

**INDEPENDENT AUDITORS' REPORT**

To,

**The Members of Spice Labs Private Limited****Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of Spice Labs Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the nine months period ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 there under.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.



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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2015 and its profits and its cash flows for the nine months period ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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 and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) 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:

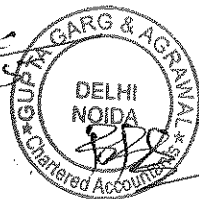
i) the company does not have any pending litigations which would impact its financial position.

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

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For GUPTA GARG & AGRAWAL  
CHARTERED ACCOUNTANTS  
FRN 505762C**

*B.B. Gupta*  
9/5/15  
**(B.B. GUPTA)**  
PARTNER  
M. No. 012399



Place: Noida  
Date: 09.05.2015

**RE: Spice Labs Private Limited**

**ANNEXURE REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE**

The comments are in seriatim of the order

- (i) (a) The Company is maintaining proper records of its Fixed Assets showing full particulars including quantitative details and situation thereof.
- (b) As informed, the fixed assets were physically verified by the management at reasonable intervals. No discrepancy on such verification noticed by the management and reported to us.
- (ii) (a) The Company does not have any inventory; as such there are no comments on sub clauses b) and c).
- (iii) As per the information and explanations given to us and certified by the management and verified from the books of account, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained in pursuance of Section 189 of the Companies Act, 2013, as such there are no comments on sub clauses a) and b).
- (iv) The Company has adequate internal control system in commensuration with its size and nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. We did not observe any weakness in the internal control system.
- (v) The Company has not accepted any deposits from the public and as such the clause is not applicable.
- vi) As per information and explanation given to us, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance fund, income-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance fund, income-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were outstanding at the period end, for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company has been in existence for more than five years. The accumulated losses, on the date of balance sheet, in the Company are not more than 50% of its net worth. The Company has earned cash profit of Rs. 69.68 lacs in the current period as against Rs. 315.29 lacs in the immediate preceding period.
- ix) The Company does not have any loan from Bank, Institutions or Debenture holders, and as such clause is not applicable.



- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, and as such clause is not applicable.
- (xi) The Company does not have any term loans outstanding during the period, and as such clause is not applicable .
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

**For GUPTA GARG & AGRAWAL  
CHARTERED ACCOUNTANTS  
FRN 505762C**

*B.B. Gupta*  
**(B.B.GUPTA)** 9/5/15  
**PARTNER**  
**M. No. 012399**



Place: Noida  
Date: 09.05.2015

**SPICE LABS PRIVATE LIMITED**  
**CIN: U72300UP2009PTC037430**  
**Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301**  
**Balance Sheet as at March 31, 2015**

Particulars	Notes	Figures as at	Figures as at
		31-Mar-2015	30-June-2014
		Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	100,500,000	100,500,000
(b) Reserves and surplus	3	(34,773,237)	(38,404,957)
		<u>65,726,763</u>	<u>62,095,043</u>
<b>Non-current liabilities</b>			
Long-term provisions	4	1,084,126	1,982,771
		<u>1,084,126</u>	<u>1,982,771</u>
<b>Current liabilities</b>			
(a) Other current liabilities	5	6,947,915	15,690,210
(b) Short-term provisions	6	136,225	384,886
		<u>7,084,140</u>	<u>16,075,096</u>
<b>TOTAL</b>		<u><u>73,895,029</u></u>	<u><u>80,152,910</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	7		
(i) Tangible assets		881,265	1,363,000
(ii) Intangible assets		-	1,496,516
		<u>881,265</u>	<u>2,859,516</u>
(b) Non-current investments	8	2,750,000	-
		<u>3,631,265</u>	<u>2,859,516</u>
<b>Current assets</b>			
(a) Current Investments	9	21,373,937	40,497,368
(b) Trade receivables	10	241,430	216,290
(c) Cash and cash equivalents	11	2,865,362	17,661,052
(d) Short-term loans and advances	12	37,474,054	6,395,064
(e) Other current assets	13	8,308,981	12,523,620
		<u>70,263,764</u>	<u>77,293,394</u>
<b>TOTAL</b>		<u><u>73,895,029</u></u>	<u><u>80,152,910</u></u>
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date  
**For Gupta Garg & Agrawal**  
**Chartered Accountants**  
**FRN 505762C**

