Spice money

DiGiSPICE

ANNUAL REPORT 2018-19

DIGISPICE TECHNOLOGIES LTD

(Formerly Spice Mobility Limited)

Important Information for Shareholders

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use electronic mode of payment facility approved by the Reserve Bank of India for making payment of dividend as may be declared in the Annual General Meeting. In pursuance to the SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, the Company had sent individual letters to shareholders holding shares in physical form to update their bank details and PAN with the Company.

It has been observed that many of the shareholders holding physical shares have still not updated the said information. Such shareholders are requested to 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:

1. Self-attested copy of PAN card including that of joint shareholders, if any;

2. 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).

Shareholders holding shares in dematerialisation form should check and update their bank details with their respective depository participant.

DiGiSPICE

Contents

DiGiSPICE Technologies Limited

(Formerly Spice Mobility Limited)

DiGiSPICE

Chairman's Statement

Dear shareholders,

It gives me great pleasure to write to you for the first time as Digispice Technologies, our new corporate identity. We have now truly transformed ourselves into a Digital Technology Services company post restructuring of our hardware businesses. Our corporate structure now stands simplified with the listco having 2 key investments: one in our fintech venture, now renamed as Spice Money Limited and the other in the form of our strategic stake in the hardware business led by the Transsion group from China.

DiGiSpice Business

In the financial year of 2018-19, we worked on building new growth engines. In the digital technologies business, we focused both on product and sector diversification. Fintech as a new category for our Telco segment and Enterprise messaging as a new category within the BFSI sector have emerged as new growth engines for us and we believe that they can be significant growth drives for us in the short to medium term. On the Telco sector, our legacy business around VAS has been under significant revenue pressure due to stringent regulatory guidelines across most of the markets that we work in. During the year, we have signed new contracts with our telco customers to work on music apps, content management and self care platforms. Going forward we see our telco customers working on digital products and services both for their retail and enterprise customers. To tap into this opportunity, we at Digispice will be investing in building new capabilities around user experience engineering, Data analytics and Automation. In the short term, revenue growth from the Telco segment is going to continue to be challenging as we reinvent our products portfolio for this segment. We hope that our new investments will yield growth from the Telco segment in the medium to long term. In terms of geo diversification, we are evaluating opportunities in developed markets by doing some POCs on the ground and we will plan our strategy based on progress made during the financial year 2019-20.

Spice Money

In the fintech business, Spice Money, we have been able to build further scale in terms of number of transactions and customer service points during the financial year 2018-19. As the BFSI sector looks to expand their reach into semi urban and rural India, a digital platform like Spice Money offers them a unique opportunity to leverage an asset light network to roll out micro financial services to a significantly under penetrated market.

During the year, we reached a total base of 1,50,000 customer service points covering 11,000+ pin codes. Growth in the network coupled with increasing transactions per service point led to a 160% y-o-y growth in the number of transactions processed, with a total value of approx. Rs. 15,000 crore during the year.

As we chase growth at Spice Money, being a regulated entity we will also continue to give equal focus on risk management and compliances.

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

DiGiSPICE Technologies Limited
(Formerly Spice Mobility Limited)

BOARD OF DIRECTORS

Mr. Dilip Modi – *Executive Chairman*
Dr. (Ms.) Rashmi Aggarwal
Mr. Subramanian Murali
Mr. Suman Ghose Hazra

Company Secretary & Compliance Officer
Mr. M. R. Bothra

KEY COMMITTEES OF THE BOARD

I) Audit Committee
Mr. Suman Ghose Hazra – Chairman
Dr. Rashmi Aggarwal
Mr. Subramanian Murali

II) Nomination and Remuneration Committee
Dr. Rashmi Aggarwal – Chairman
Mr. Subramanian Murali
Mr. Suman Ghose Hazra

III) Stakeholders Relationship Committee
Mr. Subramanian Murali – Chairman
Dr. Rashmi Aggarwal
Mr. Suman Ghose Hazra

IV) Corporate Social Responsibility Committee
Mr. Dilip Modi – Chairman
Mr. Subramanian Murali
Mr. Suman Ghose Hazra

Chief Executive Officer
Ms. Preeti Das

Chief Financial Officer
Mr. Rajneesh Arora

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.digispice.com

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.
(Firm Registration No. 302049E)
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
IDFC First Bank Limited

Symbol/Scrip ID at NSE /BSE
BSE and NSE Symbol : DIGISPICE
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.

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. 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 also been closely involved in industry forums and has held the position of C hairman 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.

Dr. (Ms.) Rashmi Aggarwal
Independent Director

Dr. Rashmi Aggarwal was appointed as additional director on 2nd November, 2018 as an Independent Director.

She started her career as an advocate in the Punjab and Haryana High Court and Supreme Court of India before joining academics. Dr. Aggarwal is presently associated with IMT Ghaziabad since 2007. She is currently a faculty in the area of Economics, Environment and Policy at IMT Ghaziabad and visiting faculty with IIMs and Management Institutes in France and Dubai.

Dr. Aggarwal research domains are predominately in the area of Corporate Laws, Corporate Governance, Cybercrimes, Labour Laws and Intellectual Property Rights with more than 70 reputed publications to her credit, including books, international research publications, book chapters, book reviews and case studies. Dr. Aggarwal has presented her research work in national and international conferences in India and abroad including USA, Japan, UK, Hong Kong, UAE and Italy. She has designed and delivered numerous executive training programmes both as a facilitator and Program Director for In-company and Open Company and conducts workshops and training programs for Higher Education accreditation.

Dr. Rashmi Aggarwal is Bachelor of Science, Law Graduate, Masters' in Law and PhD (Patents Law) from Law Department, Punjab University, Chandigarh.

BOARD OF DIRECTORS

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 34 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 and oversees the entire Group's Finance function. He has been associated with the group for 11 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").

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"). He is a Law Graduate also.

DIGISPICE

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty First Annual Report together with the Audited Financial Statements of the Company for the financial year ended on 31st March, 2019.

FINANCIAL RESULTS

The consolidated and standalone financial performance of the Company for the financial year ended 31st March, 2019 is summarized below:–

(Amount in Rs. Lakhs)

PARTICULARS	For the Financial Year ended 31.03.2019		For the Financial Year ended 31.03.2018	
	Consolidated	Standalone	Consolidated	Standalone
Total revenue from continuing operations	**39,505.04**	**17,226.37**	29,373.98	15,569.98
Earnings before finance costs, tax, depreciation & amortization and exceptional items from continuing operation	**3,379.73**	**1,128.82**	1,887.55	(906.82)
Share of (profit)/loss of associates and a joint venture	**(116.55)**	**-**	(78.60)	-
Depreciation and amortization expense	**1,797.07**	**894.13**	1,697.16	934.10
Finance costs	**262.15**	**186.08**	205.37	169.27
Exceptional items	**0.09**	**170.82**	(6,746.23)	(4,871.58)
Profit/(Loss) before tax from continuing operations	**1,204.05**	**219.43**	(6,839.81)	(6,881.77)
Tax expenses				
Current Income Tax	**1,128.34**	**235.90**	816.40	174.11
Income Tax adjustment for earlier years (net)	**5.68**	**(53.25)**	116.31	19.83
Deferred tax charge/ (credit)	**(847.26)**	**(760.11)**	(126.77)	(142.14)
Profit/(Loss) for the Year from continuing operation	**917.29**	**796.89**	(7,645.75)	(6,933.57)
Profit/(Loss) for the Year from discontinued operation	**(9.15)**	**-**	3,176.04	-
Total Profit/ (Loss) for the year	**908.14**	**796.89**	(4,469.71)	(6,933.57)
Other comprehensive income for the year	**83.33**	**(3.39)**	131.38	6.32
Total comprehensive income for the year	**991.47**	**793.50**	(4,338.33)	(6,927.25)
Share of Minority in profits / (losses)	**308.12**	**-**	(915.00)	-
Profit / (Loss) for the year attributable to equity shareholders	**683.35**	**793.50**	(3,423.33)	(6,927.25)

Pursuant to the Comprehensive Scheme of Arrangement between Spice Mobility Limited (SML), Spice Digital Limited (SDL), Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective Shareholders and Creditors, as approved by the Hon'ble National Company Law Tribunal, New Delhi, Principal Bench, the assets and liabilities of Digital Technology Services (DTS) Business of SDL and the amalgamating companies (Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited) were transferred to and vested with the Company with effect from the appointed date viz. April 01, 2017. Accordingly, the previous year figures have been regrouped and/or rearranged wherever required to align with disclosure parameters of the Amalgamated Company.

BOARD'S REPORT

PERFORMANCE REVIEW AND STATE OF THE COMPANY AFFAIRS

After the implementation of the Comprehensive Scheme of Arrangement, the Company is now in the business of Digital Technology Services (DTS Business) and is engaged in Enterprise Solutions encompassing Telco Support Solutions, Government Centric Solutions, Enterprise Messaging, Mobility Software Solutions, Traditional VAS etc. with "data" being the core of service delivery and is also providing managed services to mobile operators in India. The Company is also engaged in similar Service business through its subsidiaries in Africa, Bangladesh, Indonesia, etc.

The Company through its wholly owned subsidiary `Spice Money Ltd' is also engaged in Financial Technology Services (Fintech Business).

The Company, at the standalone level, has earned a total Income of Rs. 17226.37 lakhs for the year ended 31st March, 2019 (Previous year Rs. 15569.98 lakhs). The Company has earned a profit of approx. Rs.796.89 lakhs for the year ended 31st March 2019 as against a loss of Rs. 6933.57 lakhs in the previous year ended 31st March, 2018.

The Company, at the consolidated level achieved a total income of Rs. 39505.04 lakhs for the year ended 31st March, 2019 as against Rs. 29373.98 lakhs for the previous year ended 31st March, 2018. The profit after tax at the consolidated level for the year ended on 31st March, 2019 is Rs. 917.29 lakhs (Previous Year loss of Rs. 7645.75 lakhs). In the previous year, the loss includes Rs. 6746.23 lakhs on account of exceptional items pertaining to "Discontinued Operations" and other one-time charges.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company, as of March 31, 2019 has 24 subsidiaries and 3 associates (including one associate of its subsidiary company). The highlights of the principal subsidiaries are given below:

(a) **Spice Money Ltd. (Formerly known as Spice Digital Ltd.)** - This Company is in the fintech business conducted through retail network, enabling domestic Money transfer, Bill payments, Ticketing etc. operating under licenses from RBI, UIADI, IRCTC like PPI (Pre-paid instruments), Bharat Bill Payment System (BBPS), AUA/KUA, Ticketing etc. It achieved consolidated revenue of Rs. 14373 lakhs for the year ended 31st March, 2019 (31st March 2018- Rs. 6057 lakhs) and reported a consolidated loss of Rs. 433 lakhs vis-a-vis profit of Rs. 6 lakhs in the previous year ended 31st March, 2018.

(b) **S Global Services Pte. Ltd. (Formerly SGIC Pte. Ltd.)** - This Company is incorporated in Singapore and is in the business of Value Added Services and Digital Technology & Solutions and has a global presence, operating through its subsidiaries, both direct and step down subsidiaries. It achieved consolidated revenue of Rs. 9673.11 lakhs for the year ended 31st March, 2019 (31st March, 2018 Rs. 9467.95 lakhs). It reported a consolidated Profit after Tax for the year ended 31st March, 2019 of Rs. 1280.85 lakhs (31st March, 2018 Rs. 400.51 lakhs).

(c) **Spice Digital Bangladesh**- This Company is incorporated in Bangladesh and is in the business of Value Added Services and Digital Technology & Solutions. It achieved revenue of Rs. 299.34 lakhs for the year ended 31st March, 2019 (31st March, 2018 Rs. 208.13 lakhs) and Profit after Tax for the year ended 31st March, 2019 of Rs. 49.09 lakhs (31st March, 2018 Rs. 26.63 lakhs).

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, 2019 and forms an integral part of the Annual Report.

COMPREHENSIVE SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND ITS SUBSIDIARY COMPANIES

The Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi, vide its Order dated 20th May, 2019 sanctioned the Comprehensive Scheme of Arrangement ("Comprehensive Scheme" or "Scheme") between Spice Mobility Limited (SML), Spice Digital Limited (SDL), Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective Shareholders and Creditors.

The said Scheme has been made effective from 1st June, 2019 with appointment date as 1st April, 2017. As per the terms of the aforesaid Scheme, DTS Business Undertaking of SDL has been demerged into the Company and Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited, the subsidiary companies, have got amalgamated with the Company. The implementation of the said Scheme has resulted into consolidation of similar businesses into SML making it a Digital Technology Service Business Company.

Consequently, the two step – down subsidiary companies, S Global Services Pte. Limited, Singapore (SGS) and Spice Digital Bangladesh Limited, which were earlier subsidiaries of SDL and associates of SDL, have become direct subsidiaries/associates of Spice Mobility Limited.

BOARD'S REPORT

INCREASE IN AUTHORISED SHARE CAPITAL

Pursuant to the sanction of Comprehensive Scheme of Arrangement, the Authorised Shares Capital of the Company has been increased from Rs. 99,00,00,000 (Rupees Ninety Nine Crores only) divided into 33,00,00,000 (Thirty Three Crores) Equity Shares of Rs. 3/- each to Rs. 124,05,00,000/- (Rupees One Hundred Twenty Four Crores and Five Lakhs only) divided into 41,35,00,000 (Forty One Crores and Thirty Five Lakhs) Equity Shares of Rs. 3/- each and accordingly the Clause V of the Memorandum of Association of the Company stands altered.

INCREASE IN ISSUED SHARE CAPITAL AND ALLOTMENT OF SHARES

As per the Comprehensive Scheme of Arrangement, the Board of Directors of the Company in its meeting held on 14th June 2019 has issued and allotted 38,083 (Thirty Eight Thousand Eighty Three) Equity Shares of Rs.3/- each to the shareholders of Spice Digital Ltd and Spice Labs Private Limited towards consideration as provided in the said Scheme as detailed hereunder:

i. 25,090 fully paid up equity shares of the face value of Rs. 3/- each to the shareholder of Spice Digital Limited as a consideration for demeger of DTS Business into Spice Mobility Limited and for remaining business of Spice Digital Limited, and

ii. 12,993 fully paid up equity shares of the face value of Rs. 3/- each to the shareholder of Spice Labs Private Limited as a consideration towards amalgamation of Spice Labs Private Limited into Spice Mobility Limited.

Consequent to the issue and allotment of the said 38,083 Equity Shares of Rs. 3/- each, the paid-up and issued equity share capital of the Company has increased from Rs. 68,35,91,946 (Rupees Sixty Eight Crores Thirty Five Lakhs Ninety One Thousand Nine Hundred and Forty Six only) divided into 22,78,63,982 (Twenty Two Crores Seventy Eight Lakhs Sixty Three Thousand Nine Hundred and Eighty Two) Equity Shares of Rs. 3/- each to Rs. 68,37,06,195/- (Rupees Sixty Eight Crores Thirty Seven Lakhs Six Thousand One Hundred and Ninety Five only) divided into 22,79,02,065 (Twenty Two Crores Seventy Nine Lakhs Two Thousand and Sixty Five) Equity Shares of Rs. 3/- each.

CHANGE IN OBJECT CLAUSE

Pursuant to the Comprehensive Scheme of Arrangement, the main Object Clause III (A) of the Memorandum of Association of the Company has been altered and amended to include the objects as required to carry on the business activities of DTS Business Undertaking and other related businesses.

CHANGE IN NAME OF THE COMPANY

After the implementation of the Scheme of Arrangement, the DTS Business of SDL has been demerged into the Company and is now being carried out directly by the Company. The Company has launched its digital initiatives in the last 12 months under the "DiGiSPICE" brand and moving towards making it a leading Next GEN digital services and product Company. Accordingly, to reflect properly the new business of the Company in its name, the Board of Directors of the Company decided to change the name of the Company from Spice Mobility Limited to DiGiSPICE Technologies Limited. As required under the applicable laws, the Company obtained the requisite approval of the shareholders by way of a Special Resolution passed through Postal Ballot. The Registrar of Companies, Delhi has approved the change in name of the Company and issued a new Certificate of Incorporation on 8th August, 2019 effecting the change of name of the Company from Spice Mobility Limited to **DiGiSPICE Technologies Limited**.

TRANSFER OF AMOUNT TO RESERVES

The Company has not transferred any amount to the Reserve during the Financial Year ended 31st March, 2019.

DIVIDEND

The Board of Directors has recommended a dividend of 15% (Rs. 0.45/- per Equity Share of Rs.3/- each) on the Equity Shares for the financial year 2018-19. The Independent Non-Promoter Trust, has waived-off its rights to receive dividend on its entire holding in the Company. The said dividend, if approved by the shareholders, would involve a cash outflow of Rs. 953.78 lakhs (excluding tax).

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.

BOARD'S REPORT

Accordingly, during the year, the Company has transferred 68,471 equity shares pertaining to the Financial Year ended 2010-11 to the IEPF. The details of the shares transferred to IEPF is available on the website of the Company. The unclaimed and unpaid dividend relating to the financial year 2011-12 is due for transfer to the IEPF in the month of January, 2020.

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 2019-20 has been paid to both the Stock Exchanges.

The 38,083 equity shares of Rs.3/- each issued and allotted pursuant to the Scheme of Arrangement have also been listed and admitted for dealing on both the Stock Exchanges.

HOLDING COMPANY

As on 31.03.2019, Spice Connect Private Limited, the holding Company, holds 74.36% of the issued share capital of the Company which, subsequent to the allotment of 38,083 equity shares of Rs.3/- each in pursuance to the Scheme of Arrangement, has gone down to 74.35%.

SUBSIDIARY COMPANIES, JOINT VENTURES OR ASSOCIATE COMPANIES

In pursuance to the Scheme of Arrangement, Spice IOT Solutions Private Limited, the wholly owned subsidiary company of the Company & Mobisoc Technology Private Limited and Spice Labs Private Limited, the step down subsidiaries of the Company through Spice Digital Limited (SDL), had been amalgamated with the Company. After allotment of the shares to the shareholders of SDL as provided in the said Scheme, SDL has become a wholly owned subsidiary of the Company w.e.f. June 14, 2019.

For carrying on the telecom related operations in Nepal, the Company has incorporated 'Digispice Nepal Private Limited', a wholly owned subsidiary company in Nepal on January 21, 2019.

During the year, Spice Digital Limited, a subsidiary of the Company, has divested its entire equity stake of 49% in Adgyde Solutions Private Limited (Adgyde). Consequently, Adgyde has ceased to be a joint venture and associate of Spice Digital Limited. S Global Services Pte. Ltd., a step down subsidiary of the Company, has acquired 70% stake in Fast Track IT Solutions Ltd., a Company incorporated under the laws of Bangladesh.

Consequent to issue of shares by Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (Ziiki), the stake of Spice VAS (Africa) Pte. Limited (SVA), the step down subsidiary of the Company, in Ziiki has gone down to 49% and accordingly Ziiki has ceased to be a subsidiary of SVA and has become an associate.

After closure of the Financial Year, Spice VAS (Africa) Pte. Ltd. (SVA), a step down subsidiary of the Company, has transferred its 100% stake in SVA (Mauritius) Pvt. Limited (SVAM). Accordingly, SVAM has ceased to be a subsidiary of the Company.

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 members 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. The Financial Statements of Subsidiary Companies will be uploaded on the website of the Company www.digispice.com.

AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), were appointed as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the thirtieth Annual General Meeting till the conclusion of thirty fifth Annual General Meeting of the Company to be held in the year 2023.

BOARD'S REPORT

The Auditors' Reports for the financial year 2018-19 do not contain any qualification or reservation or adverse remark. 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, 2019 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, 2019, Six (6) meetings of the Board of Directors were held on 17th May 2018, 13th August 2018, 5th October 2018, 2nd November 2018, 7th December 2018 and 5th February 2019. The details of number of meetings of the Board and its various committees attended by the directors are given in Corporate Governance Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Dr. (Ms.) Rashmi Aggarwal (DIN: 07181938) was appointed as an Additional Director in the category of Non-Executive Independent Director w.e.f. 2nd November 2018. Dr. Rashmi holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as an independent director. The resolution for her appointment as Independent Director of the Company for a period of 5 years w.e.f. 2nd November 2018 is being placed for approval of the members.

Mr. Subramanian Murali (DIN: 00041261), Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

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 appointment/ re-appointment is due in the forthcoming Annual General Meeting (AGM) of the Company, forms part of the Notice convening the 31st AGM.

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and forms a part of this annual report.

During the year, Mr. Hanif Mohamed Dahya, resigned as Independent Director of the Company w.e.f. 7th February 2019 due to lack of time to attend any Board Meeting as per the regulatory requirement since he is based out of USA. Subsequent to the year end, Mr. Umang Das, resigned as Independent Director of the Company w.e.f. 7th August 2019 due to personal reasons and other commitments. Mr. Shrenik Mahendra Khasgiwala, resigned as Non-Executive Director of the Company w.e.f. 7th August 2019 due to his new professional commitments. The Board of Directors places on record its sincere appreciation for guidance provided by them during their tenure as Directors of the Company.

In order to bring the expertise necessary to run the digital technology service business which the Company is focusing on, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, has appointed Ms. Preeti Das as a Chief Executive Officer of the Company w.e.f. 2nd November 2018.

Mr. Madhusudan Venkatachary, resigned as Chief Financial Officer of the Company w.e.f. 4th December 2018. The Board of Directors in its meeting held on 7th December 2018, on the recommendation of Nomination and Remuneration Committee, has appointed Mr. Rajneesh Arora as Chief Financial Officer of the Company with effect from that date.

As per the provisions of Companies Act, 2013, Mr. Dilip Modi, Executive Chariman, Ms. Preeti Das, Chief Executive Officer, Mr. Rajneesh Arora, 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.

