of Auditors shall be filled by the Board within a period of thirty days and such appointment also needs to be approved by the members of the company within three months.

Accordingly, based on the recommendation of the Audit Committee, and the confirmation received from M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) about their eligibility, the Board of Directors in its meeting held on 5th October, 2018 has appointed M/s. Singhi & Co., Chartered Accountants, as the Statutory Auditors of the Company with effect from 5th October, 2018 to fill the casual vacancy caused by the resignation of M/s. B S R & Co. LLP, Chartered Accountants till the conclusion of this Annual General Meeting and have also recommended their appointment to the shareholders for their approval for a period of five years from the conclusion of this AGM till the conclusion of 35th AGM of the company to be held in the Year 2023.

The Board of Directors recommends the above resolutions set out in Item No.3 of the Notice as Ordinary Resolutions.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is any way concerned or interested in these resolutions.

Item No. 4

Mr. Dilip Modi has been working as an Executive Director of the Company since 30th November, 2015. The Board of Directors at its meeting held on 5th October, 2018, on the recommendation of Nomination and Remuneration Committee, has, subject to the approval of shareholders, re-appointed Mr. Dilip Modi (DIN: 00029062) as an Executive Director of the Company. The re-appointment of Mr. Dilip Modi as an Executive Director is for a period of 3 years w.e.f. 30th November, 2018.

Presently, no remuneration is being paid to him as Mr. Modi is an Executive Director of Spice Connect Private Limited, the holding Company and receive his remuneration from that Company. However, the Board of Directors may decide to pay such remuneration as it deem necessary or appropriate within the permissible limit(s) prescribed under the Companies Act, 2013 and subject to such approval(s) as may be required under the relevant provisions of the Companies Act, 2013.

Mr. Modi has given his consent for re-appointment as an Executive Director of the Company and has confirmed that he is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Modi fulfills the conditions specified in the Act and Rules made thereunder for re-appointment as Executive Director of the Company. The Board is of the view that his qualifications, experience and expertise would help the Company to achieve new heights. It would be in the best interest of the Company if he continues to be on the Board as an Executive Director designated as Executive Chairman of the Company. The Board recommends his appointment as an Executive Director of the Company and passing of the said resolution by means of a Special Resolution.

A Copy of the letter of appointment of Mr. Dilip Modi as Executive Director of the Company setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and holidays, during business hours.

No Director (other than Mr. Dilip Modi himself) and Key Managerial Personnel and their relatives, is in any way concerned or interested in this resolution.

Item No. 5

Mr. Shrenik Mahendra Khasgiwala was appointed as an Additional Director of the Company w.e.f. 17th May, 2015. In accordance with the provisions of Section 161 of the Companies Act, 2013 (‘Act’), Mr. Shrenik Mahendra Khasgiwala shall hold office upto the date of this Annual General Meeting.

Mr. Shrenik Mahendra Khasgiwala has given his consent for appointment as a Director of the Company and has confirmed that he is not disqualified from being appointed as a Director under Section 164 of the Act.

The Nomination and Remuneration Committee of the Company has recommended the appointment of Mr. Shrenik Mahendra Khasgiwala as Non – Executive Non – Independent Director of the Company whose period of office will be liable to determination by retirement of directors by rotation. The Nomination and Remuneration Committee, after assessing and evaluating the qualification and nature of professional services to be rendered by him, has recommended to pay him a consultancy fees of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month for a period of twelve months from the date of his appointment.

In the opinion of the Board, Mr. Shrenik Mahendra Khasgiwala fulfills the condition specified in the Act and Rules made thereunder for appointment as Director of the Company. Accordingly, it is proposed to appoint Mr. Shrenik Mahendra Khasgiwala as Director of the Company liable to retire by rotation. The Board of Director recommends the resolution set out in item No. 5 of the Notice for your approval as Ordinary Resolution.

A Copy of the letter of appointment and the Agreement entered into with Mr. Shrenik Mahendra Khasgiwala setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and holidays, during business hours. The Board is of the view that it will be in the best interest of the Company if he is appointed as a Non – Executive Non - Independent Director of the Company.

No Director (other than Mr. Shrenik Mahendra Khasgiwala himself) and Key Managerial Personnel and their relatives, is in any way concerned or interested in this resolution.

The information as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, in relation to the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting, is given hereunder:

Name of the Director	**Mr. Dilip Modi**	**Mr. Shrenik Mahendra Khasgiwala**
Date of Birth	12.03.1974	10.08.1975
Date of First Appointment on the Board	21.08.2006	17.05.2018
No. of shares held	10,00,000 Equity Shares	Nil
Qualifications	Master's in Business Administration and Bachelor of Science Degree in Management Technology from Brunel University, London	1. PGDM IIM Bengaluru 2. Chartered Accountant 3. Commerce graduate
Experience and expertise in specific Functional Area	A brief resume and nature of expertise in specific functional areas of Mr. Dilip Modi is given in the Annual Report.	A brief resume and nature of expertise in specific functional areas of Mr. Shrenik Mahendra Khasgiwala is given in the Annual Report.
Terms and Conditions of his appointment	He has been re-appointed as an Executive Director of the Company for a period of 3 years w.e.f. 30.11.2018. Mr. Modi as an Executive Director is entrusted with substantial powers of management of the Company subject to superintendence, control and direction of the Board of directors of the Company.	Appointed as Non – Executive Non – Independent Director liable to retire by rotation.
No. of Board Meetings attended during the year	All the Five Board Meetings held during the Year were attended by him.	N.A.
Detail of Remuneration sought to be paid and the remuneration last drawn	Nil	Rs. 2,50,000 (Rupees two lakh fifty thousand only) per month for the consultancy services to the Company.
List of Directorship in Companies (Other than Spice Mobility Limited)	Wall Street Finance Limited Smart Global Corporate Holding Private Limited Spice Connect Private Limited Spice Digital Limited Spice IOT Solutions Private Limited	Nil
Chairman / Member of the Committees of the Board of Directors of Companies (Other than Spice Mobility Limited) on which he is a Director	Nil	Nil