(B.B. Gupta)  
Partner  
M. No. 012399



For and on behalf of the Board of Directors

Director  
(Sunil Kapoor)  
DIN: 05322540

Director  
(Madhusudan Venkatachary)  
DIN:02650160

CFO  
(Devidas Sharma)

Company Secretary  
(Pooja Madan)  
(Memb. No. A28607)

Place : Noida  
Date : 09.05.2015

**SPICE LABS PRIVATE LIMITED**  
CIN: U72300UP2009PTC037430

Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301  
Statement of Profit & Loss for the Nine Month period ended March 31, 2015

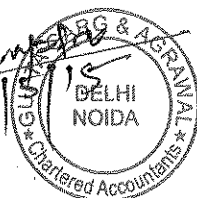
Particulars	Notes	Figures for the 9 Month ended 31-Mar-2015 Rs.	Figures for the 12 months ended 30-June-2014 Rs.
<b>Income</b>			
Revenue from Operations	14	27,741,034	82,721,244
Other income	15	7,963,739	2,093,461
<b>Total</b>		<b>35,704,772</b>	<b>84,814,705</b>
<b>Expenses</b>			
Employee benefits expense	16	19,094,419	37,554,675
Other expenses	17	9,642,533	15,730,640
<b>Total</b>		<b>28,736,952</b>	<b>53,285,315</b>
<b>Earning before interest ,tax depreciation and amortization(EBITDA)</b>		<b>6,967,821</b>	<b>31,529,390</b>
Depreciation and amortization expense	7	3,336,101	30,483,495
Finance Cost	18	-	100,000
<b>Profit before exceptional and extraordinary items and tax</b>		<b>3,631,719</b>	<b>945,895</b>
<b>Exceptional Items</b>			
(i)Prior period Income		-	294,374
(ii)Prior period expenses		-	-
<b>Profit before extraordinary Items and tax</b>		<b>3,631,719</b>	<b>1,240,269</b>
<b>Extraordinary items</b>		-	-
<b>Profit / (loss) before tax</b>		<b>3,631,719</b>	<b>1,240,269</b>
<b>Tax Expenses</b>			
(i) Current Tax	296,511	-	-
Less: MAT credit entitlement	(296,511)	-	-
(ii) Deferred Tax		-	-
<b>Profit / (Loss) for the period / year from continuing operations</b>		<b>3,631,719</b>	<b>1,240,269</b>
<b>Earnings per equity share [nominal value of share : Rs. 10 (30 June 2014 : Rs. 10)]</b>			
1) Basic		0.36	0.12
2) Diluted		0.36	0.12

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date  
For Gupta Garg & Agrawal  
Chartered Accountants  
FRN 505762C

(B.B.Gupta)  
Partner  
M. No. 012399



Place : Noida  
Date : 09.05.2015

For and on behalf of the Board of Directors

Director  
(Sunil Kapoor)  
DIN: 05322540

CFO  
(Devidas Sharma)

Director  
(Madhusudan Venkatachary)  
DIN:02650160

Company Secretary  
(Pooja Madan)  
(Memb. No. A28607)

SPICE LABS PRIVATE LIMITED  
CIN: U72300UP2009PTC037430

Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301  
Cash flow statement for the nine months period ended March 31, 2015