BOARD'S REPORT

As required under Regulation 25 of the Listing Regulations, the Independent Directors have also confirmed that they meet the criteria of independence and are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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 familiarization programme as required under Listing Regulations is available at https://www.digispice.com/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, 2019, 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, 2019 and of the profit 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;

(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 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed M/s. Sanjay Grover & Associates, Practising Company Secretaries, to conduct the Secretarial Audit for the financial year 2018-19. 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. 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 Company has designed and implemented Risk And Control Matrix (RACMs) including therein the process wise controls. It appointed an external agency to evaluate the prevalent internal control and risk management system. 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 Statutory Auditors and Internal Auditors also 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.

INTERNAL AUDITORS

The Board, on the recommendation of Audit Committee, in its meeting held on 30th July 2019 has re-appointed M/s. GSA & Associates, Chartered Accountants, to act as Internal Auditors of the Company for the Financial Year 2019-20. The Internal Auditors directly report to the Audit Committee.

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 Company has a duly constituted Audit Committee. The Board of Directors of the Company has re-constituted the Audit Committee w.e.f. 16th August 2019. The re-constituted Audit Committee comprises of the following Directors:

1.	Mr. Suman Ghose Hazra	-	Chairman
2.	Dr. Rashmi Aggarwal	-	Member
3.	Mr. Subramanian Murali	-	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.

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 Board, w.e.f. 16th August 2019, has re-constituted the CSR Committee. The re-constituted Corporate Social Responsibility Committee comprises of the following members:

1.	Mr. Dilip Modi	-	Chairman
2.	Mr. Subramanian Murali	-	Member
3.	Mr. Suman Ghose Hazra	-	Member

During the year, the CSR Committee met once i.e. on 13th August 2018. All three members attended the meeting.

The Company was not required to spend any amount on CSR activities during the year 2018-19, under Companies (Corporate Social Responsibility Policy) Rule, 2014. However, pursuant to demerger of DTS Business Undertaking of Spice Digital Limited into the Company, the CSR expenditure amounting to Rs.36.00 lakhs, as spent by Spice Digital Limited during the financial year 2018-19, has been included in the financials of the Company. Accordingly, Annual Report on the CSR activities undertaken by SDL during the year 2018-19 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 authorised to open, close and make changes in signatories 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 once on 8th June 2018 and all the members of the Committee were present in the meeting.

BOARD'S REPORT

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 Listing Regulations, the Audit Committee has granted Omnibus approval for related party transactions which are repetitive in nature and fall within the criteria laid down for the purpose.

In line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Related Party Transaction Policy and the Policy on Material Subsidiaries were amended. The amended '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.digispice.com.

All related party transactions entered during the financial year were in the ordinary course of business. There were no material related party transactions entered by the Company with Directors, KMPs or other persons which may have a potential conflict with the interest of the Company.

Since all the related party transactions entered into by the Company during the financial year were at arm's length basis and in the ordinary course of business and there was no material related party transaction (i.e. a transaction exceeding 10% of the annual consolidated turnover as per the last audited financial statements), no detail is required to be given in Form AOC-2.

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

VIGIL MECHANISM

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

The Whistleblower policy was amended in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, enabling employees to report instances of leak or suspected leak of Unpublished Price Sensitive Information.

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 of conduct of the Company. 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 https://www.digispice.com/Vigil_Mechanism_Whistle_Blower_Policy.pdf

BOARD'S REPORT

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.

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 Nomination and Remuneration Policy was amended in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The key changes include, inter alia, addition of the definition of senior management along with recommendations about their remuneration. The Policy is directed towards a structure that provides adequate rewards and compensation to the employees at all level.

The Remuneration Policy of the Company is available at https://www.digispice.com/Rem_Policy.pdf.

EMPLOYEES STOCK OPTIONS

During the year, the Nomination & Remuneration Committee in its meetings held on September 18, 2018 and February 5, 2019 has granted 2,13,81,000 and 34,39,000 stock options respectively, at an exercise price of Rs. 13.25 per option to the eligible employees as covered under the SML Employee Stock Option Plan – 2018 (the "**ESOP Plan**"). The vesting of options granted will be in the ratio of 40:30:30 at the end of 1st, 2nd and 3rd year from the date of respective grant and exercise period for vested options would be 3 years from the date of respective vesting. Each option entitles the holder to apply for one equity share of Rs. 3 /- each as per the terms of the ESOP Plan.

The Certificate from the Auditors of the Company stating that the ESOP Scheme has been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (the "**SBEB Regulations**") and the resolutions passed by the members, would be placed at the Annual General Meeting for inspection by members.

During the year, there has been no change in the SML Employee Stock Option Plan – 2018 of the Company.

The applicable disclosures as stipulated under the SBEB Regulations as on March 31, 2019 with regard to the SML Employee Stock Option Plan – 2018 of the Company are available on the website of the Company at https://www.digispice.com/ESOP_disclosure.pdf.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013, as amended from time to time, the Nomination and Remuneration Committee has specified the manner for effective evaluation of performance of Board, its Committees and individual Directors. The Board of Directors has carried out evaluation of performance of each of them. The Committee 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'S REPORT

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 the 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 on the basis of performance and fulfilment of the independence criteria as specified under the Companies Act, 2013 and the Listing Regulations.

POLICY ON PREVENTION OF SEXUAL HARASSMENT

As required under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013, the Company had a Policy on Prevention of sexual harassment of women at workplace and matters connected therewith. With a view to include certain changes in the existing policy, the Board in its meeting held on 5th February 2019, has approved the revised Policy on Prevention of Sexual Harassment of women at workplace. The Company has complied with the provisions relating to the Constitution of Internal 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.

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- 3) 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- 4) 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
DiGiSPICE Technologies Limited
(Formerly Spice Mobility Limited)

Date: August 24, 2019
Place: Noida

Dilip Modi
Executive Chairman

DiGiSPICE

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has completed a major restructuring exercise transforming from hardware led business to a services led business providing digital technology services to Telecom operators and other enterprises. The NCLT led demerger process enabled creating two independent identities, DiGiSPICE Technologies Limited and Spice Money Limited; wherein DiGiSPICE is now a global digital transformation player and Spice Money is a local financial inclusion enabler catering to rural and semi urban geographies.

DiGiSPICE is in the business of offering Digital Solutions for Telco, Enterprises, Banking, Financial Services and Insurance (BFSI) & Governments.

Spice Money is a wholly owned subsidiary of `DiGiSPICE Technologies Limited' offering financial services primarily to Semi Urban and Rural India customer in a technology enabled assisted model.

Market Opportunities

DiGiSPICE

With 5.11 billion unique mobile users in the world and 4.39 billion internet users in 2019, the global telecommunications market continues its transformation and is underpinning the digital economy. This evolution is mainly driven by the ongoing innovations and technological developments relating to M2M, Big Data Analytics, AI, Cloud Computing and the over-arching Internet of Things. The industry is working hard to keep up with these rapid changes.

Today's telecommunication companies are at the forefront of rapid innovations in the field of fintech, mobile payments, location-based data services, and more. As money 'goes mobile', expect to see more telecommunication companies grasp financial services sector and initiate new alliances that enable real-time payments for individuals and enterprises thus leading to financial inclusion.

The future of Telecom industry with the advent of 5G roll out is said to have several opportunities for creating new revenue streams in the next decade. The 5G technology will provide higher data transmission speeds, ultra-low latency, enlarged system capacity, and device connectivity suitable for a world controlled by the Internet of Things (IoT) and autonomous cars, making smart cities possible.

5G is also poised to unleash the full potential of both AR and VR in the coming year. These experiences require the extensive bandwidth and low latency that only 5G can provide. These capabilities will create a wide range of opportunities for telecommunications providers and customers—everything from autonomous vehicles and virtual training to remote health care and innovative classroom learning applications. Another intriguing opportunity is e-commerce, where AR/VR applications can foster compelling online experiences that could help retailers close more sales.

Another key emerging trend is consumers' increasing reliance on voice assistants—either through their smartphones or via voice-assisted speakers. In many ways, voice is becoming the new technology interface for consumers. According to Deloitte's 2018 Global Mobile Consumer Survey: US edition, nearly two-thirds of respondents use a voice assistant on their smartphones—a 20 percent year-over-year increase. However, when it comes to frequent usage of voice assistants, voice-assisted speakers are the most prominent platform: 69 percent of respondents use them weekly and 47 percent daily. Among connected-home devices, penetration of voice-assisted speakers almost doubled over the past year.

With respect to adoption of digitisation of citizen services, we can observe a global positive trend toward government digitization within the last years according to the United Nations. Between the years 2014 and 2018, the percentage of countries offering digital services increased by up to 71 % depending on the kind of transaction. More and more countries worldwide are starting to implement digitized workflows to increase process efficiency and enhance service levels.

INDIA

India is currently the world's second-largest telecommunications market with a subscriber base of 1.20 billion and has registered strong growth in the past decade and half. Last year, also saw the consolidation of the Indian mobile telecommunications market into three large private players — Reliance Jio, Bharti Airtel and Vodafone Idea — accounting for more than 90% of revenue and 80% of spectrum holding. With the growth of Internet subscribers, India has become the second largest market in terms of total internet users thus paving the way for OTT players to explore the digital space through their application and solution. With telecom connectivity, it has now become easier to reach out to the underpenetrated and underserved citizens and markets thus enabling inclusion.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

AFRICA

The number of mobile subscriptions in Africa reached 1 billion toward the end of 2017, and 1.04 billion at the end of June 2018, which is a population penetration rate of about 82%. Nigeria is Africa's biggest mobile market in terms of subscriptions, with 150.3 million mobile subscriptions at end-June 2018, followed by South Africa with 99 million, Egypt with 98.8 million, Ethiopia with 64 million, and Algeria with 46.2 million. At the end of June 2018, 43.5% of mobile subscriptions on the continent were based on mobile broadband connections (3G or more advanced devices and networks). This is considerably below the global average of 70.7%.

For African service providers, the most significant growth in revenues, users, and usage is coming from data access. Most major African service providers are reporting good growth in mobile financial services (MFS) and are looking to expand their MFS offerings and businesses further. Other key digital service segments are digital media, the Internet of Things (IoT), and enterprise ICT services. Even as Africa sees progress with broadband and digital services, basic connectivity remains out of reach or not reliably available for many people on the continent. The gaps in connectivity represent a missed commercial opportunity for service providers, as well as an obstacle to achieving the economic and social benefits that should arise as broadband penetration increases.

SPICE MONEY

As Spice Money is part of Fintech industry, which is evolving very fast and dynamically and very much aligning with the objectives of financial inclusion and making it possible for all to do any time the financial transactions with ease and in secured manner.

Riding on the technical capabilities available, financial transactions are increasingly happening digitally in self Service mode or with minimum human intervention or support.

Under Government initiatives of enabling the JAM (Jandhan Bank Account, Aadhar and Mobile) for the financial inclusion and Direct Benefit transfer i.e. benefit of the various State Government and Central Government Schemes and subsidiaries transferred directly into the bank accounts of the beneficiaries, this have helped Bank account penetration from 40% to 80% in last 7 years.

Today, 90% of India's 1.3 billion population have a unique Aadhar identity, which is vital for meeting "know your customer" (KYC) requirements. In the last four years, 330 million new Jan Dhan bank accounts have been opened. Mobile penetration is expected to reach 90% by 2020. Internet penetration has soared, and the use of digital payments is also rising significantly.

Another initiative of the Government IMPS/UPI (BHIM) including QR Code has created the ease of small payment from anywhere, any time primarily with the use of Mobile. Riding on the Aadhar infrastructure the AEPS (enabling Cash Deposit and Cash withdrawal services) at small Retail counters in assisted manner have become possible and has grown significantly in the last two years.

The Infrastructure of JAM, UPI, AEPS and Mini ATM, has created the opportunity for other financial services like insurance, Loan, Investment etc. to the underserved or Never Served Indians.

Key Focus

DiGiSPICE

Digital solutions remain as the key focus area for the organization. Apart from serving mobile service operators in markets of India, South Asia and Africa enabling them to offer innovative value-added services to their customers using latest technologies, the company has now ventured into the developed Australia and UK markets. With the success of our foray into offering digital services for telcos and creation of marquee digital solutions for the government & BFSI (Banking, Financial Services and Insurance) segment we are now implementing technologies like Machine Learning , Artificial Intelligence and Robotic Process Automation (RPA) for our clients in the newer and matured geographies. We at DiGiSPICE are at the forefront of solving industry-level problems using only the best next-generation RPA tool & technologies with seamless integration capabilities.

We have also invested in and developed an intelligent conversational AI platform to integrate with our existing services allowing for smarter conversation with our customers thus getting a deeper understanding of the customers and delivering personalized solutions through complex machine learning algorithms.

Positioning ourselves at the forefront of digital transformation and aggregation, we have moved on from being 'products and service' company to 'Digital Solutions' organization.

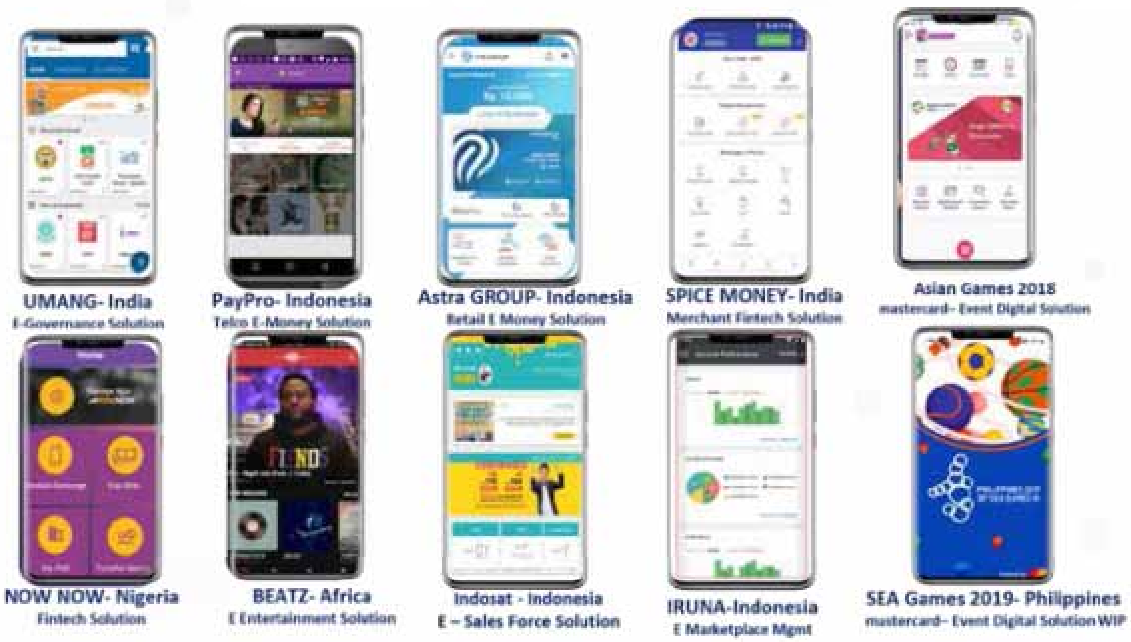
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We are now the **Innovation & Infonomics** Partner for our clients offering

- Deep domain Expertise;
- Digital transformation Platforms & Services;
- Service aggregation & Partner Ecosystem;
- Enterprise to Consumer Disruptive Business Model; and
- Operational efficiency and drive Adoption & Consumption.

With our experience in the space of service aggregation, lifestyle, banking, fintech, entertainment, gaming with a service delivery platform, DiGiSPICE is moving towards helping enterprises create, integrate, aggregate, deliver, enhance, promote, owned and client digital properties to improve adoption and consumption.

As the Digital Transformation partner for our clients, here is a glance of our Portfolio for 'Digital Aggregation Services' which is spread across Fintech, Entertainment, Events, Retail Management, Marketplace and more.



SPICE MONEY

Spice Money, which is a wholly owned subsidiary of the Company, uses unrivalled technology to enable next door kirana store to function as a 'MINI BANK' Branch / ATM. We are one of India's largest tech-enabled Hyper Local Payments Network offering various services like Cash Deposit, Cash Withdrawal, Balance Inquiry, Bill Payments, Aadhaar Enabled Services, Air Time Recharge, POS Services, Railway Ticketing Services etc. through our authorized agents.

Our endeavour is to bridge the gap between the served and the un-served, providing banking services to customers at their doorstep. We are a one-stop solution for providing seamless financial services.

Our Focus is primarily on Financial Inclusion – with our Deep presence in "Bharat" with nearly 85% of the 1,60,000 Customer Service Points in semi-urban and rural India.

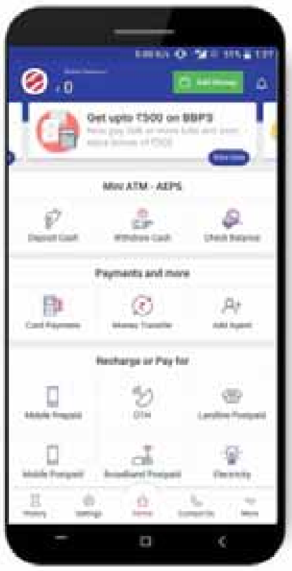
Our USP is our inherently Strong tech DNA with a scalable, modular and secure platform architecture, which helps offer a significantly superior User Experience and Enabling Solutions. We essentially have a very strong hold and a significantly dense footprint in Less Developed states – 66% footprint in Bihar, Jharkhand, Madhya Pradesh, Rajasthan, Chhattisgarh and Uttar Pradesh, accounting for 40% of India's population.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Currently the company is primarily providing Cash in Cash out Services. The company is expanding its service portfolio and in the process of launching new services such as Bank Account opening, Collection on behalf of Enterprises, Insurance under corporate Agency License, Lending to merchants and customers through partnering with NBFC's/Banks.

Spice Money at a Glance

About Spice Money



- **Tech-enabled hyper local payments player offering cash-in & cash-out, bill payments, air-time recharge and PoS**
- **Focus on financial inclusion** – Deep presence in "Bharat" with nearly 85% of the 160,000 Customer Service Points in semi-urban and rural India
- **Dense footprint in BIMARU states** – 66% footprint in Bihar, Jharkhand, Madhya Pradesh, Rajasthan, Chhattisgarh and Uttar Pradesh, accounting for ~40% of India's population
- **Strong tech DNA** that helps offer a superior user experience and better solutions
- **Robust unit economics** – every new Customer Service point breaks even in 3 months
- **Regulated entity** - Owns PPI, BBPOU, GSP and KUA licenses offered by RBI and UIDAI. CMMI level 3 compliant and ISO 9001 and 27001 certified

Banking partners

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

Current Banking partners

Product	Banking partner	Role of Banking partner
AePS	RBL BANK, kotak, YES BANK	• Acquirer Bank for micro-ATM; • Spice Money works as a BC to Bank
DMT (PPI)	ICICI Bank	• Settlement Bank; Spice Money maintains an escrow account with Bank
DMT (BC)	IndusInd Bank, YES BANK, Fino	• Bank provides IMPS pipe (API Banking); Spice Money works as a BC to Bank
mPoS	RBL BANK, Bank of India, AXIS BANK	• Spice Money works as an Aggregator to Bank
Bill Pay	IndusInd Bank	• Settlement Bank; regulatory requirement

DiGiSPICE

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Performance & Outlook

DiGiSPICE

The success of implementing our DiGiGOV application in India is now taking us across nations to implement a similar solution in the respective countries.

DiGiSPICE is focussing on working with enterprises across industries to leverage their capability in the space of service/partner aggregation by digitalising their business processes. With major focus on cost optimisation both for manpower as well as hardware, it becomes imperative that enterprises adopt a lean structure through digitisation.

With the ever-changing market dynamics, we are continuously innovating and reinventing our product / service portfolio to be future ready. We are investing in new age domain expertise in the field of data sciences, RPA, Blockchain, AI and others.

The Company is also working with Key Telecom operators to unleash the true potential of 5G and see its application to make the telco play better. 5G will create a wide range of opportunities – everything from machine-to-machine services and autonomous vehicles to remote healthcare and innovative video delivery services.

India and Africa remain to be our key markets where we are now launching our new product portfolios which would help operators to serve their subscribers both through traditional and digital bearers.

Indonesia promises prospects through our consolidation strategy in one of the key telcos where we were able to exhibit our platform which was both cost efficient and exceeded the industry benchmark.

We recently entered the developed markets of UK and Australia to explore opportunities for our new age service portfolio in the fields of RPA, IoT, Data Sciences and Machine Learning. This would help us get the first mover advantage in the other developing markets we are serving.

SPICE MONEY

Over the Last three Financial year Spice Money Gross Transaction Value has grown at a CAGR of 104% and our transacting CSP base has also seen a growth of CAGR 149%.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Financial Performance

Consolidated revenue for the financial year 2018-19 is Rs. 376.68 Cr as against Rs. 280.52 Cr in FY 2017-2018. These revenue represents revenues from continuing businesses.

Net profit for the year is Rs. 9.08 Cr vis-à-vis loss of Rs 44.70 Cr in the previous financial year 2017-18.

The profit for the year includes loss of Rs. 0.09 Cr pertaining to discontinued business vis-à-vis loss of Rs 27.04 in year 2017-18.

The following table shows a summary of specific Key Ratios :

Key Ratios	Units	FY 2019	FY 2018	YoY%
Debtors Turnover	Times	3.00	3.17	5%
Interest Coverage Ratio	Times	30	-525	106%
Current Ratio	Times	1.60	1.67	5%
Debt Equity Ratio*	Times	0.08	0.06	-37%
Operating Profit Margin (%)	%	1%	-48%	103%
Net Margin (%)	%	5%	-48%	111%
Retunn on Net Worth	%	3%	-23%	111%

* Drop in Debt Equity Ratio is driven by higher borrowing during the year

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

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 has been sufficient measures taken for span control, learning and development. Succession planning to ensure there is continuous growth.