Disclosure of Inter se relationship of Directors:

None of the directors has any relationship with other directors and Key Managerial Personnel of the Company.

By Order of the Board
For Spice Mobility Limited

(M R Bothra)
Vice President-Corporate Affairs &
Company Secretary

Date: 5th October, 2018
Place: Noida

SPICE MOBILITY LIMITED
Registered Office: 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025
CIN: L72900DL1986PLC330369
Tel.: 011- 41251965; Email: complianceofficer@smobility.in
Website: www.spicemobility.in

Route map of the Venue of the 30th Annual General Meeting - 14th November, 2018

Sri Sathya Sai International Centre, Bhisma Pitamah Marg, Lodhi Road, New Delhi – 110003

This page has been intentionally left blank.

DiGiSPICE

SPICE MOBILITY LIMITED

Registered Office: 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025
CIN: L72900DL1986PLC330369
Tel.: 011- 41251965; Email: complianceofficer@smobility.in
Website: www.spicemobility.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):
Registered Address:
E-mail Id:
Folio No./ Client ID:
DP ID:

I/ We, being the member(s) of ______________________ shares of the above named company, hereby appoint

(1) Name: ______________________

Address: ______________________

E-mail id: ______________________ Signature ______________________, or failing him;

(2) Name: ______________________

Address: ______________________

E-mail id: ______________________ Signature ______________________, or failing him;

(3) Name: ______________________

Address: ______________________

E-mail id: ______________________ Signature ______________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30th Annual General Meeting of the Company, to be held on Wednesday, the 14th day of November, 2018 at 10:15 A.M. at Sri Sathya Sai International Centre, Bhisma Pitamah Marg, Lodhi Road, New Delhi – 110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	No. of shares held	For	Against
1. Adoption of Financial Statements and Reports of Board of Directors and Auditors thereon and Consolidated Financial Statements of the Company and Auditors Report thereon.			
2. Re-appointment of Mr. Dilip Modi (DIN: 00029062), Director retiring by rotation.			
3. Appointment of Statutory Auditors: a. M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), as the Statutory Auditors of the Company to fill the Casual Vacancy.			
b. M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), as the Statutory Auditors of the Company.			
4. Re-appointment of Mr. Dilip Modi (DIN: 00029062) as an Executive Director of the Company.			
5. Appointment of Mr. Shrenik Mahendra Khasgiwala (DIN: 08136159) as Director liable to retire by rotation.			

Signed this ________ Day of ____________ 2018

Signature of Shareholder______________________

Affix Re.1 /- Revenue Stamp

Signature of Proxy holder(s)____________________

Notes:

1. The Proxy Form in order to be effective should be duly completed, dated, signed, stamped and deposited at the Registered office of the Company not later than 48 hours before the commencement of the Meeting.
2. Proxy Holder shall carry his identity Proof at the time of attending the Meeting.
3. A Proxy need not be a member of the Company.
4. A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. The holder of this Form may vote for or against each resolution.

This page has been intentionally left blank.

SPICE MOBILITY LIMITED

Registered Office: 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025
CIN: L72900DL1986PLC330369
Tel.: 011- 41251965; Email: complianceofficer@smobility.in
Website: www.spicemobility.in

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	SHARES	PASSWORD

The e-voting facility will be available during the following voting period:

Commencement of e-voting	**From 9 A.M. on 11th November, 2018**
End of e-voting	**Upto 5 P.M. on 13th November, 2018**

- The cut-off date for the purpose of e-voting is 7th November, 2018.
- Please refer to the attached AGM Notice for instructions on e-voting.

SPICE MOBILITY LIMITED

Registered Office: 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi -110025
CIN: L72900DL1986PLC330369
Tel.: 011- 41251965; Email: complianceofficer@smobility.in
Website: www.spicemobility.in

ATTENDANCE SLIP

(THIS ATTENDANCE SLIP, DULY FILLED IN, IS TO BE HANDED OVER AT THE MEETING)

Master Folio No.		D.P. ID*	
No. of Shares held		Client ID*	

Name of attending member ______________________________
(in block letters)
Name of Proxy (s) ______________________________
(in block letters)
(to be filled in, if a Proxy attends instead of the member)

I/ We hereby record my / our presence at the 30th Annual General Meeting of Spice Mobility Limited held on Wednesday, the 14th day of November, 2018 at 10:15 A.M. at Sri Sathya Sai International Centre, Bhisma Pitamah Marg, Lodhi Road, New Delhi – 110003.

Member's/Proxy's Signature
(to be signed at the time of handing over this slip)

*Applicable for members holding shares in electronic form.