	31-Mar-15 Rs.	30-Jun-14 Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	36,31,719	12,40,269
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation/ amortization	33,36,101	3,04,83,495
Interest (income)	(3,49,918)	(8,87,578)
<b>Operating profit before working capital changes</b>	<b>66,17,902</b>	<b>3,08,36,186</b>
Movements in working capital :		
Increase / (decrease) in short-term provisions	(2,48,661)	1,59,118
Increase/ (decrease) in other current liabilities	(87,42,291)	(85,23,097)
Increase/ (decrease) in other long-term Provisions	(8,98,645)	7,85,988
Decrease / (increase) in trade receivables	(25,140)	7,91,521
Decrease / (increase) in short-term loans and advances	(10,78,990)	(59,06,744)
Decrease / (increase) in other current assets	42,14,639	1,86,95,825
<b>Cash generated from / (used in) operations</b>	<b>(1,61,186)</b>	<b>3,68,38,797</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities</b>	<b>A (1,61,186)</b>	<b>3,68,38,797</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP and capital advances	(13,57,853)	(22,82,940)
Proceeds of non-current investments	(27,50,000)	-
Loan to Body Corporate	(3,00,00,000)	-
Current Investments	1,91,23,431	(4,04,97,368)
Interest received	3,49,918	8,87,578
<b>Net cash flow from/ (used in) investing activities</b>	<b>B (1,46,34,504)</b>	<b>(4,18,92,730)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of long term Borrowings	-	-
<b>Net cash flow from/ (used in) in financing activities</b>	<b>C -</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>A+B+C (1,47,95,690)</b>	<b>(50,53,933)</b>
Cash and cash equivalents at the beginning of the year	1,76,61,053	2,27,14,986
<b>Cash and cash equivalents at the end of the year</b>	<b>28,65,363</b>	<b>1,76,61,053</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	14,865	17,808
Cheques in Hand	-	10,976
With banks- on current account	14,74,159	82,05,464
With banks- on deposit accounts	13,76,339	94,26,805
<b>Total cash and cash equivalents (Note 11)</b>	<b>28,65,363</b>	<b>1,76,61,053</b>

**Notes :**

- The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements notified by Companies (Accounts) Rules, 2014.
- Neqative figures have been shown in brackets.

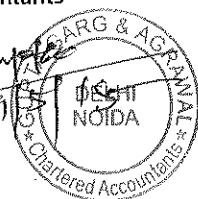
Summary of significant accounting policies

1

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date  
For Gupta Garg & Agrawal  
Chartered Accountants  
FRN:- 505762C

(B.B.Gupta)  
Partner  
M. No. 012399



Place : Noida  
Date : 09.05.2015

For and behalf of the Board of Directors

Director  
(Sunil Kapoor)  
DIN: 05322540

CFO  
(Devidas Sharma)

Director  
(Madhusudan Venkatachary)  
DIN: 02650160

Company Secretary  
(Pooja Madan)  
(Memb. No. A28607)

**SPICE LABS PRIVATE LIMITED**

CIN: U72300UP2009PTC037430

Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301

Note to financial statements for the nine months period ended March 31, 2015

**1. SIGNIFICANT ACCOUNTING POLICIES**

**i) Nature of Business**

The company is engaged in developing, selling and providing software solutions to general business enterprises & mobile application to various users.

**ii) Basis of preparation**

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the provisions and presentational requirements of the Companies Act, 2013.

**iii) Changes in Accounting policies**

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

**iv) Revenues recognition**

**a) Revenue from operations**

(i) Customised software services income is recognized when user acceptance test confirmation is received

(ii) Gaming & other softwares application income is recognized on the basis of usage or download of softwares.

(iii) Other Operating Income (Advt. etc) is recognized on the basis of internet online report of clicks, usage, downloads etc.

**b) Other Income**

(i) Interest income is recognized on accrual basis at applicable interest rates and time period.

(ii) Income, other than above, is recognised as per accrual system of accounting.

**v) Use of estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.





**SPICE LABS PRIVATE LIMITED**  
**CIN: U72300UP2009PTC037430**

**Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301**  
**Note to financial statements for the nine months period ended March 31, 2015**

**vi) Fixed Assets & Depreciation**

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Depreciation on assets was provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. From 01.01.2014, the depreciation is provided at the rates and in the manner as prescribed in Schedule II of the Companies Act, 2013 on the basis of useful life of each assets.

Depreciation on addition to assets is calculated pro-rata from the date of such addition to the end of the year. Assets costing Rs. 5000/- or less are fully depreciated in the year of purchase, provided that the aggregate actual cost of individual item of respective fixed assets costing Rs. 5000/- or less does not constitute more than 10% of the total actual cost of respective fixed assets.

**vii) Intangibles**

In house Developed Softwares are recognised and capitalised in the books of account as "Intangible Asset" as per AS-26 issued by ICAI. The cost of developed softwares are determined on the basis of actual time spent by the technical persons on each softwares and capitalized on technical/ marketing evaluation basis.

Intangibles are amortised over their useful life estimated by the management @ 19%.