With more and more focus on innovation, we have also set up the transformation office where all innovative, transformative work happens.

There were close to 700 employees in the Company including its subsidiaries as of 31st March, 2019.

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. Apart from physical well-being, we do consider mental hygiene an important factor. Yoga and meditation is a crucial part of our curriculum too.

Risk Factors

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

DiGiSPICE

- **Money Repatriation from International Markets**: Currency Devaluation Repatriation restrictions to India resulting in long delays to get account receivables thus resulting in low cash flow at corporate level.
- **Traditional VAS Revenue Declining:** With the drive towards digitalisation and new technologies like 4G and 5G as well as the growth of smartphones, it is getting difficult to sustain traditional revenues from products like IVR, SMS, etc.
- **Unlimited Data plans:** With the introduction of unlimited data plans by operators, it is getting difficult to make the subscriber shell out any additional charges for utility and entertainment services.
- **OTT play:** Independent OTT players are also taking a pie of the wallet share of the subscriber and hence operator white labelled products & services are getting lesser traction.
- **Telcos Closure/ Consolidation:** With larger players offering aggressive bundled pricing packs, high financial overheads, and lack of innovation, the smaller players are being forced to shut shop as they are unable to match up thus limiting the target audience.

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.

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, 2018 to 31st March, 2019. 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. As on 31st March 2019, the Board consisted of one (1) Executive Director and five (5) 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 Six (6) times on 17th May 2018, 13th August 2018, 5th October 2018, 2nd November 2018, 7th December 2018 and 5th February 2019. 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, 2019 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 Chairperson of more than five Committees across all Public Limited Companies in which he / she is a Director. None of the Directors is holding directorship in more than eight listed entity nor serve as an independent director in more than seven listed Companies.

Mr. Dilip Modi, Executive Chairman of the Company, does not serve as an Independent Director in any listed entity.

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, 2019 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, 2019 @			Attendance at Board Meetings held during the year	Attendance at last AGM (14.11.2018)
		No. of other Directorship	Committee @@ (including the Company)			
			Membership	Chairmanship		
Mr. Dilip Modi	Executive Chairman	3	Nil	Nil	6	Yes
Mr. Subramanian Murali	Non-Executive	1	4	2	6	Yes
Mr. Shrenik M. Khasgiwala*	Non-Executive	Nil	Nil	Nil	4	Yes
Mr. Suman Ghose Hazra	Non-Executive - Independent	1	4	2	6	Yes
Mr. Umang Das	Non-Executive - Independent	1	2	Nil	5	Yes

DIGISPICE

CORPORATE GOVERNANCE REPORT

Name of Directors	Category	No. of Positions held as on 31st March, 2019 @			Attendance at Board Meetings held during the year	Attendance at last AGM (14.11.2018)
		No. of other Directorship	Committee @@ (including the Company)			
			Membership	Chairmanship		
Dr. Rashmi Aggarwal**	Non-Executive - Independent	3	4	Nil	2	Yes
Ms. Jayashree Vaidhyanathan #	Non-Executive - Independent	NA	NA	NA	Nil	NA
Mr. Hanif Mohamed Dahya ##	Non-Executive - Independent	NA	NA	NA	Nil	No

**Appointed as a Director w.e.f. 17th May, 2018.*

***Appointed as a Director w.e.f. 2nd November, 2018.*

 # Appointed as a Director w.e.f. 17th May, 2018 and ceased to be a Director of the Company w.e.f. 12th August 2018.

##Ceased to be a Director of the Company w.e.f. 7th February 2019.

@ 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.

Mr. Dilip Modi and Dr. Rashmi Aggarwal, Directors of the Company hold directorship in the following other listed entities:

Name of Director	Directorship and category of directorship in Other Listed Companies
Mr. Dilip Modi	Wall Street Finance Limited (Non-Executive Director)
Dr. Rashmi Aggarwal	Dish TV India Limited (Non-Executive - Independent Director) Zee Media Corporation Limited (Non-Executive - Independent Director)

c) Familiarisation Programme for Independent Directors

The familiarisation programme comprises of a combination of written communication, presentation made in various meetings and interactions with the management team to provide the directors an opportunity to familiarize with the Company, its 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 Directors are explained in detail about the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters, business operations and are made aware of the industry in which the Company operates and also about the compliance required from them under the Companies Act, 2013, Listing Regulations and other various statues and affirmation is obtained from each of them.

Periodic presentations are made at the Board/Committee meetings on business and performance updates of the Company, business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws and other related developments are regularly intimated to the Independent Directors to keep them well informed.

The detail of familiarization programme as required under Listing Regulations is available at https://www.digispice.com/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.

CORPORATE GOVERNANCE REPORT

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.

f) Skill matrix of the Board

The Company is primarily engaged into the Information and Communication Technology business providing Value Added Services and Mobile Content services to the domestic/international Telecom Operators. In context of Company's Business, the Board of Directors has identified the following core skills / expertise / competencies to function effectively and those available with the Board:

Sl. No.	Core Skills/Expertise/ Competencies	Detail
1.	Technology and Digital Expertise	Significant background in technology, anticipation of technological trends, suggestions and creation of emerging business ideas.
2.	Industry and Sector Experience or Knowledge	Expertise & knowledge in the field of Telecom, Information Technology and Digitalisation to provide strategic guidance to the management.
3.	Global Business	Understanding of global business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
4.	Strategic Leadership Skills	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
5.	Financial and Risk Management	Wide-ranging financial skills, accounting and reporting, corporate finance and internal controls, including assessing quality of financial controls identify the key risks to the Company and monitor the effectiveness of the risk management framework and practices.
6.	Governance including Legal Compliance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining board and management accountability, effective stakeholder engagements and commitment to highest standards of corporate ethics and values and to support the Company's robust legal compliance systems and governance policies/practices.

g) Confirmation as regards independence of Independent Directors

During the year under review, all Independent Directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Listing Regulations.

Independent Directors have also submitted declarations for the financial year 2019-20 confirming that they continue to meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and the Listing Regulations, as amended. The Board has taken on record the declarations and confirmation submitted by the Independent Directors. After due assessment of the veracity of the same, in the opinion of the Board, the Independent Directors fulfill the conditions specified under the companies Act, 2013 and the Listing Regulations, as amended, and they are independent of the management.

h) Detailed reasons for resignation of Independent Directors

During the year, Ms. Jayashree Vaidhyanathan and Mr. Hanif Mohamed Dahya, Independent Directors have resigned w.e.f. 12th August, 2018 and 7th February, 2019 respectively.

Ms. Jayashree Vaidhyanathan has resigned from the Directorship of the Company due to her other engagements. Mr. Hanif Mohamed Dahya has resigned from the Directorship of the Company due to lack of time to attend board meeting as per the regulatory requirement since he is based out of USA. He has confirmed that there is no other material reasons for his resignation other than the aforesaid reasons.

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 considers 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. The Board has also authorised the Audit Committee to review the complainces with the provisions of the Security and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to verify the system for internal control are adequate and operating efficiently.

As on 31st March 2019, the Audit Committee comprised of three Directors out of which two 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 on 16th May 2018, 13th August 2018, 5th October 2018, 1st November 2018, 7th December 2018 and 5th February 2019. 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 31, 2019
Mr. Suman Ghose Hazra	Chairman	Non-Executive - Independent	6
Mr. Subramanian Murali	Member	Non – Executive	6
Mr. Umang Das	Member	Non-Executive - Independent	6
Mr. Hanif Mohamed Dahya*	Member	Non-Executive - Independent	Nil

*Ceased to be a member of the Committee w.e.f. 07.02.2019.

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, Group 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.

As required under SEBI (Share Based Employee Benefits) Regulations, 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. The NRC recommends to the Board all remuneration payable to senior management.

During the year, NRC met Six (6) times on 16th May 2018, 13th August 2018, 18th September 2018, 1st November 2018, 7th December 2018 and 5th February 2019. The composition of Committee as on 31st March 2019 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 31, 2019
Mr. Umang Das	Chairman	Non-Executive - Independent	6
Mr. Subramanian Murali	Member	Non-Executive	6
Mr. Suman Ghose Hazra	Member	Non-Executive – Independent	5

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 NRC, 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 Committees, 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 Committees, 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 30th March 2019 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 other 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 evaluation of Independent Directors has been done on the basis of performance and fulfillment of the independence criteria as specified under Listing Regulations. The NRC reviews its implementation and ensures the compliances thereof.

5. REMUNERATION OF DIRECTORS

The Company does not pay any remuneration to its Executive Director. 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. During the year, a consultancy fees has been paid to Mr. Shrenik M. Khasgiwala, one of the Non – Executive Non Independent Director.

Under Employee Stock Option Scheme of the Company named as "SML Employees Stock Option Plan – 2018", the Company during the Financial year ended 31st March, 2019, has granted 34,25,000 stock options at an exercise price of Rs. 13.25/- per option to Mr. Subramanian Murali, Executive Director - Finance on the Board of Spice Connect Private Limited, holding company, overseeing the Group's finance function. The said options will vest in ratio of 40:30:30 at the end 1st, 2nd and 3rd year from the date of grant.

Remuneration / Sitting fee paid to Director(s) for the financial year ended 31st March, 2019 (i.e. from 01.04.2018 to 31.03.2019) 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 re-appointed without any remuneration for a period of 3 years w.e.f. 30th November, 2018. Being an executive director of Spice Connect Private Limited, the holding company, he receives his remuneration from that Company. As on 31st March, 2019, 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 Non - Independent Directors:

During the year, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, has approved the payment of consultancy fee for a period of 12 months to Mr. Shrenik M. Khasgiwala, Non – Executive Non Independent Director @ Rs. 2,50,000/- per month w.e.f. 17th May, 2018. The consultancy fee was determined by Nomination and Remuneration Committee after assessing and evaluating the qualification and nature of professional services to be rendered by Mr. Khasgiwala.

c) Non-Executive Independent Directors:

The Independent Directors are paid 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 during the financial year ended 31st March, 2019 and the number of shares held by the Non-Executive Directors as on 31.03.2019 are as under:

Name of Directors	**Sitting Fees** (Amount/ Rs.in lakhs)	**Consultancy Fees** (Amount/Rs. in lakhs)	**No. of equity shares held**
Mr. Subramanian Murali	Nil	Nil	2,03,489
Mr. Shrenik M. Khasgiwala	Nil	26.08	Nil
Mr. Suman Ghose Hazra	6.25	Nil	Nil
Mr. Umang Das	4.25	Nil	Nil
Dr. Rashmi Aggarwal	0.75	Nil	Nil
Ms. Jayashree Vaidhyanathan #	Nil	Nil	NA
Mr. Hanif Mohamed Dahya ##	Nil	Nil	NA

Appointed as Director w.e.f. 17th May, 2018 and ceased to be a Director of the Company w.e.f. 12th August 2018.

Ceased to be a Director of the Company w.e.f. 7th February 2019.

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

The Securities and Exchange Board of India vide its Notification dated 9th May, 2018 has amended the scope of Stakeholders' Relationship Committee. As per the aforesaid amendment, the Board of Director of the Company has expanded roles and responsibilities of the Stakeholders' Relationship Committee to include the following:

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

ii. Review of measures taken for effective exercise of voting rights by shareholders.

iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders 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, 2019, the Company has received Four (4) 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, 2019.

During the year, the Committee met Seven (7) times on 9th May 2018, 5th June 2018, 13th August 2018, 26th September 2018, 26th November 2018, 14th January 2019 and 13th March 2019. The composition of the Stakeholders' Relationship Committee as on 31st March 2019 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 31, 2019
Mr. Subramanian Murali	Chairman	Non – Executive	7
Mr. Suman Ghose Hazra	Member	Non-Executive - Independent	7
Dr. Rashmi Aggarwal*	Member	Non-Executive - Independent	1

*Appointed as member of the Committee w.e.f. 05.02.2019.

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 Chairman of the Stakeholders' Relationship Committee was present at the last Annual General Meeting of the Company.

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 68,471 equity shares pertaining to the Financial Year ended 2010 – 11 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
2018	Sri Sathya Sai International Centre, Bhisma Pitamah Marg, Lodhi Road, New Delhi – 110003	Wednesday 14/11/2018	10:15 A.M.
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.

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

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

Annual General Meeting held on 14th November, 2018:

➢ Appointment of Mr. Dilip Modi (DIN: 00029062) as an Executive Director of the Company.

II. **Postal Ballot**

A) No Postal Ballot was conducted by the Company during the year ended 31st March, 2019. However, during the year under preview, pursuant to Order of the National Company Law Tribunal, Principal Bench, New Delhi (NCLT) dated 10th August, 2018, a meeting of Equity Shareholders of the Company was convened on 15th October, 2018, to obtain Equity Shareholders' consent on Comprehensive Scheme of Arrangement between Spice Mobility Limited and Spice Digital Limited and Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective shareholders and creditors.

In pursuance to the aforesaid Order of NCLT, option was given to the members of the Company to cast their votes by remote E-Voting or Postal Ballot or Ballot Paper at the NCLT Convened Meeting held on 15th October, 2018.

Hon'ble NCLT has appointed Mr. Kunwar Jai Singh, Advocate as the Chairperson and Mr. G. S. Parashar, Advocate as the Alternate Chairperson for the said meeting of the Equity Shareholders. Mr. Gopal Prasad Agrawal, Practising Chartered Accountant was appointed by the NCLT as scrutinizer for the purpose of overseeing the voting process of the NCLT convened meeting. Notice dated 5th September, 2018 was issued for obtaining the approval of the members for the following matter:

➢ **Approval for Comprehensive Scheme of Arrangement between Spice Mobility Limited and Spice Digital Limited and Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective shareholders and creditors**

On the basis of Scrutinizer's Report dated 15th October, 2018 received by the Company, the results were announced. Summary of the Voting Pattern is as under:

S. No.	Voting	No. of Equity Shares	% of total valid votes
i)	No. of votes casted through Postal Ballot	105	0.00005%
ii)	No. of votes casted through e - voting	35,546	0.01818%
iii)	No. of votes casted through Ballot Paper	19,55,21,741	99.98177%
iv)	Total no. of votes casted	19,55,57,392	100%
v)	Votes cast in Favour	19,55,55,741	99.9992%
vi)	Votes cast Against	1,651	0.0008%

Result: Resolution passed with the requisite majority.

Procedure for Postal Ballot

The National Company Law Tribunal, Principal Bench, New Delhi had appointed Mr. Gopal Prasad Agrawal, Practising Chartered Accountant as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. Postal Ballot Notice along with the Postal Ballot Form, self addressed prepaid envelopes were dispatched through Registered Post/ Courier Services to the members who are 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 terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 108, 109 and 110 of the Companies Act 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended upto date, the Secretarial Standard-2 on General Meeting and as per the directions issued by the NCLT in its Order, the Company provided equity shareholders with the facility to cast their vote by way of postal ballot or by way of remote e-voting or by way of ballot paper at the venue of NCLT convened meeting. The Scrutinizer submitted his report to Mr. Kunwar Jai Singh, the Chairman appointed by the Hon'ble National Company Law Tribunal.

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

CORPORATE GOVERNANCE REPORT

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 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.digispice.com 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	:	27th September, 2019
Time	:	3:15 P.M.
Venue	:	**The Executive Club Resorts** Dolly Farms and Resorts Pvt. Ltd, 439, Shahoorpur, Fatehpurberi, New Delhi –110074

b) Financial Year : April, 2018 –March, 2019

c) Dividend Payment Date:

The dividend @ Rs. 0.45 per equity share of Rs. 3/- as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid within 30 days of the declaration.

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 2018 – 2019.

e) Scrip Code/Scrip Symbol of the Company as on 31.03.2019:

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, 2019 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, 2018	18.95	15.35	35213.30	32972.56
May, 2018	19.00	13.00	35993.53	34302.89
June, 2018	17.05	12.45	35877.41	34784.68
July, 2018	16.40	10.80	37644.59	35106.57
August, 2018	15.60	11.25	38989.65	37128.99
September, 2018	15.20	10.40	38934.35	35985.63
October, 2018	12.65	10.00	36616.64	33291.58
November, 2018	13.70	10.71	36389.22	34303.38
December, 2018	12.40	10.01	36554.99	34426.29
January, 2019	12.90	9.21	36701.03	35375.51
February, 2019	10.90	6.50	37172.18	35287.16
March, 2019	9.40	7.55	38748.54	35926.94

(source: www.bseindia.com)

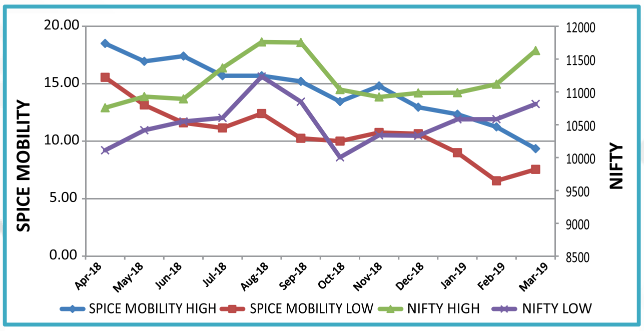
National Stock Exchange of India Limited (NSE)

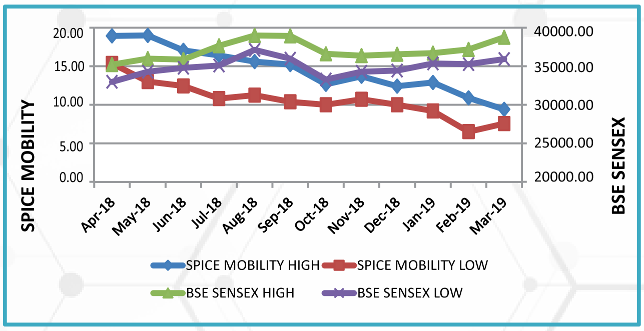
(Face Value Rs. 3/- per share)

Month	NSE Prices		NIFTY	
	High Price (Rs.)	Low Price (Rs.)	High	Low
April, 2018	18.50	15.55	10759.00	10111.30
May, 2018	16.95	13.15	10929.20	10417.80
June, 2018	17.40	11.60	10893.25	10550.90
July, 2018	15.70	11.15	11366.00	10604.65
August, 2018	15.70	12.40	11760.20	11234.95
September, 2018	15.20	10.25	11751.80	10850.30
October, 2018	13.45	10.00	11035.65	10004.55
November, 2018	14.80	10.75	10922.45	10341.90
December, 2018	12.95	10.65	10985.15	10333.85
January, 2019	12.35	9.00	10987.45	10583.65
February, 2019	11.25	6.55	11118.10	10585.65
March, 2019	9.35	7.55	11630.35	10817.00

(source: www.nseindia.com)

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





CORPORATE GOVERNANCE REPORT

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 and two reminders through permitted mode 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.

In accordance with the Securities and Exchange Board of India Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

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.

j) **Distribution of Shareholding as on 31st March, 2019:**

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	17275	96.379	30,10,998	90,32,994	1.321
5,001 TO 10,000	312	1.741	7,23,678	21,71,034	0.318
10,001 TO 20,000	164	0.915	7,67,452	23,02,356	0.337
20,001 TO 30,000	48	0.268	4,24,305	12,72,915	0.186
30,001 TO 40,000	20	0.112	2,28,175	6,84,525	0.100
40,001 TO 50,000	21	0.117	3,16,980	9,50,940	0.139
50,001 TO 1,00,000	35	0.195	8,30,221	24,90,663	0.364
1,00,001 AND ABOVE	49	0.273	22,15,62,173	66,46,86,519	97.234
Total	17924	100	22,78,63,982	68,35,91,946	100

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 2019, 99.48% of the Share Capital of the Company is held in dematerialized form with NSDL and CDSL.

CORPORATE GOVERNANCE REPORT

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, 2019, 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 follows prudent risk management policies. There is no direct hedge able commodity risk that the Company has on any of its products & services. The details of foreign currency exposure are disclosed in the Note no. 42 (a) to the standalone financial statement.

n) Plant Location: N.A.

o) Address for correspondence:

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

Corporate Office:	Registered Office:
Spice Global Knowledge Park,	622, 6th Floor, DLF Tower A,
19A & 19B, Sector-125,	Jasola Distt. Centre,
Noida (U.P.) – 201 301	New Delhi -110025
Tel : (0120) 3355131	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, 2019 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.

To align with the prescribed statutory and regulatory framework, the Board of Directors has amended the Policy on Related Party Transactions. The amended policy has been displayed on the website of the Company at the weblink https://www.digispice.com/Policy_on_Related_Party_Transactions.pdf

- **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.

During the year under review, a notice was received from BSE Limited imposing a fine of Rs. 1,24,000/- on the Company in respect of non-submission of Annual Report for the year ended March 31, 2018 within stipulated time period under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. On the representation made by the Company, BSE Limited vide its letter dated July 17, 2019 has waived the fine imposed by it.

CORPORATE GOVERNANCE REPORT

- **Whistle Blower Policy**

  In accordance with the requirement of Section 177 of the Companies Act, 2013 and the Rules made thereunder and 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 provided 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 Board adopted a revised Whistle Blower Policy in line with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, enabling employees to report any violations under the Insider Trading Regulations and leak of Unpublished Price Sensitive Information (UPSI).

  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 periodically. 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 Discretionary requirements**

  The Company has complied with the following discretionary 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.digispice.com. 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 Company as on 31st March, 2019 has separate persons appointed to the posts of Chairman and Chief Executive Officer.
  - The Internal Auditors directly report to the Audit Committee.