**viii) Impairment of Assets**

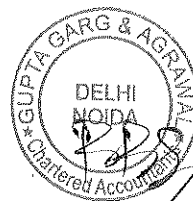
An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

**ix) Foreign Currency Transactions**

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions or that approximates the actual rate at the date of the transactions.
- b) Monetary items (assets & liabilities) and Non-monetary items (Outstanding liabilities) denominated in foreign currencies at the year end are reinstated at year end rates.
- d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

**x) Taxation**

Income tax expenses comprise current tax (i.e. the amount of tax for the year determined in accordance with the Income Tax Act, 1961) and Deferred Tax Charge or Credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding Deferred Tax Liabilities or Assets (DTL/A) are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the same can be realized in the future years. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, Deferred Tax Assets are recognised only if there is virtual certainty of realisation of such assets. Deferred Tax Assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.



**SPICE LABS PRIVATE LIMITED**

**CIN: U72300UP2009PTC037430**

**Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301**

**Note to financial statements for the nine months period ended March 31, 2015**

**xi) Employee benefits**  
**(i) Short term employee benefits**

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the profit and loss account in the year in which the employee renders the related services.

**(ii) Post employee benefits**

**Defined Benefit Plan**

The Company's gratuity scheme is a defined benefit plan. The company's obligation towards gratuity are actuarially determined and provided for as per As-15(revised).

**(iii) Other Long Term Benefits**

Benefit under the Company's leave encashment scheme constitutes other employee benefit. The liability in respect of leave encashment is actuarially determined. Change in the liability is recognised in the profit & loss A/c as Expense or Income as the case may be.

**xii) Investments**

Current investments are stated at lower of cost or fair value. Long term investments are valued at cost. Any decline, other than temporary, in the value of long term investments, is charged to Profit and Loss Account or provision made.

**xiii) Events occurring after the balance sheet date**

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

**xiv) Contingent Liability**

The contingent liabilities, if any, are disclosed in the financial statements. Provision is made in the accounts if it becomes probable that there will be outflow of resources for settling the obligation.

**xv) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.



SPICE LABS PRIVATE LIMITED  
CIN: U72300UP2009PTC037430  
Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301  
Notes to financial statement as on March 31, 2015

Particulars	Figures as at 31-Mar-2015 Rs.	Figures as at 30-June-2014 Rs.
<b>2. Share Capital</b>		
<b>Authorized shares</b>		
10,050,000 (Previous year 10,050,000) Equity Shares of Rs. 10/- each	100,500,000	100,500,000
<b>Issued, subscribed and fully paid-up shares</b>		
10,050,000 (Previous year 10,050,000 ) Equity Shares of Rs.10/- each	100,500,000	100,500,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>100,500,000</u>	<u>100,500,000</u>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**  
Equity shares

	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	10,050,000	100,500,000	10,050,000	100,500,000
Issued during the period against share application money	-	-	-	-
Issued during the period – Bonus issue	-	-	-	-
Issued during the period – ESOP	-	-	-	-
<b>Outstanding at the end of the period</b>	<u>10,050,000</u>	<u>100,500,000</u>	<u>10,050,000</u>	<u>100,500,000</u>

**(b) Terms/Rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

**(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the company, shares held by its holding company are stated below:

Spice Digital Limited, the Holding company		
100,39,997 (Previous year 100,39,997 ) Equity Shares of Rs. 10/- each fully paid	10,039,997	10,039,997

**(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

Nil

Nil

**(e) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10/- each fully paid				
Spice Digital Limited, the Holding company	10,039,997	99.90%	10,039,997	99.90%

(f) The above information (from (a) to (d)) is as per records of the company, including its register of shareholders/ members and other declarations received from shareholder regarding beneficial interest. The above shareholding represents both legal and beneficial ownerships of shares.