- **Policy for Determining Material Subsidiaries of the 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. In pursuance to the amended Listing Regulation w.e.f. 1st April, 2019, the Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the revised Policy for Determining Material Subsidiaries of the Companies.

  The said amended policy is disclosed on the website of the Company at https://www.digispice.com/Policy_on_Material_Subsidiaries.pdf.

  As per the requirement of amended Regulation 24 of Listing Regulations, the unlisted material subsidiaries of the Company, whether incorporated in India or not, have one of the Independent Directors of the Company on their Board.

- **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.

- **Certificate from Practising Company Secretary**

  A certificate from M/s. Sanjay Grover & Associates, Practising Company Secretaries, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, is forming part of this report.

- **Recommendation of the Board Committees**

  All recommendations of the various committees were accepted by the Board.

- **Total Fees paid to the Statutory Auditors**

Details of total fees for all services paid by the Company and its subsidiaries during the Financial Year 2018-19, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part is as follows:

(Amt. in Rs. Lakhs)

Payment to Statutory Auditors	B S R & Co. LLP*	Singhi & Co.**
Statutory Audit Fees	-	12.00
Limited Review Fees	6.00	9.00
Tax Audit Fees (For the F.Y. 2017-18)	-	2.00
Other Services	55.37	4.40
Total	**61.37**	**27.40**

**M/s. B S R & Co., LLP, Chartered Accountants resigned w.e.f. 26th September, 2018.*

*** M/s. Singhi & Co., Chartered Accountants appointed w.e.f. 5th October, 2018.*

- **Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company has zero tolerance towards Sexual Harassment of Women at Workplace and values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has placed adequate mechanism to provide safe and congenial working environment to all the employees including visitors and employees of the group companies and also constituted Internal Committee which is responsible for redressal of complaints related to sexual harassment.

During the year under review, there were no complaints pertaining to sexual harassment.

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.digispice.com').

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 CEO 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 (hereinafter referred to "Insider Regulations"), as amended from time to time, the Company has amended the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' and revised "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" ('Insider Code'). 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 ('UPSI').

The aforesaid 'Insider Code' prohibits dealing in securities of the Company by designated persons who are in possession of UPSI. The said Code lays down the procedures to be followed and disclosures to be made while dealing in the securities of the Company. Further, in pursuance of Regulation 9A(5) of the Insider Regulations, the Board has also approved 'Policy and Procedure for reporting and Inquiry in case of Leak or Suspected Leak of Unpublished Price Sensitive Information'. As a part of the 'Insider Code', the Company has also framed 'Policy for Determination of Legitimate Purposes'.

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.

With reference to Circular dated 2nd April, 2019 received from BSE Limited and National Stock Exchange of India Limited regarding clarification on trading restriction period under SEBI (Prohibition of Insider Trading) Regulations, 2015, the trading window for dealing in the securities of the Company get closed from the end of every quarter till 48 hours after the declaration of financial results.

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 CEO and CFO certification for the financial year ended on 31st March, 2019 is enclosed at the end of this Report.

The above Report has been placed before the Board at its meeting held on 30th July, 2019 and the same was approved.

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Spice Mobility Limited

We have examined the compliance of conditions of Corporate Governance by S**pice Mobility Limited** ("the Company"), for the financial year ended March 31, 2019, 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 except that there was no women director on the board of the Company during period from August 12, 2018 to November 01, 2018.

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

Place: New Delhi
Date : July 30, 2019

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

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

We, Preeti Das, Chief Executive Officer and Rajneesh Arora, Chief Financial Officer 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, 2019 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
Date: 21.05.2019

Rajneesh Arora
Chief Financial Officer

Preeti Das
Chief Executive Officer

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, 2019.

For **Spice Mobility Limited**

Place: Noida
Date: 21.05.2019

Preeti Das
Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members of
Spice Mobility Limited
622, 6th Floor, DLF Tower A
Jasola Distt. Centre
New Delhi – 110025

1. Spice Mobility Limited (CIN: L72900DL1986PLC330369) is a Company registered under the Companies Act, 1956 and is having its registered office at 622, 6th Floor, DLF Tower A, Jasola Distt. Centre, New Delhi-110025 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.

2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. As on 31st March, 2019 the Board of Directors of the Company comprised of:

Sr. No.	Name of Director	Director Identification Number (DIN)
1.	Suman Hazra Ghose	00012223
2.	Umang Das	00027912
3.	Dilip Kumar Modi	00029062
4.	Subramanian Murali	00041261
5.	Rashmi Aggarwal	07181938
6.	Shrenik Mahendra Khasgiwala	08136159

4. Based on verification and examination of the disclosures/ register under section 184, 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal (www.mca.gov.in), we certify as under:

   - None of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority for the Financial Year ending 31st March, 2019.

5. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

6. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

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

Sanjay Grover
Managing Partner
CP No.:3850

New Delhi
July 30, 2019

SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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, 2019 ("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, 2019 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;

SECRETARIAL AUDIT REPORT

(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;

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

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

(j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

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 except that Dr. (Ms.) Rashmi Aggarwal ("appointee") was appointed as Additional Director (Category- Independent Director) in the Board Meeting held on November 02, 2018 and the Company did not inform to the stock exchanges that appointee is not debarred from holding the office of director by virtue of any SEBI order or any other such authority as required under Circular issued by BSE Limited No. LIST/ COMP/14/2018-19 dated June 20, 2018.

(vi) During the audit period, the Company is primarily engaged into the Information and Communication Technology business providing Value Added Services and Mobile Content services to the domestic/international Telecom Operators. The Company also undertakes development and sale of telecom related software. As informed by the management, there is no sector specific law applicable on 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 except that there was no women director on the board of the Company during period from August 12, 2018 to November 01, 2018.The changes in the composition of the Board of Directors that took place during the audit period 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:-

- Members of Company in the National Company Law Tribunal convened meeting of equity shareholders of the Company held on 15th October, 2018 accorded their approval with requisite majority by way of postal ballot/ remote e-voting/ voting through ballot paper at the venue to the Scheme of Arrangement between Spice Mobility Limited and Spice Digital Limited and Spice IOT Solutions Private Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013.
- A notice was received from BSE Limited imposing a fine of Rs. 1,24,000/- on the Company in respect of non-submission of Annual Report for the year ended March 31, 2018 within stipulated time period under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015. On the representation made by the Company, BSE Limited vide its letter dated July 17, 2019 has waived the fine imposed by it.

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

Devesh Kumar Vasisht
Partner
CP No.: 13700

July 30, 2019
New Delhi

DiGiSPICE

Annexure - I

THE ANNUAL REPORT ON
CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE YEAR 2018-19

1. A Brief Outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a 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: https://www.digispice.com/CSR_Policy.pdf

2. The Composition of the CSR Committee:

The Composition of CSR Committee as on 31.03.2019 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: Rs. 809.05 Lakhs

4.* Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 16.18 Lakhs

5.* Details of CSR Spent during the financial year

(a) **Total amount to be spent for the financial year** : Rs. 36.00 Lakhs

(b) Amount unspent, if any : NIL

(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 Overheads**	**Cumulative Expenditure up to the reporting period (Rs.)**	**Amount Spent: Direct or through imple-pmenting agency**
1.	Leaders Accelerating Development (LEAD)	Education, including special education and employment enhancing vocation skills	Varanasi, Chandauli district (Uttar Pradesh)	12 Lakhs	12 Lakhs	12 Lakhs	Through implementing agency
2.	Navodyami	Rural development	Varanasi, Chandauli district (Uttar Pradesh)	8 Lakhs	8 Lakhs	8 Lakhs	
3.	Preservation and Proliferation of Rural Resources and Nature (PRAN)	Environmental Sustainability	Varanasi, Jaunpur district (Uttar Pradesh)	16 Lakhs	16 Lakhs	16 Lakhs	
Total				**36 Lakhs**	**36 Lakhs**	**36 Lakhs**	

Applying a 'bottom up' approach to building scalable solutions, the EkSoch Sandbox works to create an effective ecosystem where resources are put to use through entrepreneurship, innovation, and sustainability. The Sandbox engages with not-for-profits, academics, youth, non-governmental organizations and small/micro entrepreneurs to launch effective and scalable models of development.

Details of Implementing Agency:

Name : Deshpande Foundation

Regd. Office : C/o. Tejas Networks Ltd, Plot No.25, JP Software Park, Electronics City, Phase -1, Hosur Road, Bangalore-560100

* The Digital Technology Services (DTS) Business of Spice Digital Limited (SDL) has been demerged into the Company pursuant to the implementation of the Comprehensive Scheme of Arrangement and the CSR Expenditure incurred by SDL during the financial year 2018-19 has been accounted for in the financials of the Company. In view of this, the amount of calculation of average net profit, amount required to be spent and actual spent for the financial year 2018-19 on the CSR activities undertaken by SDL has been included in this Annual Report.

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: July 29, 2019

Annexure - 2

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019
[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 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 Company undertakes development and sale of telecom related software.

All the business activities contributing 10 % or more of the total turnover of the Company are as under:

Sl. No.	Description of Main Activity group	Description of Business Activity	% to total turnover of the company
1	Other Information Technology and computer service activities	62099	100%

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 A – 10, Street No. 2, North Chhajupur Shahdara, Delhi - 110093	U64202DL2001PTC111304	Ultimate Holding Company	74.36%*	2(46)
2.	Spice Connect Private Limited 622, 6th Floor, DLF Tower A, Jasola District Centre, New Delhi-110025	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 Solutions Private Limited 622, 6th Floor, DLF Tower A, Jasola District Centre, New Delhi-110025	U72900DL2016PTC330061	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
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)
7.	Digispice Nepal Private Limited Kathmandu District, Kathmandu Metropolis Ward No.11, Nepal	N.A.	Subsidiary Company	100%	2(87)(ii)
8.	New Spice Sales and Solutions Limited C/o PMC Enterprises, Block No. 31, LIG 378, Sector -4, Parwanoo Solan- 173220, Himachal Pradesh	U32201HP1988PLC008020	Subsidiary Company	100%*	2(87)(ii)
9.	Cellucom Retail India Private Limited G-3, Ground Floor, Gedor House, 51, Nehru Place, New Delhi -110019	U32202DL2006PTC153361	Subsidiary Company	100%*	2(87)(ii)
10.	Kimaan Exports Private Limited 512-B, Modi Tower 98, Nehru Place, New Delhi-110019	U51311DL2004PTC127784	Subsidiary Company	100%*	2(87)(ii)
11.	Mobisoc Technology Private Limited 622, 6th Floor, DLF Tower A, Jasola District Centre, New Delhi-110025	U72300DL2006PTC151960	Subsidiary Company	100%*	2(87)(ii)
12.	Spice Labs Private Limited 622, 6th Floor, DLF Tower A, Jasola District Centre, New Delhi-110025	U72300DL2009PTC311320	Subsidiary Company	99.90%*	2(87)(ii)
13.	Spice Digital Bangladesh Ltd Room No. – 14R, Meherba Plaza (14th Floor), 33 Topkhana Road, Dhaka – 1000	N.A.	Subsidiary Company	100%*	2(87)(ii)
14.	S Global Services Pte. Limited 152 UBI Avenue 4, Singapore - 408826	N.A.	Subsidiary Company	100%*	2(87)(ii)
15.	PT Spice Digital Indonesia Gedung Blue Dot Center, Blok H, JalanGelong Baru Utara No.5-8, Kelurahan, Tomang, Kecamatan Grogol Petamburan, Jakarta Barat 11440, Indonesia	N.A.	Subsidiary Company	100%*	2(87)(ii)
16.	Omnia Pte. Limited 1 North Bridge Road #10-05-06, High Street Centre, Singapore – 179094	N.A.	Subsidiary Company	100%*	2(87)(ii)
17.	Spice Digital FZCO Office No. G12, Buliding 4WA, West Wing, Dubai Airport Free Zone, Dubai, UAE	N.A.	Subsidiary Company	100%*	2(87)(ii)
18.	Beoworld Sdn. Bhd Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur	N.A.	Subsidiary Company	100%*	2(87)(ii)
19.	S Mobility Pte. Limited 152 UBI Avenue 4, Singapore – 408826	N.A.	Subsidiary Company	100%*	2(87)(ii)
20.	Spice Vas (Africa) Pte. Limited 152 UBI Avenue 4, Singapore – 408826	N.A.	Subsidiary Company	80%*	2(87)(ii)

Sl. No	Name and Address of the Company	CIN/~~GLN~~/LLPIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
21.	Spice VAS RDC Kinshasa, Avenue Ikelemba N 87, Quartier Katanga, Dans La Commune De Kasa – Vubu, En R.D. Congo	N.A.	Subsidiary Company	100%*	2(87)(ii)
22.	SVA (Mauritius) Pvt. Limited Level 3, GFin Tower 42 Hotel Street, Cybercity Ebene, 72201, Mauritius	N.A.	Subsidiary Company	100%*	2(87)(ii)
23.	Spice VAS Kenya Limited Plot L.R. No. 209/65/19,6, Plot Ojijo Close Ojijo Road, Parklands P.O.Box 46683-00100 Nairobi	N.A.	Subsidiary Company	100%*	2(87)(ii)
24.	Digispice Nigeria Ltd. (Formerly Spice Digital Nigeria Limited) Cluster A1 606 1004 Estate, Victoria Island, Lagos	N.A.	Subsidiary Company	100%*	2(87)(ii)
25.	Spice VAS Uganda Limited Plot 1B, Kira Road, Kampala, P.O. Box 24544, Uganda	N.A.	Subsidiary Company	75.00%*	2(87)(ii)
26.	Digispice Ghana Ltd. (Formerly Spice VAS Ghana Limited) H/No. C 31/30, Achimota, P.O. Box 052756, Osu, Accra, Ghana	N.A.	Subsidiary Company	100%*	2(87)(ii)
27.	Spice VAS Zambia Limited 2nd Floor, Chanik House, Off Cairo Road P.O. Box – 34376, Lusaka	N.A.	Subsidiary Company	100%*	2(87)(ii)
28.	Spice VAS Tanzania Limited Amverton Tower, Plot no. 1127, Ground Floor, Chole Road, Masaki, P.O. Box 6256 Dar es Salaam, Tanzania	N.A.	Subsidiary Company	100%*	2(87)(ii)
29.	Fast Track IT Solutions Limited Bashati Exclusive, Apartment-A4, Plot-6 (4^{th} Floor), Road-7, Block-C, Niketan, Gulshan-1, Dhaka	N.A.	Subsidiary Company	70%*	2(87)(ii)
30.	Ziiki Media SA (Pty) Ltd. (Formerly Spice Digital South Africa (Pty) Limited) 8A- I, Sinosteel Plaza, 159 Rivonia Drive, Morning Side Extn. Gauteng- 2196	N.A.	Associate Company	49%*	2(6)
31.	Sunstone Learning Private Limited 115A, 3^{rd} Floor, Jor Bagh, Delhi – 110003	U80221DL2011PTC216991	Associate Company	41.61%	2(6)
32.	Creative Functionapps Labs Private Limited A-8, Saraswati Garden, Ramesh Nagar, New Delhi -110015	U74999DL2013PTC260423	Associate Company	26.00%	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**	**0.00**
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	0	0	0	0	0.00
(b) Banks / FI	1525	545	2070	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	0	0	0	0	0	0	0	0	0.00
Companies		0	0	0	0	0	0	0	0.00
(g) FIIs	0								
(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):-	**1525**	**545**	**2070**	**0.00**	**1525**	**545**	**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	22021754	29075	22050829	9.68	21374945	22115	21397060	9.39	-0.29
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4617302	1276889	5894191	2.59	4578859	1169290	5748149	2.52	-0.07
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3396363	0	3396363	1.49	4229700	0	4229700	1.86	+0.37
(c) Others (specify)									
Clearing Member	208177	0	208177	0.09	125531	0	125531	0.06	-0.03
NRI/OCBs	173970	0	173970	0.08	180769	200	180969	0.08	0.00
Trusts	26114193	0	26114193	11.46	26067843	0	26067843	11.44	-0.02
NBFC registered with RBI	800	0	800	0.00	20800	0	20800	0.01	+0.01
IEPF	575819	0	575819	0.25	644290	0	644290	0.28	+0.03
Sub-total (B)(2):-	**57108378**	**1305964**	**58414342**	**25.64**	**57222737**	**1191605**	**58414342**	**25.64**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**57109903**	**1306509**	**58416412**	**25.64**	**57224262**	**1192150**	**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)	**226557473**	**1306509**	**227863982**	**100**	**226671832**	**1192150**	**227863982**	**100**	**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			% change in share holding during 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	
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	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, 2018) / end of the year (March 31, 2019)	% of total shares of the company				No. of shares (April 1, 2018 to March 31, 2019)	% of total shares of the company
1.	**Mediatek India Technology Private Limited**	19368439	8.50	01.04.2018	Nil	NA	19368439	8.50
		19368439	8.50	31.03.2019	Nil	NA	19368439	8.50
2.	**Radha Krishna Pandey - Independent Non Promoter Trust**	15912776	6.98	01.04.2018	Nil	NA	15912776	6.98
		15912776	6.98	31.03.2019	Nil	NA	15912776	6.98
3.	**Radha Krishna Pandey – Independent Non Promoter (Spice Employee Benefit) Trust**	10201417	4.48	01.04.2018	Nil	NA	10201417	4.48
				06.04.2018	- 46300	Transfer	10155117	4.46
				13.04.2018	- 50	Transfer	10155067	4.46
		10155067	4.46	31.03.2019	Nil	NA	10155067	4.46
4.	**Rajasthan Global Securities Private Limited***	977480	0.43	01.04.2018	Nil	NA	977480	0.43
				08.02.2019	- 168308	Transfer	809172	0.36
				15.02.2019	- 18232	Transfer	790940	0.35
				22.02.2019	- 38193	Transfer	752747	0.33
				29.03.2019	- 1505	Transfer	751242	0.33
		751242	0.33	31.03.2019	Nil	NA	751242	0.33
5.	**Dheeraj Kumar Lohia**	454317	0.20	01.04.2018	Nil	NA	454317	0.20
				08.02.2019	+ 60718	Transfer	515035	0.23
				15.02.2019	+ 6776	Transfer	521811	0.23
				22.03.2019	+ 81146	Transfer	602957	0.26
		602957	0.26	31.03.2019	Nil	NA	602957	0.26
6.	**Sharekhan Limited***	340722	0.15	01.04.2018	Nil	NA	340722	0.15
				06.04.2018	-1300	Transfer	339422	0.15
				13.04.2018	-65	Transfer	339357	0.15

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, 2018) / end of the year (March 31, 2019)	% of total shares of the company				No. of shares (April 1, 2018 to March 31, 2019)	% of total shares of the company
				20.04.2018	-192	Transfer	339165	0.15
				27.04.2018	-500	Transfer	338665	0.15
				04.05.2018	-2000	Transfer	336665	0.15
				11.05.2018	+100	Transfer	336765	0.15
				25.05.2018	+20	Transfer	336785	0.15
				01.06.2018	+101	Transfer	336886	0.15
				08.06.2018	-111	Transfer	336775	0.15
				22.06.2018	-10	Transfer	336765	0.15
				29.06.2018	-3974	Transfer	332791	0.15
				06.07.2018	-1786	Transfer	331005	0.15
				27.07.2018	-30	Transfer	330975	0.15
				24.08.2018	+580	Transfer	331555	0.15
				31.08.2018	-862	Transfer	330693	0.15
				07.09.2018	+2280	Transfer	332973	0.15
				14.09.2018	-1000	Transfer	331973	0.15
				21.09.2018	-745	Transfer	331228	0.15
				28.09.2018	+95	Transfer	331323	0.15
				05.10.2018	-1100	Transfer	330223	0.14
				12.10.2018	-1012	Transfer	329211	0.14
				19.10.2018	+3009	Transfer	332220	0.15
				26.10.2018	-3015	Transfer	329205	0.14
				02.11.2018	+2818	Transfer	332023	0.15
				23.11.2018	+1000	Transfer	333023	0.15
				30.11.2018	-1000	Transfer	332023	0.15
				07.12.2018	+10	Transfer	332033	0.15
				14.12.2018	-10	Transfer	332023	0.15
				21.12.2018	+2000	Transfer	334023	0.15
				04.01.2019	+2	Transfer	334025	0.15
				18.01.2019	+998	Transfer	335023	0.15
				15.02.2019	-480	Transfer	334543	0.15
				29.03.2019	-6000	Transfer	328543	0.14
		328543	0.14	31.03.2019	Nil	NA	328543	0.14

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, 2018) / end of the year (March 31, 2019)	% of total shares of the company				No. of shares (April 1, 2018 to March 31, 2019)	% of total shares of the company
7.	**Xtended Business Reporting Limited***	270057	0.12	01.04.2018	Nil	NA	270057	0.12
				06.07.2018	-1001	Transfer	269056	0.12
		269056	0.12	31.03.2019	Nil	NA	269056	0.12
8.	**Mahendra Girdharilal**	234955	0.10	01.04.2018	Nil	NA	234955	0.10
		234955	0.10	31.03.2019	Nil	NA	234955	0.10
9.	**Raj Kumar Lohia**	152739	0.07	01.04.2018	Nil	NA	152739	0.07
				08.02.2019	+67482	Transfer	220221	0.10
		220221	0.10	31.03.2019	Nil	NA	220221	0.10
10.	**Globe Capital Market Limited***	178391	0.08	01.04.2018	Nil	NA	178391	0.08
				06.04.2018	+108	Transfer	178499	0.08
				27.04.2018	+1227	Transfer	179726	0.08
				11.05.2018	-1177	Transfer	178549	0.08
				25.05.2018	+411	Transfer	178960	0.08
				01.06.2018	-519	Transfer	178441	0.08
				08.06.2018	+500	Transfer	178941	0.08
				15.06.2018	+250	Transfer	179191	0.08
				22.06.2018	+6000	Transfer	185191	0.08
				06.07.2018	-50	Transfer	185141	0.08
				27.07.2018	-250	Transfer	184891	0.08
				10.08.2018	-500	Transfer	184391	0.08
				17.08.2018	-6700	Transfer	177691	0.08
				14.09.2018	+5300	Transfer	182991	0.08
				21.09.2018	-4820	Transfer	178171	0.08
				05.10.2018	-448	Transfer	177723	0.08
				01.02.2019	-480	Transfer	177243	0.08
				08.02.2019	+1000	Transfer	178243	0.08
				15.02.2019	-523	Transfer	177720	0.08
				08.03.2019	-99	Transfer	177621	0.08
				15.03.2019	+890	Transfer	178511	0.08
				29.03.2019	-1791	Transfer	176720	0.08
		176720	0.08	31.03.2019	Nil	NA	176720	0.08

*(Clubbed as per PAN in different DPID & Client ID)

Note: Based on the weekly report received from Depositories.