	Figures as at 31-Mar-2016 Rs.	Figures as at 30-June-2014 Rs.
<b>3. Reserves and Surplus</b>		
<b>Surplus/ (deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(38,404,956)	(39,645,226)
Profit/(Loss) for the period/year	3,631,719	1,240,269
<b>Net surplus in the statement of profit and loss</b>	<u>(34,773,237)</u>	<u>(38,404,957)</u>
<b>Total reserves and surplus</b>	<u>(34,773,237)</u>	<u>(38,404,957)</u>
<b>4. Long Term Provisions</b>		
<b>Provision for employee benefits (Note 20)</b>		
Provision for gratuity	601,724	1,016,989
Provision for leave benefits	482,402	965,782
	<u>1,084,126</u>	<u>1,982,771</u>



**SPICE LABS PRIVATE LIMITED**  
**CIN: U72300UP2009PTC037430**  
**Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301**  
**Notes to financial statement as on March 31, 2015**

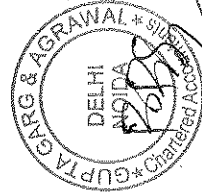
Particulars	Figures as at 31-Mar-2015 Rs.	Figures as at 30-June-2014 Rs.
<b>5. Other current liabilities</b>		
Advance received from customers	-	339,673
Expenses Payable (including stale cheques)	4,652,720	9,184,835
Service tax payable	-	1,738
TDS payable	257,879	761,149
PF payable	145,334	111,758
Audit fee payable	155,000	140,000
Bonus Payable	-	24,110
Salary Payable	1,736,982	5,126,947
	<b>6,947,915</b>	<b>15,690,210</b>
<b>6. Short term provisions</b>		
Provision for Gratuity	44,480	193,254
Provision for Leave Benefits	91,745	191,632
	<b>136,225</b>	<b>384,886</b>
<b>8. Non- Current Investements</b>		
<b>Unquoted - Fully Paid Up Equity Shares of Rs.10/- each</b>		
200 (Nil) Riot Labz Pvt Ltd	125,000	-
1 (Nil) 911 India Healthcare Pvt Ltd	250	-
	<b>125,250</b>	<b>-</b>
<b>Un-quoted Fully paid up 0.1% Cumulative Compulsory Convertible Preference Shares of Rs.10/- each</b>		
1800 (Nil) Riot Labz Pvt Ltd	1,125,000	-
5999 (Nil) 911 India Healthcare Pvt Ltd	1,499,750	-
	<b>2,624,750</b>	<b>-</b>
<b>Total Non-current Investments</b>	<b>2,750,000</b>	<b>-</b>
<b>Aggregate Value of unquoted shares</b>	<b>2,750,000</b>	<b>-</b>
<b>9. Current Investment</b>		
9,48,872 (26,08,751) ICICI Prudential MF-Folio No 6410045/18	11,373,937	30,497,368
Nil (3276) Reliance Mutual Fund Folio-403139546257	-	10,000,000
3,69,846 (Nil) HDFC Short Term Plan Growth	10,000,000	-
	<b>21,373,937</b>	<b>40,497,368</b>
<b>NAV of Mutual funds Investments</b>	<b>21,373,937</b>	<b>40,497,368</b>
<b>10. Trade Receivables</b>		
Unsecured, considered good	241,430	216,290
	<b>241,430</b>	<b>216,290</b>
The balances appearing in the books at the close of the financial year under the head 'Trade Receivables', are subject to confirmation.		
<b>11. Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
On current accounts	1,474,159	8,205,464
Cash-in-hand	14,865	17,808
Cheques in Hand	-	10,976
Short term Fixed Deposits	1,376,339	9,426,805
	<b>2,865,362</b>	<b>17,661,052</b>



Spice Labs Private Limited  
 Note to Financial Statements for the nine months period ended March 31, 2015  
 Note No. 7

(Figures in Rs.)