The aforesaid information of top ten shareholders are based on the data as of 31st March, 2019.

(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%	N.A.	N.A.
	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	54874	0.02%	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	20.04.2018 (Transfer)	+26579	0.01%	81453	0.04%
	01.06.2018 (Transfer)	+30020	0.01%	111473	0.05%
	15.02.2019 (Transfer)	+20200	0.01%	131673	0.06%
	22.02.2019 (Transfer)	+48553	0.02%	180226	0.08%
	01.03.2019 (Transfer)	+7263	0.00%	187489	0.08%
	29.03.2019 (Transfer)	+16000	0.01%	203489	0.09%
	At the end of the year	203489	0.09%	203489	0.09%

Sl. No.	Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	**RAJNEESH ARORA -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	0	0.00%	N.A.	N.A.
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	11.02.2019 (Transfer)	+2000	0.00%	2000	0.00%
	12.02.2019 (Transfer)	+100	0.00%	2100	0.00%
	13.02.2019 (Transfer)	+4000	0.00%	6100	0.00%
	14.02.2019 (Transfer)	+10000	0.00%	16100	0.01%
	15.02.2019 (Transfer)	+137	0.00%	16237	0.01%
	18.02.2019 (Transfer)	+5000	0.00%	21237	0.01%
	21.02.2019 (Transfer)	+4582	0.00%	25819	0.01%
	25.02.2019 (Transfer)	+3500	0.00%	29319	0.01%
	27.02.2019 (Transfer)	+1824	0.00%	31143	0.01%
	08.03.2019 (Transfer)	+39	0.00%	31182	0.01%
	13.03.2019 (Transfer)	+3900	0.00%	35082	0.01%
	15.03.2019 (Transfer)	+6000	0.00%	41,082	0.02%
	At the end of the year	41,082	0.02%	41,082	0.02%

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

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	 1667.86 0 0	 0 0 0	 0 0 0	 1667.86 0 0
Total (i+ii+iii)	**1667.86**	**0**	**0**	**1667.86**
Change in Indebtedness during the financial year • Addition • Reduction	 708.28 0	 0 0	 0 0	 708.28 0
Net Change	**708.28**	**0**	**0**	**708.28**
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 2376.14 0 0	 0 0 0	 0 0 0	 2376.14 0 0
Total (i+ii+iii)	**2376.14**	**0**	**0**	**2376.14**

*The secured loans pertain to the DTS business of Spice Digital Limited which has been demerged into the company pursuant to the Scheme of Arrangement.

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
1.	**Independent Directors**	**Mr. Suman Ghose Hazra**	**Mr. Umang Das**	**Ms. Rashmi Aggarwal***	**Mr. Hanif Mohamed Dahya****			
	• Fee for attending board / committee meetings • Commission • Others, please specify	625 NIL NIL	425 NIL NIL	75 NIL NIL	NIL NIL NIL			1125 NIL NIL
	Total (1)	**625**	**425**	**75**	**NIL**			**1125**
2.	**Other Non-Executive Directors**					**Mr. Subramanian Murali**	**Mr. Shrenik M Khasgiwala*****	
	• Fee for attending board / committee meetings • Commission • Others (Consultancy fee)					NIL NIL NIL	NIL NIL 2608	NIL NIL 2608
	Total (2)	-	-	-	-	NIL	2608	2608
	Total (B)=(1+2)	**625**	**425**	**75**	**NIL**	**NIL**	**2608**	**3733**
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act							

**Appointed as Director w.e.f. 2nd November, 2018 and the Company has paid consultancy fee to Laniakea Holdings, of which Mr. Shrenik M Khasgiwala is proprietor.*
***Ceased as Director w.e.f. 7th February, 2019.*
**** Appointed as Director w.e.f. 17th May, 2018.*

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**
				Mr. Madhusudan V.**	**Mr. Rajneesh Arora*****	
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	 6,208 NIL NIL	 5,446 32 NIL	 7,686 NIL NIL	 3,099 13 NIL	 22,439 45 NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify…	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL
Total		**6,208**	**5,478**	**7,686**	**3,112**	**22,484**

**Appointed w.e.f 2nd Novemeber, 2018.*
***Ceased as CFO w.e.f. 4th December, 2018.*
****Appointed as CFO w.e.f. 7th December, 2018.*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no Penalties/ Punishment/ Compounding of offences under the Companies Act, 2013 against the Company, Directors or any other officer in default, during the year ended 31st March, 2019.

Annexure - 3

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 operations of the Company involve 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**	**:** Rs. 3434.25 lakhs
II.	**Foreign Exchange outgo in term of actual outflows**	**:** Rs. 465.01 lakhs

Annexure-4

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.**

   During the year, the Company has paid a consultancy fee of Rs.26.08 lakh for providing professional services to Mr. Shrenik Mahendra Khasgiwala, Non-Executive Director and ratio of his remuneration to the median remuneration of the employees of the Company for the year 2018-19 is 3.81:1. The Company has not paid remuneration to any other director during the year 2018-19 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.**

   The Company has paid the aforesaid consultancy fee to Mr. Shrenik Mahendra Khasgiwala first time during the year and no other director was paid any remuneration and hence, there was no increase in remuneration of any Director. The details of increase in remuneration of CEO, CFO and Company Secretary are given hereunder.

S. No.	Name of Person	% increase in remuneration during the year
1.	Ms. Preeti Das, CEO*	N.A.
2.	Mr. Rajnees Arora, CFO*	N.A.
3.	Mr. V. Madhusudan, CFO **	33.33%
4.	Mr. M. R. Bothra, Company Secretary	36.36%

   *The Company has appointed Ms. Preeti Das as CEO w.e.f. 2nd November, 2018 and Mr. Rajneesh Arora as CFO w.e.f. 7th December, 2018 and hence, no increase in their salary during the year.

   **Mr. V. Madhusudan ceased as CFO of the Company w.e.f. 4th December, 2018.

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

   The Percentage increase in the median remuneration of the employees in the FY 2018-19 was 14%.

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

   There were 431 Permanent Employees on the rolls of the Company as on 31st March, 2019.

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.**

   Average percentile increase in the salaries of employees other than the managerial employees (i.e. Directors, CEO, CFO and Company Secretary) was 14%. The increase in managerial remuneration was as per the prevalent market trend.

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) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name	Designation	Remuneration received (01.04. 2018 - 31.03.2019) in Rs.	Nature of Employment (Contractual or otherwise)	Qualifications and experience of the employee	Date of commencement of employment	Age of employee (Completed year as on 31.03.2019)	Last employment held before joining the Company
1	Rajneesh Arora	CFO & Head of Strategic Initiatives	10,500,598	Permanent	MBA & CFA	01.07.2016	45 Years	Hotspot Sales & Solutions Pvt. Ltd.
2	V. Madhusudan*	VP - Corporate Finance	7,686,092	Permanent	C.A., B. Sc (Physics)	01.11.2013	48 Years	PT Selular Media Infotama
3	Preeti Das**	CEO	6,208,333	Permanent	Master Degree in Physics & Electronics	02.11.2018	56 Years	Sutherland Global Services
4	M R Bothra	VP - Corporate Affairs and Company Secretary	5,478,165	Permanent	FCS, ACMA, M.Com and B. Com	12.08.2010	50 Years	DCM Shriram Consolidated Limited
5	Amrish Lakhanpal	VP	4,587,092	Permanent	Diploma in Computer Engineering	01.01.2003	45 Years	Progressive Infotech Pvt. Ltd.
6	Rohit Ahuja	Advisor to Chairman	3,853,604	Permanent	Bachelors in Commerce, USA	14.12.2015	43 Years	Self Occupied Business
7	Abhinandan Bhardwaj	AVP	3,435,377	Permanent	MBA & B. Tech	01.01.2016	33 Years	Altruist Technologies Pvt. Ltd.
8	Prashant Hansraj	VP	2,962,803	Permanent	MCA & BCA	23.01.2017	38 Years	Loyalty Solutions And Research Pvt. Ltd.
9	Ravindra Sarawagi	VP - Finance & Accounts	2,919,208	Permanent	CFA, USA(Leve II), CA & B. Com	11.01.2011	36 Years	FIS Global Business Solutions India Pvt. Ltd.
10	Ram Prakash Goyal	VP - Taxation	2,841,067	Permanent	CA, B.Com	01.12.2017	60 Years	Avon Mercantile Ltd.

* Resigned w.e.f. 4th December, 2018

** Appointed w.e.f. 2nd November,2018

None of the above employees is a relative of any director of the Company.

Note: Pursuant to the Comprehensive Scheme of Arrangement, the employees of Digital Technology Services (DTS) Business of Spice Digital Limited and the amalgamating companies (Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited) have been tansferred to the Company. Therefore, the aforesaid particulars of employees are inclusive of the information relating to the employees of these companies.

INDEPENDENT AUDITORS' REPORT

To the Members of Spice Mobility Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Spice Mobility Limited ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), Statement of Change in Equity, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements ").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2019, its Profit, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

INDEPENDENT AUDITORS' REPORT

S. N.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition** For the financial year ended 31 March, 2019, the Company has recorded revenue of Rs. 15663.95 Lakhs. The accounting policies for revenue recognition are set out in Note 2 (d) and the different revenue streams of the Company have been disclosed in Note 22 to the standalone financial statements. The application of the new revenue accounting standard (Ind AS 115 "Revenue from Contracts with Customers") involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue recognition is susceptible to the higher risk that the revenue is recognized when performance obligation has not been completed. This was an area of focus for our audit and the area where significant audit effort was directed.	**How our audit addressed the key audit matter:** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: - Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. - Selected samples of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. - Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. - Selected samples of continuing and new contracts and performed the following procedures: – Read, analyzed and identified the distinct performance obligations in these contracts. – Compared these performance obligations with that identified and recorded by the Company. – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. – Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – In respect of samples relating to fixed-price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. **Our Observation:** We found the Company's revenue recognition to be consistent with its accounting policy as disclosed in Note 2 (d) to the standalone financial statements. We are satisfied that the Company's revenue has been appropriately recognized and disclosure in the relevant accounting period.

INDEPENDENT AUDITORS' REPORT

S. N.	Key Audit Matter	Auditor's Response
2	**Income and Deferred Taxes** The company has carried current tax assets of Rs. 3,372.96 Lakhs and deferred tax assets of Rs. 1,238.46 Lakhs as at March 31, 2019. The accounting policies for current and deferred tax recognition are set out in Note 2 (E) and the breakup of deferred tax have been disclosed in Note 15 to the standalone financial statements. Also refer note no. 33 and 36 ('C) of standalone financial statements. There is significant judgement involved in accounting for taxes, particularly given jurisdiction in which the Company operates and exposures to income tax laws in India. This gives rise to complexity and uncertainty in respect of the calculation of income taxes, deferred tax positions. Due to significance to the standalone financial statements as a whole, combined with the judgement and estimation required to determine their values, the evaluation of current tax and deferred tax assets is considered to be a key audit matter.	**How our audit addressed the key audit matter:** We assessed the adequate implementation of the policies and controls regarding current and deferred tax. We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition and recoverability of deferred tax assets. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. We performed an assessment of the major items impacting the Company's tax expense, balances and exposures. **Our Observations:** We analyzed tax provisions. In respect of deferred tax assets, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets on tax losses carried forward, which shall be available for utilization in future. We found that tax provision and deferred tax assets are appropriately recognized and disclosed in the standalone financial statement.
3	**Valuation of trade receivables** We refer to Note 10 and Note 2 (Q) to the standalone financial statements. As disclosed in Notes to the standalone financial statements, the Company assesses periodically and at each reporting date, the expected credit loss associated with its receivables. When there is expected credit impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. The carrying amount of trade receivables of the company was Rs. 6767.77 Lakhs as at March 31, 2019. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade receivables as at the reporting date.	**How our audit addressed the key audit matter:** We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions and evaluated the process for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables and management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit impairment based on available information. **Our Observation:** Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.

INDEPENDENT AUDITORS' REPORT

S. N.	Key Audit Matter	Auditor's Response
4.	**Business Combination** The company has merged DTS business of Spice Digital Limited (subsidiary company) and Spice IOT Solutions Limited (subsidiary company) and Mobisoc Technology Private Limited (step down subsidiary company) and Spice Labs Private Limited (step down subsidiary company). The amalgamation being a common control transaction has been accounted for under the 'pooling of interest' method as prescribed by the Ind AS 103 (Business Combinations). Accordingly, the Scheme of Arrangement has been given with effect from appointed date April 01, 2017. It is considered to be key audit matter as this is significant event which has happened during the year and it required compliance of scheme and applicable Ind AS. Refer Note 39 to the Standalone Financial Statements.	**How our audit addressed the key audit matter:** We assessed implementation of Scheme of Arrangement and compliance thereof for which we have performed the following procedure: - Completed a walkthrough of the merger process and obtained understanding of the transaction by reading the Scheme of Arrangement; - Review the accounting of business combination under Ind-AS 103. - Reviewed the disclosures in the financial statements. - Tested the arithmetic accuracy of management's calculations for the giving effect of the scheme in standalone financial statements. - Tested the adjustment given in the reserves and surplus for net assets acquired. **Our Observation:** Based on our audit procedures performed, we found management's assessment, accounting treatment and disclosure of merger are reasonable and appropriate .

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. We have obtained all other information prior to the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified 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 of 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 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We a lso:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

INDEPENDENT AUDITORS' REPORT

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, Statement of change in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration was paid by the Company to its directors during the year. Therefore, the relevant provisions of section 197 of the Act is not applicable to the Company.

   (h) 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, as amended 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 financial statements – Refer Note 36 (C) to the standalone financial statements;

      ii. The Company has provided material foreseeable losses in long-term contracts, where applicable. The Company has no outstanding derivative contracts at the yearend;

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

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: Noida (Delhi-NCR)
Date: May 21, 2019

Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Spice Mobility Limited)

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

b. The Company has a regular programme of physical verification of its property, plant and equipment by which all its property, plant and equipment are verified every year, which in our opinion, is reasonable having regard to the size of the Company and nature its property, plant and equipment. In accordance with this programme, property, plant & equipment were physically verified during the year. No material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the title deed of immovable properties included in Property, Plant and Equipment are held in the name of the Company, However, Land & Building having carrying value of Rs. 305.04 Lakhs and Building having carrying value of Rs. 548.06 Lakhs as on March 31, 2019 acquired pursuant the Scheme of Arrangement is yet to be transferred in the name of the Company (refer note no. 39 of standalone financial statements).

(ii) The Company was not holding any inventory as on March 31, 2019. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.

(iii) The Company has not granted any loan during the year to companies covered in the register maintained under Section 189 of the Companies Act, 2013. However, the company has acquired, pursuant Scheme of Arrangement, loans granted by amalgamating companies and by DTS business of Spice Digital Limited to the companies covered in Register 189 of the Companies Act, 2013 which were repayable on demand however it was informed to us that no demand for repayment was made during the year. These loans were considered doubtful for recovery and accordingly provided in earlier years. The Company has not granted any loan to Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has made investment in its subsidiary during the year which is in compliance with provisions of Section 186 of the Companies Act, 2013. According to information and explanations given by the management, there is no loan granted or guarantee or security provided under section 185 and 186 of the Companies Act, 2013 during the year.

(v) The Company has not accepted any deposit covered under sections 73 to 76 of the Companies Act, 2013 during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been prescribed by the Central Government under the section 148 (1)of the Act read with Companies (Cost Records and Audit) Rules, 2014 for the goods/product manufactured by the Company. Therefore, provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues deducted/ accrued in the books, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, other than the followings:

Name of the Statute	Nature of dues	Amount (Rs. In Lakhs)*	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Central Excise Law	Excise Duty	642.63	1990-91 to 1993-94	CESTAT
Income Tax Act, 1961	Income Tax	326.69	2010-11 to 2012-13	ITAT#
Income Tax Act, 1961	Income Tax	2.13	2011-12 to 2014-15	ITAT
Income Tax Act, 1961	Income Tax	96.38	2009-10 to 2010-11	ITAT
Finance Act, 1994	Service Tax	1207.95	Year 2004 to 2008	Supreme Court
Finance Act, 1994	Service Tax	202.77	April 2008 to March 2009	Appellate Tribunal Chandigarh

*Amount as per demand orders including interest and penalty less amount deposited.

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

(viii) The Company has not defaulted in repayment of dues to bank. The Company did not have any borrowing from Government and Financial Institution and dues to debenture holders.

(ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Further in our opinion and explanations given to us, term loans raised during the year were applied for the purpose for which loans were raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the Company has not paid any managerial remuneration covered under section 197 read with Schedule V of the Companies Act 2013 during the year. Therefore, provisions of clause 3(xi) of the Order are not applicable to the Company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Therefore, provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 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 **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: Noida (Delhi-NCR)
Date: May 21, 2019

ANNEXURE B

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 standalone financial statements of Spice Mobility Limited (‘the Company”) as of March 31, 2019 in conjunction with our audit of the standalone 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 over the financial reporting 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 Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting 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 over financial reporting with reference to financial statements to future periods are subject to the risk that the internal financial controls over financial reporting 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.

Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over the financial reporting 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 Institute of Chartered Accountants of India.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: Noida (Delhi-NCR)
Date: May 21, 2019

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STANDALONE BALANCE SHEET

as at 31 March 2019

(Amount in Rs. Lakhs)

	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	3	1,774.22	2,235.89
Capital work in progress	3	-	7.06
Investment property	4	1,676.53	1,776.91
Other intangible assets	5	515.15	216.83
Intangible assets under development	5	4.50	385.18
Investment in associates and a joint venture	6	100.00	223.00
Financial assets			
(i) Investments	7	13,247.83	13,155.46
(ii) Loans	8	4,294.03	5,717.34
(iii) Other financial assets	9	55.15	9.19
Deferred tax assets (Net)	15	1,238.46	480.04
Non current tax assets (Net)	13	3,372.96	2,281.03
Other Non current assets	14	134.73	144.32
Total non-current assets		**26,413.56**	**26,632.25**
Current assets			
Financial assets			
(i) Investments	7	239.30	-
(ii) Trade receivables	10	6,767.77	3,664.78
(iii) Cash and cash equivalents	11	1,128.46	1,523.90
(iv) Bank balance other than (iii) above	12	2,353.37	1,755.30
(v) Loans	8	105.48	217.63
(vi) Other financial assets	9	2,989.06	2,537.78
Other current assets	14	892.21	293.15
Total current assets		**14,475.65**	**9,992.54**
Total assets		**40,889.21**	**36,624.79**
Equity and liabilities			
Equity			
Equity share capital	16	6,054.90	6,053.51
Other equity	16A	25,224.33	24,076.60
Total equity		**31,279.23**	**30,130.11**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	-	-
(ii) Other financial liabilities	19	43.83	61.05
Provisions	20	494.21	454.31
Other Non Current liabilities	21	16.72	10.89
Total non-current liabilities		**554.76**	**526.25**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	2,376.14	1,667.86
(ii) Trade payables	18		
- total outstanding dues of micro and small enterprises		3.64	-
- total outstanding dues of creditors other than micro and small enterprises		5,424.93	2,808.15
(iii) Other financial liabilities	19	772.22	688.81
Provisions	20	229.11	672.61
Other Current liabilities	21	249.18	131.00
Total current liabilities		**9,055.22**	**5,968.43**
Total equity and liabilities		**40,889.21**	**36,624.79**
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 attached

For and on behalf of the board of directors

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

B. K. Sipani
Partner
Membership no.: 088926

Preeti Das
Chief Executive Officer

Rajneesh Arora
Chief Financial Officer

M R Bothra
Vice President - Corporate
Affairs and Company Secretary

Place : Noida
Date : 21 May 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Particulars		Note	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Income				
I.	Revenue from services	22	15,663.95	14,384.84
II.	Other income	23	1,562.42	1,185.14
III.	**Total Income (I+II)**		**17,226.37**	**15,569.98**
IV.	**Expenses**			
	Cost of goods and services procured	24	1,389.50	461.74
	(Increase) / Decrease in inventories of procured goods	25	-	39.29
	Cost of services rendered	26	6,585.02	6,587.01
	Employee benefits expense	27	4,969.72	4,575.51
	Finance costs	28	186.08	169.27
	Depreciation and amortisation expense	29	894.13	934.10
	Other expenses	30	3,153.31	4,813.25
	Total expenses (IV)		**17,177.76**	**17,580.17**
V.	**Profit/(loss) before exceptional items and tax (III-IV)**		**48.61**	**(2,010.19)**
VI.	**Exceptional items**	31	170.82	(4,871.58)
VII.	**Profit/(loss) before tax (V+VI)**		**219.43**	**(6,881.77)**
VIII.	**Tax expense:**			
	(1) Current tax	33	235.90	174.11
	(2) Deferred tax credit	33	(760.11)	(142.14)
	(3) Income tax adjustments for earlier years	33	(53.25)	19.83
	Total Income tax expense (VIII)		**(577.46)**	**51.80**
IX.	**Profit/(loss) for the year (VII-VIII)**		**796.89**	**(6,933.57)**
X.	**Other comprehensive income**	32		
	Items that will not be reclassified to profit or loss			
	Remeasurement gain of defined benefit plan		(4.35)	9.64
	Deferred tax impact		0.96	(3.32)
	Other comprehensive income for the year (X)		**(3.39)**	**6.32**
XI.	**Total comprehensive income for the year (IX+X) Comprising Profit/(Loss) and Other Comprehensive income for the period)**		**793.50**	**(6,927.25)**
XII.	**Earnings per share(attributable to equity holders of the Company) (nominal value of share Rs. 3)**	34		
	Basic and Diluted (in Rs.)		0.35	(3.04)
	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 attached