Sr. No	Particulars	Gross Block				Depreciation			Net Block	
		As at 01-Jul-2014	Addition during the period	Deletion during the period	As at 31-Mar-2015	As at 01-Jul-2014	For the period	Adjustments	As at 31-Mar-2015	As at 30-Jun-2014
I	<u>Tangible Assets</u>									
	Data processing Machine	3,101,760	-	-	3,101,760	2,265,221	358,684	-	477,855	836,539
	Mobile Handset	1,636,257	61,695	-	1,697,952	1,174,932	178,278	-	344,743	461,325
	Office Equipment	73,377	15,458	-	88,835	39,215	8,697	-	40,923	34,162
	Furniture & Fixture	92,750	-	-	92,750	61,778	13,228	-	17,744	30,972
	<b>SUB TOTAL (A)</b>	<b>4,904,144</b>	<b>77,153</b>	<b>-</b>	<b>4,981,297</b>	<b>3,541,145</b>	<b>558,886</b>	<b>-</b>	<b>881,265</b>	<b>1,363,000</b>
II	<u>Intangible Assets</u>									
	Software	3,049,266	1,280,700	-	4,329,966	1,552,749	2,777,215	-	-	1,496,516
	Software Developed	93,249,134	-	-	93,249,134	93,249,134	-	-	-	-
		96,298,400	1,280,700	-	97,579,100	94,801,883	2,777,215	-	-	1,496,516
	<b>SUB TOTAL (B)</b>									
	<b>Total [A + B] (Current Period)</b>	<b>101,202,544</b>	<b>1,357,853</b>	<b>-</b>	<b>102,560,397</b>	<b>98,343,028</b>	<b>3,336,101</b>	<b>-</b>	<b>881,265</b>	<b>2,859,516</b>
	<b>(Previous Period) July 2013 to June 2014</b>	<b>76,006,944</b>	<b>22,970,430</b>	<b>57,770</b>	<b>98,919,604</b>	<b>38,058,940</b>	<b>29,809,410</b>	<b>8,816</b>	<b>31,060,070</b>	<b>37,948,004</b>



**SPICE LABS PRIVATE LIMITED**  
**CIN: U72300UP2009PTC037430**  
**Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301**  
**Notes to financial statement as on March 31, 2015**

Particulars	Figures as at 31-Mar-2015 Rs.	Figures as at 30-June-2014 Rs.
<b>12. Short term loans and advances</b>		
Cenvat Recoverable	3,058,199	2,549,128
Prepaid Expenses	395,969	178,441
Advance Income Tax	3,905,800	
Less: Provision for tax	<u>2,637,998</u>	741,033
Mat Credit Entitlement	2,231,464	1,934,953
<b>Unsecured considered good*</b>		
Advances recoverable cash or in Kind	520,621	991,509
<b>Loans</b>		
(a) Loan to employees	-	-
(b) Others : Unsecured, considered goods	-	-
Hindustan Retail Pvt Ltd	30,000,000	-
	<u><u>37,474,054</u></u>	<u><u>6,395,064</u></u>

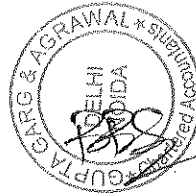
\*The balances appearing in the books at the close of the financial year under the head 'Advances Recoverable in cash or in Kind' are subject to confirmation.

**13. Other current assets**

Interest accrued on fixed deposits	10,178	216,803
Interest accrued on Others	672,657	-
Unbilled revenue	7,625,598	12,060,218
Dividend Receivable	548	246,600
	<u><u>8,308,981</u></u>	<u><u>12,523,621</u></u>

**Contingent liabilities and commitments**

<b>(1) Contingent Liabilities</b>		
a) Claims against the company not acknowledged as debts	NIL	NIL
b) Guarantees against FDR	NIL	NIL
c) other money for which company is contingently liable	NIL	NIL
<b>(2) Commitments</b>		
a) Estimated amounts of contracts to be executed on capital account not provided for	NIL	NIL
b) Uncalled liability on partly paid shares	NIL	NIL
c) Other commitments	NIL	NIL



**SPICE LABS PRIVATE LIMITED**  
**CIN: U72300UP2009PTC037430**  
**Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301**  
**Statement of Profit & Loss for the Nine Month period ended on March 31, 2015**