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

B. K. Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 21 May 2019

For and on behalf of the board of directors

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

Preeti Das
Chief Executive Officer

Rajneesh Arora
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

STANDALONE STATEMENT OF CASH FLOW

for the year ended 31 March 2019

(Amount in Rs. lakhs)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash Flows From / (Used In) Operating Activities			
Profit/(Loss) before tax		**219.43**	**(6,881.77)**
Adjustments for :			
Exceptional items			
Provision for diminution in the value of non current investments		-	(400.00)
Profit on sale of shares to subsidiary company		-	(1,713.88)
Fair value loss in the value of non current investments		-	(30.00)
Provision for bank liability payout of a subsidiary		160.00	600.00
Bad debts and advances written off		-	325.99
Provision made/(written back) for doubtful debts and loans and advances		(330.82)	5,709.47
Depreciation and amortisation expense		894.13	934.10
(Profit)/Loss on disposal of property, plant and equipment (net)		4.22	7.58
Employee ESOP Compensation		298.52	-
Interest income		(344.98)	(190.14)
Loss on sales of investment property		-	380.00
Fair value gain on mutual fund investments		(14.30)	(28.23)
Net gain on sale of non-current investments in mutual fund units		-	(330.78)
Unclaimed balances written back (net)		(63.95)	(22.93)
Rental Income on investment property net of directly attributable expense		(20.15)	(227.55)
Interest expense		186.08	169.27
Provision for doubtful advances (net)		-	400.01
Provision for Impaired Credit (net)		209.96	337.25
Irrecoverable balances written off		-	356.00
Operating profit/(loss) before working capital changes		**1,198.14**	**(605.61)**
Movements in working capital:			
(Increase)/Decrease in inventories		-	37.12
(Increase)/Decrease in trade receivables		(2,962.94)	714.04
(Increase)/Decrease in other receivables		(982.71)	184.01
(Decrease) in trade payables		2,684.37	(80.79)
Increase/(Decrease) in other payable		190.17	(89.54)
Increase/(Decrease) in provision		32.06	48.97
Cash from operations		**159.09**	**208.20**
Direct taxes paid (net of refunds)		(1,273.85)	(1,280.94)
Net cash (used in) operating activities	**(A)**	**(1,114.76)**	**(1,072.74)**
Cash Flows From / (Used In) Investing Activities			
Purchase of property, plant and equipment (including capital work in progress and capital advances)		(184.58)	(283.88)
Purchase of intangible assets (Including intangible assets under development)		(71.92)	(330.88)
Proceeds from disposal of property, plant and equipment		11.57	13.91
Proceeds from sales of investment property		-	2,255.33
Sale of investments in subsidiaries and associates		123.00	5,392.15
Investment in subsidiaries		(90.25)	(6,340.68)
Purchase of current- investments		(225.00)	-
Proceeds from sale of non-current investments		34.96	440.56
Liability payout of step down subsidiary company		(600.00)	(2,950.00)
Loans given to bodies corporate		-	(1,200.00)
Loans repaid by bodies corporate		53.58	1,421.63
Change in receivable from subsidiary company		1,408.38	(2,834.11)
Receipt from Employee benefit trust against loan repayment		20.01	342.00
Receipt from Independent non promoter trust against sale of shares		-	3,450.00
Rental Income on investment property net of directly attributable expense		20.15	227.55
Interest received		341.26	302.34
Fixed deposits refunded/(created) by banks (net)*		(644.03)	558.23
Net cash from investing activities	**(B)**	**197.13**	**464.15**

STATEMENT OF CASH FLOW

for the year ended March 31, 2017

(Amount in Rs. lakhs)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash Flow From / (Used In) Financing Activities			
Proceeds/(repayment) from current borrowings		322.55	1,142.93
Interest paid		(186.08)	(169.27)
Net cash from financing activities	**(C)**	**136.47**	**973.66**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		(781.16)	365.07
Cash and cash equivalents at the beginning of the year		1,523.90	170.46
Cash and cash equivalents acquired pursuant to Scheme of Arrangement (refer note 39)		-	988.37
Cash and cash equivalents at the end of the year		**742.74**	**1,523.90**
i) Components of cash and cash equivalents:			
Cash on hand		2.27	1.00
With banks			
- on current accounts		884.54	771.37
- Deposits with original maturity of less than three mon ths		241.65	751.53
Bank overdrafts		**(385.72)**	**-**
Total cash and cash equivalents (note 11, 17)		**742.74**	**1,523.90**

(Amount in Rs. Lakhs)

ii) Movement in financial liabilities	**Current borrowings**	**Non-current borrowings**	**Interest expense on financial liabilities**	**Total**
As at 1 April 2018	1,667.86	-	-	1,667.86
Cash flows	322.55	-		322.55
Interest expenses	-	-	186.08	186.08
Interest paid	-	-	(186.08)	(186.08)
As at 31 March 2019	**1,990.41**	**-**	**-**	**1,990.41**
As at 1 April 2017	-	-	-	-
Cash flows	1,142.93	-	-	1,142.93
Interest expenses	-	-	169.27	169.27
Interest paid	-	-	(169.27)	(169.27)
Non cash items				
Change arising from scheme of arrangement	524.93	-	-	524.93
As at 31 March 2018	**1,667.86**	**-**	**-**	**1,667.86**

Summary of significant accounting policies 2

Cash used in operating activities for the year ended 31 March 2019 is after considering Corporate Social Responsibility Expenditure of Rs. 36 Lakhs (31 March 2018: Rs. 128 Lakhs)

Includes deposit with original maturity of less than three months of Nil (31st March 2018 : Rs.125 Lakhs) which is pledged with banks.

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

As per our report of even date attached

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

B. K. Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 21 May 2019

For and on behalf of the board of directors

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

Preeti Das
Chief Executive Officer

Rajneesh Arora
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

A : Equity share capital

	Number of shares	(Amount in Rs Lakhs)
Balance as at 01 April 2017*	**180,681,015**	**5,420.43**
Change in equity share capital during the year		
Movement in share capital due to sale of shares by Employee Benefit Trust	1,700,335	51.01
Movement in share capital due to sale of shares by Independent Non Promoter Trust	19,368,439	581.05
Estimated Shares to be issued pursuant to Scheme of Arrangement (refer note 39)	34,080	1.02
Balance as at 31 March 2018*	**201,783,869**	**6,053.51**
Change in equity share capital during the year		
Movement in share capital due to sale of shares by Employee Benefit Trust	46,350	1.39
Movement in share capital due to sale of shares by Independent Non Promoter Trust	-	-
Balance as at 31 March 2019*	**201,830,219**	**6,054.90**

* 22,78,63,982 Equity shares are netted off of 26,067,843 equity shares (26,114,193 equity share as on 31 March, 2018 and 47,182,967 equity shares as on 01 April, 2017 hold by Employee benefit Trust and Independent Non Promoter Trust. (refer note no. 44)

B : Other equity

(Amount in Rs Lakhs)

Particulars	Trust Shares (Refer note 44)	Reserves and Surplus					Other Comprehensive Income	Total
		Capital reserve (i)	Share Based Payment Reserve (ii)	Capital Redemption Reserve (iii)	General Reserve (iv)	Retained Earnings	Remeasurement gain/(loss) on defined benefit plan, net of tax impact (from OCI)	
For the year ended 31 March 2019								
As at April 01, 2018	**142.57**	**429.48**	**-**	**306.66**	**6,101.11**	**17,090.46**	**6.32**	**24,076.60**
Profit/(Loss) for the year	-	-	-	-	-	796.89		796.89
Other comprehensive income (net of tax)	-	-	-	-	-		(3.39)	(3.39)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**796.89**	**(3.39)**	**793.50**
Transactions with other:								
Adjustments relating to sale of shares by Trust	18.62	-	-	-	-	-		18.62
Share based payment to employees of the Group	-	-	449.42	-	-	(113.81)		335.61
As at March 31, 2019	**161.19**	**429.48**	**449.42**	**306.66**	**6,101.11**	**17,773.54**	**2.93**	**25,224.32**
For the year ended 31 March 2018								
As at April 01, 2017	**(3,014.49)**	**-**	**-**	**306.66**	**5,143.32**	**-**	**-**	**2,435.49**
Profit/(Loss) for the year	-	-	-	-	-	(6,933.57)	-	(6,933.57)
Other comprehensive income (net of tax)	-	-	-	-	-	-	6.32	6.32
Total Comprehensive Income for the year	-	-	-	-	-	(6,933.57)	6.32	(6,927.25)
Transactions with others:								
Adjustment relating to sale of shares by Trusts	3,157.06	-	-	-	-	-		3,157.06
Pursuant to scheme of arrangement (refer note39)	-	429.48		-	957.79	24,024.03		25,411.30
As at March 31, 2018	**142.57**	**429.48**	**-**	**306.66**	**6,101.11**	**17,090.46**	**6.32**	**24,076.60**

Notes:

(i) Capital reserve represent reserve created pursuance to scheme of arrangement (refer note no. 39).

(ii) Share based payment reserve relates to stock options granted to employees (including employees of holding company and Subsidiary companies) under "Employee Stock Option Plan 2018" and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options (refer note no.40).

(iii) Capital redemption reserve represents amount created upon cancellation of shares pursuant to buy back of shares.

(iv) General reserve represents free reserve amount appropriated out of retained earnings.

As per our report of even date attached

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

B. K. Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 21 May 2019

For and on behalf of the board of directors

Dilip Modi
Executive Chairman
DIN : 00029062

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Suman Ghose Hazra
Director
DIN:00012223

Preeti Das
Chief Executive Officer

Rajneesh Arora
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

1. Corporate information

The Standalone financial statements comprise financial statements of Spice Mobility Limited ("the Company") for the year ended 31 March 2019. The Company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its share are listed in National Stock Exchange of India Limited and BSE Limited in India.

The Company 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 Company undertakes development and sale of telecom related software.

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 21st May 2019.

2. Summary of Significant accounting policies

2.1 Statement of Compliance:-

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

These financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all periods presented in the financial statements.

2.2 Basis of preparation

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.

2.3 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.4 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.

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 Company has identified twelve months as its operating cycle.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

B. Foreign currencies

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at currency spot rates at the date 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.

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).

C. Fair value measurement

The Company measures financial instruments, such as investments other than investment in subsidiaries, associates and joint ventures, 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 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.

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 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.

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 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. 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

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

The Company derives revenues primarily from Value added services, and Mobile content services to telecom operators and from the licensing of software products and platforms across our core and digital offerings.

Goods and service tax (GST) is not received by the Company 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

The Company recognises revenue from sale of goods when effective control of goods have been passed along with all the following conditions are satisfied:

i) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) The amount of revenue can be measured reliably;

iv) It is probable that the economic benefits associated with the transaction will flow to the Company; and

v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, etc. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue. In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed."

Sale of software/hardware (customised bundled solution) and software services

Revenue is recognised based on milestone achieved by the Company on development of software's, and invoice for that milestone raised on the customer.

The Company 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, which has not been billed, 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 rateably over the term of the underlying maintenance arrangement.

Income from services

Revenue from value added services are recognized as per arrangement with the customers at the end of each month/period in which the services are rendered.

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 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.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "interest 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. Rental income is included in other income in the statement of profit or loss.

E. 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 at the reporting date in India.

Current income tax includes tax paid on foreign income in accordance with the tax laws applicable in the respective jurisdiction. The foreign taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Current tax, relating to items recognised outside the statement of profit or loss, is recognised directly either in other comprehensive income or in equity in correlation to the underlying transaction. 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. Except:-

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction, affects neither the accounting profit nor taxable profit or loss

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.

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 the statement of profit or loss, is recognised directly either in other comprehensive income or in equity in correlation to the underlying transaction.

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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company 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 Company 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 included in deferred tax. The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specific period.

F. Property, plant and equipment (PPE)

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 .

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

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.

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 equipment's (other than mobile handsets)	2-7 Years
- Mobile handsets	3 Years
- Vehicles	8-10 years

The Company, 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 Company 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.

G. Investment properties

The Company 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 Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

If Company 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 F.

The Company depreciates building (on leasehold land) component of investment property over the leasehold period of land.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

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 valuers 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.

H. Intangible assets

The Company 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. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Company 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.

Software (In-house Developed) product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economical benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include material cost, employee benefits and other overhead cost that are directly attributable to preparing the asset for its intended use.

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
In-house developed Software	5 Years
Intellectual Property Right	5 Years
Web site Development Cost	3 Years

I. Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are measured usually at cost. Subsequent to initial recognition, investment in subsidiaries, associates and joint ventures are stated at cost less impairment loss, if any.

Investment in subsidiaries, associates and joint ventures are derecognized when they are sold or transferred. The difference between the net proceeds on sales and the carrying amount of the asset is recognized in statement of profit and loss in the year of Derecognition.

J. 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.

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. 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 for maintaining assets 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.

L. Inventories

Inventories comprise of traded goods which are valued at the lower of cost and net realisable value.

Cost of inventory 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 an asset 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 or 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 Company 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 recognised in prior periods as assessed at end of each reporting period for any indications 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 assets 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.

N. Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date. A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

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 a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India. The liability as at the year end represents the actuarial valuation of the gratuity liability of continuing employees 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 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 purposes and this is shown under non current provisions in the Balance Sheet and the accumulated leave, which is expected to be settled within twelve months, is presented as current liability in the Balance Sheet.

Remeasurement, 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. Remeasurement 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. Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using Black and Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Vesting conditions, other than market conditions i.e. performance based condition are not taken into account when estimating the fair value. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 40. The company recognises compensation expense relating to share-based payment in statement of profit and loss using fair value in accordance with Ind AS 102, Share-based Payment.

Q. 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) Equity 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 instrument 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 Company 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 Company 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 Company 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 Company 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 Company 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 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

  (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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 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 net of directly attributable transaction costs. The Company'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.

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.

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.

Reclassification of financial assets

The Company 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 Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company 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 Company 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.

R. Trust Shares as per Scheme of Amalgamation (refer Note 44)

In pursuance to a Scheme of Amalgamation effected in Financial year 2010-11 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 which is directly adjusted with equity and other equity.

S. 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.

T. Business Combinations

Business Combination other than Common Control

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the company and fair value of any assets or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values. However, certain assets and liabilities i.e. deferred tax assets or liabilities, assets or liabilities related to employee benefit arrangements, liabilities or equity instruments related to share-based payment arrangements and assets or disposal groups that are classified as held for sale, acquired or assumed in a business combination are measured as per the applicable Ind AS.

Measuring Goodwill or a gain from Bargain Purchase

The excess/(short) of the sum of the consideration transferred and the acquisition-date fair value of any previous equity interest in the acquired entity over the acquisition-date fair value of the net identifiable assets (net of identifiable assets acquired and liabilities assumed/contingent consideration) acquired is recognised as goodwill/(bargain purchase gain). Any gain on a bargain purchase is recognised in other comprehensive income and accumulated in equity as Capital Reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase, otherwise the gain is recognised directly in equity as Capital Reserve.

Contingent Consideration

Any contingent consideration is measured at fair value at the date of acquisition.

The Company would classify an obligation to pay contingent consideration that meets the definition of a financial instrument as a financial liability or as equity. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of contingent consideration are recognised in statement of profit and loss.

When a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognised in statement of profit and loss or other comprehensive income, as appropriate.

Business Combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

Recent Accounting pronouncements

Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April, 2019: The Company will adopt new standard and amendment to existing standards with effect from April 1, 2019.

a. New Standard Ind AS 116: Leases

Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same in not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability. Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company has evaluated the impact and certain operating leases have to be brought into the balance sheet in terms of the new standard and additional disclosure will be required."

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

b. Amendment to Other Ind As

Amendment to Ind AS 19 – plan amendment, curtailment or settlement: Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the company need to determine the probability of the relevant tax authority accepting each tax treatment that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Amendment to Ind AS 12 – Income taxes: Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

Ind AS 23 – Borrowing Costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company is in the process of evaluating the impact of such amendments.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

3 Property ,plant and equipment and capital work in progress

(Amount in Rs. Lakhs)

Particulars	Leasehold Land	Building	Leasehold Improvement	Plant and Machinery	Office Equipment's	Furniture and Fittings	Computers	Vehicle	Total	Capital Work in Progress	Grand Total
As at 01 April 2017	**-**	**-**	**1,672.95**	**374.08**	**211.32**	**233.88**	**73.20**	**71.59**	**2,637.02**	**-**	**2,637.02**
Additions pursuant to scheme of Arrangement (refer note 39)	397.79	800.81	45.00	-	93.57	64.05	1,073.71	29.55	2,504.48	8.30	2,512.78
Transfer to Investment property	(264.63)	(589.10)	-	-	-	-	-	-	(853.73)		(853.73)
Additions for the year	-	-	-	-	18.63	8.77	244.45	-	271.85	-	271.85
Capitalized during the year	-	-	-	-	-	-	-	-	-	(1.24)	(1.24)
Disposals	-	-	-	-	(0.14)	(0.01)	(37.84)	-	(37.99)		(37.99)
At 31 March 2018	**133.16**	**211.71**	**1,717.95**	**374.08**	**323.38**	**306.69**	**1,353.52**	**101.14**	**4,521.63**	**7.06**	**4,528.69**
Additions for the year	-	-	20.16	-	6.41	16.80	86.19	62.07	191.63	77.07	268.69
Capitalized during the year											
Disposals	-	-	-	-	(6.28)	(10.01)	(0.89)	(6.35)	(23.53)	(84.13)	(107.65)
At 31 March 2019	**133.16**	**211.71**	**1,738.11**	**374.08**	**323.51**	**313.48**	**1,438.83**	**156.86**	**4,689.73**	**-**	**4,689.73**
Accumulated depreciation											
As at 01 April 2017	**-**	**-**	**646.54**	**66.98**	**192.38**	**74.38**	**59.30**	**46.99**	**1,086.57**	**-**	**1,086.57**
Additions pursuant to scheme of Arrangement (refer note 39)	50.85	121.67	21.85	-	32.60	18.76	469.13	8.28	723.14	-	723.14
Transfer to Investment property	(47.79)	(104.91)	-	-	-	-	-	-	(152.70)		(152.70)
Depreciation for the year	1.53	8.45	337.49	33.49	22.82	45.01	178.35	18.11	645.25	-	645.25
Disposals	-	-	-	-	-	(0.01)	(16.51)	-	(16.52)	-	(16.52)
At 31 March 2018	**4.59**	**25.21**	**1,005.88**	**100.47**	**247.80**	**138.14**	**690.27**	**73.38**	**2,285.73**	**-**	**2,285.73**
Depreciation for the year	1.53	8.45	334.02	33.49	22.71	46.38	181.85	9.08	637.51	-	637.51
Disposals	-	-	-	-	(3.22)	(3.01)	(0.72)	(0.79)	(7.74)	-	(7.74)
At 31 March 2019	**6.12**	**33.66**	**1,339.90**	**133.96**	**267.29**	**181.51**	**871.40**	**81.67**	**2,915.51**	**-**	**2,915.51**
Net Book Value											
At 31 March 2018	**128.57**	**186.50**	**712.07**	**273.61**	**75.58**	**168.55**	**663.25**	**27.76**	**2,235.89**	**7.06**	**2,242.95**
At 31 March 2019	**127.04**	**178.06**	**398.21**	**240.12**	**56.22**	**131.97**	**567.42**	**75.19**	**1,774.22**	**-**	**1,774.22**

Notes:

a. Property plant and equipment include the following assets being commonly utilized with other subsidiaries for which necessary usage charges is recovered by the company.