Particulars	Figures for 9 months ended 31-Mar-2015 Rs.	Figures for 12 months ended 30-June-2014 Rs.
<b>14. Revenue from operations</b>		
Income from Advt. etc.	27,741,034	82,721,244
	<u>27,741,034</u>	<u>82,721,244</u>
<b>15. Other income</b>		
Interest income on Bank deposits	349,918	887,578
Interest income on Others	747,397	-
Liabilities no longer payable Written back	2,799,883	12,150
Dividend on MF	605,504	1,184,932
Dividend from Preference Share	548	-
Profit on Investment	2,795,624	-
Foreign exchange fluctuation gain	664,865	-
Other income	-	8,801
	<u>7,963,739</u>	<u>2,093,461</u>
<b>16. Employee benefits expense</b>		
Salaries, wages and bonus	17,262,064	35,394,784
Contribution to provident fund	653,793	624,104
Staff welfare expenses	415,163	554,067
Gratuity expense (Refer Note 20)	751,345	482,602
Leave encashment expenses (Refer Note 20)	12,054	499,118
	<u>19,094,419</u>	<u>37,554,675</u>
<b>17. Other expenses</b>		
Advertisement Expenses	571,201	-
Recruitment Expenses	25,920	24,000
Repair & Maintenance	208,401	222,671
Business Promotion	17,630	150,765
Travelling & Conveyance	208,440	577,516
Vehicle running & maintenance	2,239,047	2,828,551
Printing & Stationery	38,486	46,756
Content Charges	30,000	347,827
Postage & Courier Expenses	-	11,554
Legal & Professional	1,167,842	3,802,129
Communication Costs	1,486,819	1,632,105
Payment to auditors (refer details below)	155,000	180,000
Foreign exchange fluctuation loss	-	148,597
Rent Office	3,024,000	4,158,000
Membership & subscription charges	-	31,023
Loss on Investment	-	324,630
Rates & taxes	2,460	1,988
Miscellaneous expenses	420,277	718,145
Insurance Expenses Employees	23,088	-
Interest on tds	797	-
Bank charges	23,125	106,891
Sundry balance w/off	-	417,492
	<u>9,642,533</u>	<u>15,730,640</u>
<b>Payment to auditors</b>		
Audit fee	100,000	100,000
Limited review	30,000	45,000
Tax Audit Fee	25,000	25,000
Other Services ( Verification of TDS Certificate for Banking License)	-	10,000
	<u>155,000</u>	<u>180,000</u>



**SPICE LABS PRIVATE LIMITED**  
**CIN: U72300UP2009PTC037430**  
**Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301**  
**Statement of Profit & Loss for the Nine Month period ended on March 31, 2015**

Particulars	Figures for	Figures for
	9 months ended 31-Mar-2015 Rs.	12 months ended 30-June-2014 Rs.
<b>18. Finance Cost</b>		
Interest on taxes	-	100,000
	-	<u>100,000</u>

**19. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic and diluted EPS computations:

Profit/ (loss) after tax	3,631,719	1,240,269
Number of ordinary equity shares	10,050,000	10,050,000
<b>Basic Earning per share</b>	<u>0.36</u>	<u>0.12</u>
Weighted average number of ordinary equity shares	10,050,000	10,050,000
Nominal Value of ordinary shares	10	10
<b>Diluted Earning per share</b>	<u>0.36</u>	<u>0.12</u>





**SPICE LABS PRIVATE LIMITED**  
**CIN: U72300UP2009PTC037430**  
**Regd Address: S Global Knowledge Park 19A & 19B, Sector-125, Noida-201301**  
**Notes to financial statements for the nine months period ended March 31, 2015**

- 20 The financials for current period ended on March 31, 2015 have been prepared as per the provisions and schedules prescribed under the Companies Act, 2013 as the same has become applicable to the company w.e.f. 01.04.2014.
- 21 The company being a subsidiary of non Small and Medium Enterprises, therefore, the company has complied with all the notified applicable Accounting Standards.
- 22 During the year under consideration, company has made investments of Rs 27,50,000/- in the Equity and Preference Shares having face value of Rs 10/- each in the following:

Name of Company	No. of Shares		Nominal Value	Premium	Total (Rs)
	Equity	Pref.			
Riot Labz Pvt. Ltd	200	1800	20,000	1,230,000	1,250,000
911 India Healthcare Pvt.Ltd	1	5999	60,000	1,444,000	1,500,000

On the basis of agreements with the companies.