(Amount in Rs. Lakhs)

Particulars	Gross Block		Depreciation		Accumulated Depreciation	
	As at 31 March 2019	As at 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Leasehold improvement	1,672.95	1,672.95	324.11	324.09	1,294.73	970.63
Furniture and Fittings	233.88	233.88	37.62	36.66	148.67	111.04
Plant and Machinery	374.08	374.08	33.49	33.49	133.96	100.47
Office Equipment	217.53	211.32	5.94	8.17	206.48	200.55
Total	2,498.44	2,492.23	401.16	402.41	1,783.84	1,382.69

b. Building includes assets of Dehradun property having gross value of Rs.359.96 lakhs and Net WDV of Rs. 305.04 (Rs.315.47 lakhs as on 31 March, 2018) given as security against bill discounting, bank guarantee limit taken from a bank.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

4 Investment Property

(Amount in Rs. lakhs)

Particulars	Free hold land	Lease hold land	Building	Office Equipment's	Furniture and Fittings	Total
As at 01 April 2017	8.00	-	4,044.25	79.35	33.77	4,165.37
Transferred from Property plant and equipment		**264.63**	**589.10**			**853.73**
Disposals	-	-	(2,900.30)	-	(21.61)	(2,921.91)
At 31 March 2018	**8.00**	**264.63**	**1,733.05**	**79.35**	**12.16**	**2,097.19**
At 31 March 2019	**8.00**	**264.63**	**1,733.05**	**79.35**	**12.16**	**2,097.19**
Accumulated depreciation						
As at 01 April 2017	-	-	**232.67**	**75.28**	**10.46**	**318.41**
Transferred from Property plant and equipment		**47.79**	**104.91**			**152.70**
Depreciation for the year	-	**23.90**	**107.37**	-	**4.48**	**135.75**
Disposals	-	-	**(275.29)**	-	**(11.29)**	**(286.58)**
At 31 March 2018	-	**71.69**	**169.66**	**75.28**	**3.65**	**320.28**
Depreciation for the year	-	**23.91**	**73.85**	-	**2.62**	**100.38**
At 31 March 2019	-	**95.60**	**243.51**	**75.28**	**6.27**	**420.66**
Net Book Value						
At 31 March 2018	**8.00**	**192.94**	**1,563.39**	**4.07**	**8.51**	**1,776.91**
At 31 March 2019	8.00	**169.03**	**1,489.54**	**4.07**	**5.89**	**1,676.53**

A Information regarding income and expenditure of Investment properties

	As at 31 March 2019	As at 31 March 2018
Rental income derived from investment properties	112.95	337.52
Less: Direct operating expenses (including repairs and maintenance) generating rental income(repairs & maintenance)	79.98	87.25
Less: Direct operating expenses (including repairs and maintenance) that did not generate rental income(Property tax)	12.82	22.72
Profit arising from investment properties before depreciation and indirect expenses	**20.15**	**227.55**
Less - Depreciation	100.37	135.75
Profit arising from investment properties before indirect expenses	**(80.22)**	**91.80**

B. The Company's investment properties as on 31 March 2019 consist of two office property situated at Kolkata and Mumbai (Jogeshwari) and one factory land and building situated at Rampur in India.The management has determined the classification of investment properties based on nature, characteristics and risks of each property. During last year one office property was sold.

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

D. Measurement of fair value

The fair value of investment properties has been determined by external, independent property valuers.

The fair value measurement for investment properties has been categorised as a level 3 fair value based on inputs to valuation techniques used (refer note 4 (e)). Fair value hierarchy disclosures have been given in note 41.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

E. Fair value of Investment Properties

(Amount in lakhs)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Fair Value of Investment Properties	**4,132.00**	**4,277.50**

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

Investment properties	**Valuation technique**	**Significant unobservable Inputs**
Office properties		
- Kolkata	Market Approach	Reference Pricing
- Rampur Land	Market Approach	Reference Pricing
- Rampur Building	Depreciated Replacement Cost	Reference Pricing
- Mumbai (Jogeshwari)	Sale Comparison Method	Reference Pricing
- Mumbai	Market Approach	Reference Pricing

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 comparable. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within range requires judgement, considering qualitative and quantitative factors specific to the Remeasurement.

Depreciated Replacement cost method represents amount that would be required currently to replace cost of building less accumulated depreciation for used life i.e. current replacement cost.

Sale Comparison Method represents the amount that would be received to sell similar property in an orderly transaction between marker participants less transaction cost to be incurred to execute the sell.

5 Intangible assets

(Amount in lakhs)

Particulars	**Intellectual Property Rights**	**Computer Software**	**Total**	**Intangible asset under development**	**Grand Total**
As at 01 April 2017	**-**	**32.57**	**32.57**	**-**	**32.57**
Additions pursuant to scheme of Arrangement (refer note 39)	70.62	637.45	708.07	129.89	837.96
Additions for the year	-	75.58	75.58	281.81	357.39
Capitalized during the year	-	-	-	(26.52)	(26.52)
At 31 March 2018	**70.62**	**745.60**	**816.22**	**385.18**	**1,201.40**
Additions for the year	452.06	2.50	454.56	71.38	525.94
Capitalized during the year	-	-	-	(452.06)	(452.06)
At 31 March 2019	**522.68**	**748.11**	**1,270.79**	**4.50**	**1,275.28**
Accumulated amortisation					
As at 01 April 2017	-	14.67	14.67	-	14.67
Additions pursuant to scheme of Arrangement (refer note 39)	46.08	385.54	431.62	-	431.62
Amortisation for the year	19.50	133.60	153.10	-	153.10
At 31 March 2018	**65.57**	**533.81**	**599.38**	**-**	**599.38**
Amortisation for the year	57.95	98.29	156.24	-	156.24
At 31 March 2019	**123.53**	**632.10**	**755.62**	**-**	**755.62**
Net Book Value					
At 31 March 2018	**5.04**	**211.79**	**216.83**	**385.18**	**602.01**
At 31 March 2019	**399.15**	**115.99**	**515.15**	**4.50**	**519.65**

1. Intangible assets under development includes Manpower and other cost incurred for various internally developed software's.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

6 **(Amount in Rs. Lakhs)**

	As at 31 March 2019	As at 31 March 2018
Investment in associates and in joint venture (Carried at cost, unless otherwise stated)		
Investment in associates (unquoted),		
Creative Functionapps Lab Pvt. Ltd 3,514 (31 March 2018 : 3,514) equity share of Rs 10 each	100.00	100.00
Sunstone Learning Private Limited 95,058 (31 March 2018 : 95,058) equity share of Rs 1 each	814.88	814.88
Less: Provision for Impairment	(814.88)	(814.88)
Investment in joint venture (unquoted)		
Adgyde Solutions Pvt. Ltd Nil (31 March 2018 : 1,230,000) equity share of Rs 10 each	-	123.00
	100.00	**223.00**

7 **Investments**

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Investment in equity instrument of subsidiaries (unquoted) (Carried at cost, unless otherwise stated)				
Spice Digital Limited				
43,451,475 (31 March 2018: 43,339,475) equity shares of Rs.10 each fully paid up	7,320.67	7,230.42	-	-
Hindustan Retail Private Limited				
422,380,000 (31 March 2018: 422,380,000) equity shares of Rs.10 each fully paid up	42,238.00	42,238.00	-	-
Less: Provision for Impairment	(42,238.00)	(42,238.00)	-	-
S Mobility (HK) Limited				
10,000 (31 March 2018: 10,000) equity shares of HKD 1 each fully paid up	0.64	0.64		
S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)				
15,735,600 (31 March 2018: 15,735,600) equity shares of SGD 1 each fully paid up	5,853.61	5,853.61	-	-
Spice Digital Bangladesh Limited				
97,312 (31 March 2018: 97,312) equity shares of Taka 100 each fully paid up	30.33	30.33	-	-
Employee Stock Option Plan 2018 ('Plan') (Options granted to employees of subsidiaries) (refer note 40)	37.08	-	-	-
Financial instrument carried at fair value through profit and loss				
Investment in equity instrument (unquoted)				

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
911 India Healthcare Private Limited Nil (31 March 2018 : 1) equity share of Rs 10 each	-	0.01	-	-
S Mobile Devices Limited 50,000 (31 March 2018 : 50,000) equity shares of Rs.10 each fully paid up	5.00	5.00	-	-
Investment in fully paid up cumulative compulsorily convertible preference shares (unquoted)				
911 India Healthcare Private Limited Nil (31 March 2018 : 2,688) preference share of Rs 10 each	-	34.95	-	-
Government and trust securities (unquoted)				
5 (31 March 2018 : 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	-	-
Mutual fund units (unquoted) of Rs. 10 each fully paid up				
Reliance Low Duration Fund- Growth Plan Growth Option (LPIGG) 9,259 (31 March 2018: Nil) units of Rs 2430.12 each	-	-	239.30	-
	13,247.83	**13,155.46**	**239.30**	**-**
Aggregated carrying amount of unquoted investments	13,247.83	13,155.46	239.30	-
Aggregate amount of impairment in value of investments	42,238.00	42,238.00	-	-

8 Loans - financial asset

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Secured, considered good				
Loan to a body corporate*	271.42	300.00	-	-
Unsecured, considered good				
Security deposits	77.86	72.69	95.99	76.52
Security deposits to related parties (refer note 37)	87.86	79.82	-	-
Money receivable from a Subsidiary company (refer note 37)**	3,851.63	5,260.01	-	-
Loan to employees	5.26	4.82	9.49	16.03
Advances recoverable in cash or kind from related parties (refer note 37)	-	-	-	125.08
	4,294.03	**5,717.34**	**105.48**	**217.63**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2018	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Considered doubtful				
Security deposits	-	-	2.10	2.10
Loan to bodies corporate #		-	6,084.47	6,109.47
Advances recoverable in cash or kind	-	-	4.92	4.92
	-	-	6,091.49	6,116.49
Allowances for bad and doubtful				
Security deposits	-	-	2.10	2.10
Loan to bodies corporate #		-	6,084.47	6,109.47
Advances recoverable in cash or kind	-	-	4.92	4.92
	-	-	6,091.49	6,116.49
	4,294.03	**5,717.34**	**105.48**	**217.63**

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.

* Loan to a body corporate secured against property, plant and equipment and receivables.

Includes loans given to related party Rs 739.32 Lakhs (31 March 2018: Rs 764.32 Lakhs), refer note 37

** money receivable from a subsidiary company on implementation of scheme of arrangement (refer note no. 39).

9 Other - financial assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good				
Receivable from related parties (refer note 37)				
Rent and other receivable	-	-	48.45	16.49
Income accrued but not billed	-	-	10.21	2.45
Dividend receivable from foreign subsidiary company	-	-	535.76	-
Receivable from others				
Interest accrued on fixed deposits	-	-	13.76	12.08
Interest accrued on inter-corporate loan	-	-	33.45	31.42
Interest accrued on loan to employees	-	-	0.01	-
Rent and other receivables	-	-	2.60	10.17
Income accrued but not billed	-	-	2,344.82	2,465.17
Fixed deposits with remaining maturity of more than 12 months (Refer note 12 for fixed deposit pledged with bank)	55.15	9.19	-	-
	55.15	9.19	2,989.06	2,537.78
Unsecured, considered doubtful				
Interest accrued on inter-corporate loans to a related party (refer note 37)	-	-	20.38	20.38
Rent and other receivables - from related parties (refer note 37)	-	-	140.92	96.73
Rent and other receivables - from others	-	-	22.22	22.23
	-	-	183.52	139.34
Allowances for doubtful				
Interest accrued on inter-corporate loans to a related party (refer note 37)	-	-	20.38	20.38
Rent and other receivables - from related parties (refer note 37)	-	-	140.92	96.73
Rent and other receivables - from others	-	-	22.22	22.23
	-	-	183.52	139.34
	55.15	**9.19**	**2,989.06**	**2,537.78**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

10 Trade receivables

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Trade receivables from others	6,820.74	4,000.09
Trade Receivables from related parties (refer note 37)	4,761.33	4,619.03
Less: Provision for Credit Impaired	(4,814.30)	(4,954.34)
	6,767.77	**3,664.78**
Secured, considered good	-	-
Unsecured, considered good	6,767.77	3,664.78
Unsecured, Credit Impaired*	4,814.30	4,954.34
	11,582.07	8,619.12
Provision for Credit Impaired	(4,814.30)	(4,954.34)
	6,767.77	**3,664.78**

* Including Rs. 3,336.86 Lakhs (Rs. 3681.71 Lakhs As on 31 March, 2018) from related parties.

11 Cash and cash equivalents

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Balance with banks :		
On current accounts	884.54	771.37
Cash on hand	2.27	1.00
Deposits with original maturity of less than three months*	241.65	751.53
	1,128.46	**1,523.90**

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 Nil (31 March 2018 : Rs. 125 Lakhs) 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 Company, 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 2019	As at 31 March 2018
Unclaimed dividend accounts	33.54	45.97
Fixed deposits with remaining maturity for less than 12 months *	2,319.83	1,634.33
Fixed deposits #	-	75.00
Fixed deposits with remaining maturity of more than 12 months	55.15	9.19
	2,408.52	1,764.49
Amount disclosed under other non current financial assets (refer note 9)	(55.15)	(9.19)
	2,353.37	**1,755.30**

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. 985.61 Lakhs (31 March 2018: Rs.1,042.12 Lakhs) pledged with bank/government authorities.

The Company has pledged its fixed deposit of Nil (31st March 2018 :Rs 75.00 lakhs) in respect of the bank guarantee taken by a step down subsidiary company.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

13 Non current tax assets (Net)

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Advance income-tax (net of provision for taxation)	3,372.96	2,281.03
	3,372.96	**2,281.03**

14 Other assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Prepaid expenses	4.08	5.51	255.00	76.77
Prepaid rent to related party (Refer note 37)	1.13	7.90	6.77	6.77
Prepaid rent	4.75	5.91	0.13	0.94
Balances with statutory / government authorities*	124.77	125.00	513.13	155.90
Advance to suppliers/ service providers	-	-	117.18	52.77
	134.73	**144.32**	**892.21**	**293.15**

* includes Rs 20 Lakhs (31 March 2018 : Rs 20 Lakhs) deposited under protest with excise authorities, Rs. 86 Lakhs (31 March 2018 : Rs. 86 Lakhs) deposited under protest with service tax authorities and Rs 4.74 Lakhs (31 march 2018: Rs 4.74 Lakhs) deposited under protest with sales tax authorities by the company.

15. 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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment's and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(318.73)	(166.31)	(318.73)	(166.31)
Investment at fair value through profit or loss	-	-	-	(9.56)	-	(9.56)
Other financial liabilities at fair value	-	-	-	(0.99)	-	(0.99)
Loans at fair value	-	0.96	-	-	-	0.96
Other financial assets at fair value	-	18.88	-	-	-	18.88
Provisions for Impaired Credit	463.51	378.59	-	-	463.51	378.59
Provisions-employee benefits	144.67	173.44	-	-	144.67	173.44
Business Losses including Unabsorbed Depreciation	807.89				807.89	
Other items	82.63	26.54	-	-	82.63	26.54
Deferred tax assets/ (liabilities)	**1,498.70**	**598.41**	**(318.73)**	**(176.86)**	**1,179.97**	**421.55**
MAT credit receivable	58.49	58.49	-	-	58.49	58.49
Net deferred tax assets/ (liabilities)	**1,557.19**	**656.90**	**(318.73)**	**(176.86)**	**1,238.46**	**480.04**

B. Movement in temporary differences

(Amount in Rs. Lakhs)

	As at 01 April 2017	Transfer pursuant to scheme of Arrangement (Refer note no. 39)	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	As at 31 March 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	As at 31 March 2019
	(A)	(B)	(C)	(D)	(E=A-B+C+D)	(F)	(G)	(H=D-E+F+G)
Property, plant and equipment's and intangible assets	-	(191.41)	25.10	-	(166.31)	(152.42)	-	(318.73)
Investment at fair value through profit or loss	-	(30.55)	20.99	-	(9.56)	9.56	-	-
Other financial liabilities at fair value	-	-	(0.99)	-	(0.99)	0.99	-	-
Loans at fair value	-	-	0.96	-	0.96	(0.96)	-	-
Other financial assets at fair value	-	-	18.88	-	18.88	(18.88)	-	-
Provisions for Impaired Credit	-	321.19	57.40	-	378.59	84.92	-	463.51
Provisions-employee benefits	-	175.99	(2.55)	-	173.44	(28.77)	-	144.67
Business Losses including Unabsorbed Depreciation	-		-			807.89		807.89
Other items	-	8.68	22.35	(3.32)	26.54	57.78	0.96	82.63
	-	283.90	142.14	(3.32)	421.55	760.11	0.96	1,179.97

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Disclosed in the balance sheet as follows:	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	1,238.46	480.04
Deferred tax liabilities	-	-
Deferred tax assets (net)	**1,238.46**	**480.04**

(Amount in Rs. Lakhs)

Disclosed in the statement of profit and loss as follows:	For the year ended on 31 March 2019	For the year ended on 31 March 2018
Tax income/(expense) during the year	760.11	142.14
Deferred tax impact OCI	(0.96)	3.32
Total	**759.15**	**145.46**

- The Company offsets deferred tax assets and deferred tax liabilities if and only if it relate to income taxes levied by the same tax authority.

C. Unrecognised deferred tax assets

Particulars	As at 31 March 2019	Expiry date	As at 31 March 2018	Expiry date
Deferred tax assets				
Loss from business	1,559.11	31 March 2020 to 31 March 2020	2,442.43	31 March 2019 to 31 March 2026
Unabsorbed depreciation	-	Carried forward indefinitely	2,611.01	Carried forward indefinitely
Long term capital losses	2,689.75	31 March 2020 to 31 March 2026	3,715.12	31 March 2019 to 31 March 2026
Provision for bad and doubtful debts	3,331.71		3,827.90	
Employee Benefits	-		90.58	
Fair value of financial liabilities	-		19.69	
Deferred tax liabilities				
Related to depreciation of fixed assets	-		(278.73)	
Fair value of financial assets	-		(18.77)	
Total	**7,580.57**		**12,409.23**	
Potential tax benefit	**2,108.92**		**3,226.40**	

16 Equity share capital

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Authorized		
413,500,000 (01 April, 2017: 330,000,000) equity shares of Rs. 3 each	12,405.00	9,900.00
Add: Nil (31 March 2018: 83,500,000)equity shares of Rs. 3 each Pursuant to Scheme of Arrangement (refer note 39)	-	2,505.00
413,500,000 (31 March 2018: 413,500,000) equity shares of Rs. 3 each	12,405.00	12,405.00
Issued, subscribed and fully paid-up		
227,863,982 (31 March 2018: 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 26,067,843 (31 March 2018 :26,114,193) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer note 44)	782.04	783.43
Add: Estimated shares to be issued pursuant to Scheme of Arrangement (face value of 34,080 (31 March 2018: 34,080) shares (refer note 39)	1.02	1.02
	6,054.90	6,053.51

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

	Nos.	Amount
Outstanding at the end of the year as at 01 April, 2017	227,863,982	6,835.92
Estimated share to be issued pursuant to the Scheme of arrangement (refer note 39)	34,080	1.02
Outstanding at the end of the year as at 31 March, 2018	227,898,062	6,836.94
Outstanding at the end of the year as at 31 March, 2019	227,898,062	6,836.94

(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 2019	As at 31 March 2018
Spice Connect Private Limited		
169,447,570 (31 March 2018: 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 2019		As at 31 March 2018	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 3 each fully paid				
Spice Connect Private Limited	**169,447,570**	**74.35%**	169,447,570	74.35%
Mediatek India Technology Private Limited	**19,368,439**	**8.50%**	19,368,439	8.50%
Independent Non Promoter Trust	**15,912,776**	**6.98%**	15,912,776	6.98%

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.

16A Other equity

(Amount in Rs. lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Capital redemption reserve	306.66	306.66
General reserve	6,101.11	6,101.11
Capital reserve	429.48	429.48
Retained earnings	17,773.54	17,090.46
Trust shares (refer note 44)	161.19	142.57
Share Based Payment Reserve	449.42	-
Other Comprehensive Income	2.93	6.32
	25,224.33	**24,076.60**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
a) 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**
b) Capital Redemption Reserve		
Balance as per the last financial statements	6,101.11	5,143.32
Add: Created during the year	-	957.79
Closing Balance	**6,101.11**	**6,101.11**
c) Capital reserve		
Balance as per the last financial statements	429.48	-
Add: Addition pursuant to Scheme of Arrangement (refer note 39)	-	429.48
Closing Balance	**429.48**	**429.48**
d) Retained earnings		
Balance as per the last financial statements	**17,090.46**	-
Add: Addition pursuant to Scheme of Arrangement (refer note 39)	-	**24,024.03**
Add: Profit/(loss) during the year	796.89	(6,933.57)
Add: ESOP Outstanding (refer note 40)	(113.81)	-
- Actuarial Gain/(loss)		-
Remeasurement gain/(loss) on defined benefit plan, net of tax impact (from OCI)		
Closing Balance	**17,773.54**	**17,090.46**
e) Trust shares (refer note 44)		
Opening balance	142.57	(3,014.49)
Add: Adjustments relating to sale of shares by Trust	18.62	3,157.06
Closing Balance	**161.19**	**142.57**
f) Share Based Payment Reserve		
Opening balance	-	-
Add: Share based payment to employees of the Group	449.42	-
Closing Balance	**449.42**	**-**
g) Other Comprehensive Income		
Remeasurement gain/(loss) on defined benefit plan, net of tax impact (from OCI)		
Balance as per the last financial statements	6.32	-
Add: Addition/(Deletion) during the year	(3.39)	6.32
Closing Balance	2.93	6.32
Total other equity	**25,224.33**	**24,076.60**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

17 Borrowings

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Secured				
Bill discounting facility from a bank (secured) (repayable on demand) $	-	-	1,936.57	1,667.86
Limit from a bank (repayable on demand) #	-	-	385.72	-
Loan from Bank *			53.85	-
	-	**-**	**2,376.14**	**1,667.86**

$ The bill discounting facility from a bank is secured by first and exclusive charge on current assets of the Company, both present and future and are further secured by land and building situated in Dehradun. Further, lien is marked on fixed deposits with bank to extent of 15% of bill discounting outstanding amount. The facility carries interest at MCLR plus 1.10% (31 March 2018: MCLR plus 1.10%).

#The bank limit is 100% secured against fixed deposits.

* secured against the asset of the company and carries interest at 9%.

18 Trade payables

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Trade payables		
-Due to Micro and Small Enterprises (refer note no 47)	3.64	-
-Due to Other than Micro and Small Enterprises	4,882.91	2,391.67
Trade payable to related parties (refer note 37)	542.02	416.48
	5,428.57	**2,808.15**

19 Other financial liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
At amortised cost				
Security deposits	43.83	61.05	-	-
Unpaid dividends	-	-	33.54	45.97
Payable towards capital goods	-	-	-	35.61
Employee related liabilities (includes salary payable and variable compensation)				
- to related parties (refer note 37)	-	-	29.06	22.63
- to other employees	-	-	709.62	584.60
	43.83	**61.05**	**772.22**	**688.81**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

20 Provisions

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefit				
Gratuity	306.59	306.44	41.44	40.91
Compensated absences	187.62	147.87	27.67	31.70
Provision for liability payout of step down subsidiary Company*	-	-	160.00	600.00
	494.21	**454.31**	**229.11**	**672.61**

* Refer note no. 36 D and 37.