Name of Loanee	Rate of Interest	Due Date	Secured/ Unsecured	31-Mar-15	Purpose
Hindustan Retail Pvt. Ltd.	11%	23-Dec-15	Unsecured	30,000,000	General Corporate Purpose

	Current year	Previous year
23 Amount due to Small and Medium Enterprises :-	Nil	Nil
24 Value of Imports on CIF basis	Nil	Nil
25 Outflow in Foreign Currency	Figure's in Rs.	Figure's in Rs.
<u>In USD</u>		
Subscription Charges	1,220,911	927,636
Business Promollon	33,442	250,020
Legal & Professional	-	519,800
Advertisement Exp.	15,128	-
Miscellaneous exp	127,071	-
<u>In GBP</u>		
Misc Expenses	103,782	-
<u>In Euro</u>		
Sponsorship Fee	80,759	-
<b>Total</b>	<b>1,581,103</b>	<b>1,697,456</b>
26 Inflow in Foreign Currency	Figure's in Rs.	Figure's in Rs.
Income from Advt. etc.		
In USD	70,891,344	28,376,955
In Euro	11,191	-
<b>Total</b>	<b>70,702,535</b>	<b>28,376,955</b>

27 Related party disclosures

**Ultimate Holding Company**

- 1 Smart Global Corporate Holdings Pvt. Ltd. (formerly known as Spice Global Investments Pvt. Ltd.)

**Holding Companies**

- 1 Spice Digital Ltd  
2 Smart Ventures Pvt Ltd (formerly known as Smart Ventures Ltd and prior to that Si2i Mobility Pvt. Ltd.)  
3 Spice Mobility Ltd.(Formerly known as S Mobility Ltd)

**Related parties with whom transactions have taken place during the period**

**Fellow Subsidiaries**

- 1 Hindustan Retail Pvt. Ltd.  
2 Wall Street Finance Ltd.  
3 Spice Online Retail Private Ltd.  
4 Mobisoc Technology Pvt. Ltd.



Enterprises in which any combination of the above companies hold more than 50%  
NIL

Key Management Personnel  
Name  
Siddhartha Prakash Jain

Designation  
CEO (Upto 31 Dec 2014)

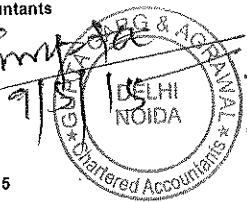
b) Related party transactions attached as Annexure-1

As per our attached report of even date.

For Gupta Garg & Agrawal  
Chartered Accountants  
FRN: 505752C

(B.B. Gupta)  
Partner  
M. No. 012399

Place : Noida  
Date : 09.05.2015



For and behalf of the Board of Directors

Director  
(Sunil Kapoor)  
DIN: 05322640

CFO  
(Devidas Sharma)

Director  
(Madhusudan Venkatachary)  
DIN: 02650160

Company Secretary  
(Pooja Madan)  
(Memb. No. A28607)

Spice Labs Private Limited  
Related Party Transactions

Particulars	Holding company		Fellow Subsidiary		Key Management Personnel			Total
	For the period ended Mar 31, 2015	For the Year ended Jun 30, 2014	For the period ended Mar 31, 2015	For the Year ended Jun 30, 2014	For the period ended Mar 31, 2015	For the Year Ended June 30, 2014	For the period ended Mar 31, 2015	
Purchase of Fixed Assets Spice online Retail Pvt. Limited	-	-	23,308	256,450	-	-	23,308	256,450
Purchase of Forex Wall Street Finance Limited	-	-	-	158,879	-	-	-	158,879
Rent Paid Spice Mobility Limited	3,024,000	4,158,000	-	-	-	-	3,024,000	4,158,000
Loan/ICD Hindustan Retail Pvt Ltd.	-	-	30,000,000	-	-	-	30,000,000	-
Interest Income Hindustan Retail Pvt Ltd.	-	-	747,397	-	-	-	747,397	-
Reimbursement Paid Spice Digital Limited Spice Mobility Limited	-	14,750 31,195	-	-	-	-	-	14,750 31,195
Transaction on behalf of Co. Spice Digital Limited	3,986,021	10,918,932	-	-	-	-	3,986,021	10,918,932
Travel Expenses Spice Digital Limited	232,502	333,990	-	-	-	-	232,502	333,990
Salary & Reimbursement Siddhartha Praskash Jain	-	-	-	-	2,500,002	73,100,000	2,500,002	73,100,000
Closing Balance (Credit) Mobisoc Technology pvt Ltd Spice Mobility Limited Spice Digital Limited	-	-	50,090	40,090	-	-	50,090	40,090 343,929 7,865,608
	4,049,261	7,865,608	-	-	-	-	4,049,261	7,865,608