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Movement of other provision:		
At the beginning of the year	600.00	3,350.00
Reversed during the year	-	(400.00)
Paid during the year	(600.00)	(2,950.00)
Created during the year	160.00	600.00
At the end of the year	**160.00**	**600.00**

21 Other liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Rent received in advance	16.72	10.89	1.97	6.95
Employee statutory deductions	-	-	35.35	39.55
TDS payable	-	-	115.51	30.63
Indirect taxes and duties payable	-	-	94.85	1.78
Others	-	-	1.50	52.09
	16.72	**10.89**	**249.18**	**131.00**

22 Revenue from services

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Sale of hardware and software solution	1,748.36	544.80
Sales/rendering of services	13,915.59	13,840.04
Total revenue from operations	**15,663.95**	**14,384.84**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

23 Other income

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Interest on		
Income tax refund	121.92	23.28
Bank deposits	182.53	92.15
Loans	39.41	64.66
Others	1.12	10.05
Rental Income	300.05	510.23
Net gain on foreign currency transactions and translations	98.41	-
Dividend from foreign subsidiary company	669.70	-
Profit on sale of investment in an associates	-	330.78
Unclaimed balances written back (net)	63.95	22.93
Fair value gain on financial instruments at fair value through profit or loss	14.30	28.23
Maintenance charges recovery	55.11	70.69
Miscellaneous income	15.92	32.14
	1,562.42	**1,185.14**

24 Cost of goods and services procured

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Goods and services procured	**1,389.50**	461.74
	1,389.50	**461.74**

25 (Increase) / Decrease in inventories of procured goods

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Inventories at the end of the year		
Goods and services procured	-	-
Inventories at the beginning of the year		
Goods and services procured	-	39.29
	-	**39.29**

26 Cost of services rendered

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Value added service charges	**6,585.02**	6,587.01
	6,585.02	**6,587.01**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

27 Employee benefit expenses

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Salaries, wages and bonus	4,231.76	4,255.00
Contribution to provident and other funds	238.90	268.77
Gratuity expense (refer note 35)	89.51	95.25
Staff welfare expenses	156.01	160.24
Employee ESOP Compensation (refer note 40)	298.52	-
	5,014.70	4,779.26
Less: Capitalized as intangible assets	44.98	203.75
	4,969.72	**4,575.51**

28 Finance cost

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Interest Cost	7.57	13.08
Bill discounting charges	178.51	156.19
	186.08	**169.27**

29 Depreciation and amortization expense

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Depreciation on property, plant and equipment (refer note 3)	637.51	645.25
Amortization on intangible assets (refer note 5)	156.24	153.10
Depreciation on investment property (refer note 4)	100.38	135.75
	894.13	**934.10**

30 Other expenses

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Net Loss on foreign currency transactions and translations	-	88.63
Rent	387.71	355.32
Rates and taxes	41.14	77.59
Insurance	32.93	29.26
Repairs and maintenance		
-Buildings	33.34	64.07
-Others	154.51	188.44
Advertising and sales promotion	54.66	55.49
Net loss on disposal of plant, property and equipment's	4.22	7.58
Travelling and conveyance	854.96	824.53
Legal and professional fees	566.08	1,154.19
Payment to statutory auditors (refer note A below)	86.48	61.37
Corporate social responsibility expenses (refer note B below)	36.00	128.00
Communication cost	246.96	227.72
Electricity charges	212.41	215.93

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Security and housekeeping expenses	93.79	83.90
Provision for doubtful advances	-	400.01
Provision for Impaired Credits	209.96	337.25
Irrecoverable balances written off	-	356.00
Donation and contributions to charitable institutions	0.50	-
Miscellaneous expenses	159.15	209.38
	3,174.80	4,864.66
Less: Expense capitalized as intangible assets	21.49	51.41
	3,153.31	**4,813.25**

A. Payment to Statutory Auditors

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
As auditor:*		
Statutory audit fee	11.84	11.80
Tax audit fee	4.16	2.32
Limited reviews	12.95	20.12
Other services	56.41	21.08
Reimbursement of expenses	1.12	6.05
	86.48	**61.37**

* Includes paid to erstwhile auditor amounting to Rs 52.28 Lakhs (31 March 2018: Rs 61.37 Lakhs).

* Includes fee paid to auditors of amalgamating companies and DTS business of Spice Digital Limited.

B. Details of CSR expenditure*

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
a. Gross amount required to be spent by the Company during the year	-	30.88
b. Amount spent during the year ending :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	36.00	128.00
ii) On purposes other than (i) above yet to be paid	-	-

* relating to Spice Digital Limited, the DTS business of which has been merged into the company

31 Exceptional items

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Provision for liability payout of subsidiary	(160.00)	(600.00)
Provision made/(reversed) for doubtful loans, debts and advances of subsidiary Companies	330.82	(5,709.47)
Bad debts and advances written off	-	(325.99)
Loss on sale of investment property	-	(380.00)
Provision made/(reversed) for impairment in the value of long term investments/share application money to a subsidiary company	-	400.00
Profit on sale of shares to subsidiary company	-	1,713.88
Provision for diminution in the value of Investments/(written back)		30.00
	170.82	**(4,871.58)**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

32 Items of other comprehensive income that will not be reclassified to profit and loss

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Remeasurement gain of defined benefit plan	(4.35)	9.64
Deferred tax impact	0.96	(3.32)
Total items that will not be reclassified to Profit and Loss	**(3.39)**	**6.32**

33 Income Tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

A. Amount recognised in profit and loss:

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Current income tax:		
Current income tax charge	235.90	174.11
Adjustment in respect of current tax of previous year	(53.25)	19.83
Deferred tax		
Relating to origination and reversal of temporary differences	(760.11)	(142.14)
Income tax expense reported in the statement of profit or loss	**(577.46)**	**51.80**
Deferred tax impact on component of other comprehensive income (OCI)		
Remeasurement of defined benefit obligations	0.96	(3.32)
Total income tax benefit recognized in other comprehensive income	**0.96**	**(3.32)**

B. Reconciliation of effective tax rate

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Profit/(loss) before tax	**219.43**	**(6,881.77)**
Tax using the Company's domestic tax rate (C.Y. 27.82% and PY 29.12%)	61.05	(2,003.97)
Adjustments in respect of current income tax of previous years	(53.25)	19.83
Permanent difference related to Provision for doubtful Advances	(40.57)	1,770.04
Other Permanent differences	2.42	(22.74)
Foreign withholding taxes expensed off	235.91	69.51
Rate difference on capital gain arise on sale of investment	-	(59.16)
Changes in estimates related to prior years	-	43.62
Recognition of tax effect of previously unrecognised unabsorbed depreciation*	(807.89)	-
Deferred tax Assets on others due to change in reasonable certainty*	31.94	-
Unrecognised tax losses	-	173.24
Others	(7.07)	61.43
Total Tax	**(577.46)**	**51.80**

*The company has recognised deferred tax asset on certain items due to reasonable certainty in realisation of these deferred tax assets in view of improved business plan as implementation of scheme of arrangement resulting increase in profitability.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

34 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(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 profit/(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 Mar 2019	For the year ended 31 Mar 2018
Profit/(Loss) attributable to equity holders of the Company:		
Profit/(loss) for the year	**796.89**	**(6,933.57)**
Profit/(Loss) attributable to equity holders of the Company	**796.89**	**(6,933.57)**
Weighted average (net) number of equity shares in calculating basic and diluted EPS	**227,898,062**	**227,898,062**
Earnings per share		
Basic, computed on the basis of profit/(loss) from operations attributable to equity holders of the Company	**0.35**	**(3.04)**
Diluted, computed on the basis of profit/(loss) from operations attributable to equity holders of the Company	0.35	(3.04)

35 Employee Benefit

A. Defined Contribution Plan

During the year, the company has recognised the following amounts in statement of Profit & Loss:

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Employer's contribution to provident and other fund	238.90	268.77
Total	**238.90**	**268.77**

B. Defined Benefit Plan

The Company 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 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:

(i). Liability for defined benefit obligation as at Balance sheet date:

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Gratuity plan	348.03	347.35
Total	**348.03**	**347.35**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(ii). Components of defined benefit cost recognised in the statement of profit and loss under Employee benefit Expense:

(Amount in Rs. Lakhs)

	Gratuity	
	For the year ended 31 Mar 2019	**For the year ended 31 Mar 2018**
Current service cost	62.59	70.88
Interest cost on benefit obligation	26.92	20.52
Past service cost including curtailment losses	-	3.85
Net benefit expense	**89.51**	**95.25**

(iii). Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs. Lakhs)

	Gratuity	
	FY 2018-19	**FY 2017-18**
Opening defined benefit obligation	347.35	25.42
Transfer pursuant to scheme of Arrangement (refer note 39)	-	291.85
Past service cost	2.01	(3.91)
Current service cost	62.59	70.88
Interest cost	26.92	20.52
Actuarial loss arising from change in demographic Assumption	-	3.85
Expenses Recognised in Profit and loss statement	89.51	95.25
Benefits paid	(95.19)	(51.62)
Actuarial (gain)/loss arising from change in financial assumption	0.29	(1.47)
Actuarial (gain)/loss arising from experience adjustment	4.06	(8.17)
Total Change in defined benefit obligation due to change in actuarial losses/(gains) recognised in OCI	4.35	(9.64)
Closing defined benefit obligation	**348.03**	**347.35**

(iv). The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at 31 March 2019	**As at 31 March 2018**
Discount rate	7.66%-7.80%	7.80%
Future salary increase	8.00%	8.00%
Retirement age	58 Years	58 Years
Employee turnover		
- Upto 30 years	4% to 15%	4% to 15%
- 31-44 years	4% to 15%	4% to 15%
- Above 44 years	1% to 15%	1% to 15%
Mortality rate	100% of IALM	

(v). A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

(Amount in Rs. Lakhs)

	As at 31 March 2019 Discount Rate		**As at 31 March 2019 Future Salary Increase**	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(10.05)	10.61	9.85	(9.48)

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(vi). 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	(10.34)	10.92	9.90	(9.53)

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.

(vii). The following payments are expected contributions to the defined benefit plan in future years:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2019	As at 31 March 2018
Within the next 12 months (next annual reporting period)	42.33	41.46
Between 2-5 Years	160.28	129.39
Between 5-10 years	58.39	76.20
Beyond 10 years	87.03	100.30
Total expected payments	**348.03**	**347.35**

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 to 26 years (31 March 2018: 2 to 26 years).

36. Commitments and contingencies

A. Leases

Operating lease commitments — Company as lessee

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 Company has recognised as rent expenses of Rs.387.71 Lakhs (31 March 2018 Rs. 355.32 Lakhs) under other expenses head.

During the previous 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 as rent expenses of Rs. 13.70 lakh for the year ended 31 March 2019 (31 March 2018: Rs 0.96 Lakhs).

The total of future minimum lease payments under the non cancellable operating leases is as under:

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Within one year	13.70	13.70
After one year but not more than five years	12.75	26.45
More than five years	-	-
	26.45	**40.15**

Operating lease commitments – Company as lessor

The Company 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 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 for one year and are cancellable after the lock in period by either party by serving a notice of atleast 3 months.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

The Company had entered into operating leases on its office buildings situated at Mumbai (Jogeshwari). 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 current year the lease term has expired.

The Company has recognised rent income under the head of other income as follows:

(Amount in Rs. Lakhs)

	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Rent received during the year	300.05	510.23

B. Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 10.98 Lakhs (31 March 2018: Rs. 34.87 Lakhs).

C. Contingent liabilities

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Demands and claims from government authorities		
1. Demand from excise/ service tax authorities		
a) Demand raised by the excise authorities. The Company has deposited Rs 20 Lakhs (31 March 2018 Rs 20 Lakhs) under protest which is appearing in note no. 14 under balances with statutory/ government authorities	662.63	662.63
b) Demand (includes penalty Rs 324.46 Lakhs (31 March 2018: Rs 324.46 Lakhs)) in respect of non charging the service tax on the short messaging peer-to-peer service. The company has deposited Rs 86 Lakhs (31 March 2018 Rs 86 Lakhs) under protest which is appearing in note no. 14 under balances with statutory/ government authorities.	1,293.95	1,235.55
c) Demand Includes penalty Rs 56.96 Lakhs (31 March 2018: Rs 66.96 Lakhs)in respect of non-registration of corporate office as a input service distributor and availment of input service CENVAT credit.	202.77	332.91
d) Demand in respect of wrong cenvat taken from dealer mentioning non PAN based registration.	-	1.50
2. Demands raised by sales tax authorities		
Sales tax demands being disputed by the Company. The Company has deposited Rs 4.74 Lakhs (31 March 2018 Rs 4.74 Lakhs) under protest which is appearing in note no. 14 under balances with statutory/ government authorities.	-	47.44
3. Demands raised by income tax authorities		
Income Tax Demands being disputed by the Company. During the previous year matter pertaining to enhancement of income by Rs. 685.42 Lakhs relating to Assessment Year 2011-12 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. (The company has deposited Rs 60 lakhs, and Rs 395.63 lakhs adjusted against the outstanding refund)	653.95	672.31
	2,813.30	**2,952.34**

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.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

D. Financial/Performance guarantees

a) The Company has given corporate guarantee of Nil (31 March 2018: Rs 1,000 Lakhs) and pledged fixed deposits of Nil (31 March 2018: Rs 200 Lakhs) in respect of bill discounting/bank guarantee/overdraft facility taken by a step down subsidiaries Hotspot Sales & Solutions Private Limited/Spice Online Private Limited (step down subsidiaries till 12 February 2018). The Company is jointly and severally liable in case of default by step down subsidiary companies. Step down Subsidiary companies have total outstanding obligation of Rs. 600 lakhs as on 31 March, 2018. The Company has fully provided possible obligation against said outstanding during previous year. However, during the year, the company has discharged obligation of step down subsidiary companies of Rs. 600 lakhs. The Company has further provided for Rs. 160 Lakhs during the year towards expected liability against the net obligation of a step down subsidiary Company.

b) The Company has pledged its fixed deposit of Rs. 307.82 Lakhs (31 March 2018 : Rs. 317.47 Lakhs) against issuance of bank guarantees of Rs. 856.74 Lakhs (31 March 2018 : Rs. 546.07 Lakhs). Bank guarantees are further secured by industrial property of the Company in Dehradun.

37. 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 and Solutions Limited Hindustan Retail Private Limited Kimaan Exports Private Limited Cellucom Retail India Private Limited Spice Online Private Limited (till 12 February 2018) Hotspot Sales & Solutions Private Limited (till 12 February 2018) Omniventures Private Limited (till 12 February 2018) S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.) Spice VAS (Africa) Pte. Ltd. Digispice Nigeria Limited (formerly known as "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 Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (till 06 February 2019) Spice VAS Tanzania Limited Spice Digital Bangladesh Limited PT Spice Digital Indonesia Limited Omnia Pte. Ltd SVA (Mauritius) Pvt. Limited (formerly known as Spice (Mauritius) Pvt. Limited Spice VAS RDC Limited Spice Digital FZCO Fast Track IT Solutions Limited (wef 27th November 2018) Luharia Technologies Private Limited (w.e.f 01 January 2018 till 25th Jul 2018) Digispice Nepal Pvt. Limited (w.e.f 21 January 2019)

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

Fellow subsidiaries	Smart Entertainment Private Limited Wall Street Finance Limited Smart value Ventures Private Limited (Ceased w.e.f. 19th July 2017) 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. Shrenik M Khasgiwala (Non Executive Director, w.e.f 17th May 2018) Ms. Rashmi Aggarwal (Independent Director w.e.f 2nd November 2018) Mr. Suman Ghosh Hazra (Independent Director) Mr. Hanif Mohamed Dahya (Independent Director) (upto 7th feb 2019) Ms. Jayashree Vaidhyanthan (Independent Director) (w.e.f. 17th May 2018 till 12th August 2018) Ms. Preeti Malhotra-Director(till 21.02.2018) Ms. Preeti Das- Chief Executive Officer (w.e.f 02 November 2018) Mr. Madhusudan V.- Chief Financial Officer (till 04 December 2018) Mr. Rajneesh Arora- Chief Financial Officer (w.e.f 07 December 2018) Mr. M R Bothra- Vice President- Corporate Affairs and Company Secretary
Associates and joint venture of the Company	Creative Function Apps Labs Private Limited, an associate of the company Adgyde Solutions Private Limited, a joint venture of the company (Ceased w.e.f 25th Oct 2018) Sunstone Learning Private Limited, an associate of the company Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (w.e.f. 07 February 2019), an associate of the company
Other Related parties with whom transactions have taken place during the year	Momagic Technologies Private Limited (till 25th October 2018) S Global Innovation Centre Pte Ltd Laniakea Holdings (Proprietor - Shrenik H Khasgiwala)

Details of transaction with related parties

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Revenue from services		1,765.46		1,727.80
PT Spice Digital Indonesia Limited	-		229.05	
Omnia Pte. Ltd	759.13		512.89	
S Global Services Pte. Ltd	84.93		0.77	
Spice Digital Bangladesh Limited	11.16		13.79	
Spice Digital Limited	84.00		328.18	
New Spice Sales & Solutions Limited	-		1.10	
Hotspot Sales & Solutions Private Limited	-		11.41	
Momagic Technologies Private Limited	-		13.37	
Spice Digital FZCO	52.33		-	
Spice VAS Kenya Limited	360.98		182.54	
Spice VAS Ghana Limited	-		425.25	
Spice VAS (Africa) Pte. Ltd.	412.93		9.45	

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Remuneration #		210.47		98.14
Ms. Preeti Das	62.08		-	
Mr. Madhusudan V.	62.49		59.88	
Mr. Rajneesh Arora	81.12		-	
Mr. M R Bothra	54.78		38.26	
Director sitting Fees*		16.18		17.09
Mr. Umang Das	6.32		7.42	
Mr. Suman Ghosh Hazra	9.11		9.42	
Ms. Rashmi Aggarwal	0.75		-	
Mr. Hanif Mohamed Dahya	-		0.25	
*excluding Service Tax/GST.				
Security received		-		7.80
Smart Dreams Private Limited	-		4.80	
Omniventures Private Limited	-		3.00	
Security paid		-		3.00
Omniventures Private Limited	-		3.00	
Cost of services rendered		109.62		173.80
S Global Services Pte. Ltd	109.62		155.80	
New Spice Sales & Solutions Limited	-		18.00	
Commission Expenses		0.78		4.48
Spice Digital Limited	0.78		4.48	
Miscellaneous Expenses		0.91		2.84
Wall Street Finance Limited	0.91		2.84	
Rent Income		151.73		145.49
Spice Connect Private Limited	10.25		10.08	
Hotspot Sales & Solutions Private Limited	-		78.64	
Spice Digital Limited	121.31		37.58	
Smart Dreams Private Limited	20.16		19.20	
Rent Expenses		302.54		301.71
Kimaan Exports Private Limited	302.54		301.71	
Dividend Income		669.70		-
Spice Digital Bangladesh Limited	669.70		-	
Business promotion expenses		-		8.46
Spice VAS (Africa) Pte. Ltd.	-		8.46	
Management Fees		-		496.35
Spice Connect Private Limited	-		496.35	

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Legal & Professional Fees		26.08		-
Laniakea Holdings (Proprietor - Shrenik H Khasgiwala)	26.08		-	
Reimbursement of Expenses (recovered)		270.38		252.20
Omnia Pte. Ltd	246.56		223.04	
Spice Digital Limited	23.82		2.29	
New Spice Sales & Solutions Limited	-		2.81	
Spice Digital Bangladesh Limited	-		11.00	
Hotspot Sales & Solutions Private Limited	-		13.06	
Reimbursement of Expenses (provided)		38.84		238.84
Spice Connect Private Limited	6.41		2.54	
Hindustan Retail Private Limited	4.21		-	
Cellucom Retail India Private Limited	14.29		-	
Wall Street Finance Limited	11.49		21.62	
New Spice Sales & Solutions Limited	-		0.60	
Mr. Hanif Mohamed Dahya	2.45		1.30	
Hotspot Sales & Solutions Private Limited	-		212.78	
Advance received against services		92.05		-
Spice VAS (Africa) Pte. Ltd.	92.05		-	
Provision for financial guarantee given to a subsidiary		-		(400.00)
New Spice Sales & Solutions Limited	-		(400.00)	
Amount received against sale of investment		-		5,334.65
Spice Digital Limited	-		5,334.65	
Shares sold of subsidiary Company		-		6,276.00
Spice Digital Limited	-		6,276.00	
Investment in equity instruments		90.25		9,290.68
Hindustan Retail Private Limited	-		2,950.00	
Spice Digital Limited	90.25		2,881.83	
Doubtful debts and advances written off		-		325.99
New Spice Sales & Solutions Limited	-		233.49	
Hotspot Sales & Solutions Private Limited	-		92.50	
Provision made/(reversed) for doubtful debts, loans and other receivables		(330.82)		5,709.47
New Spice Sales & Solutions Limited	(324.32)		171.57	
Hindustan Retail Private Limited	(20.79)		592.76	
Cellucom Retail India Private Limited	14.29		-	
Spice Online Private Limited	-		22.07	
Hotspot Sales & Solutions Private Limited	-		4,923.07	

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Provision made for liability payout of subsidiary		160.00		-
New Spice Sales & Solutions Limited	160.00		-	
Loan given during the year		-		1,200.00
Hindustan Retail Private Limited	-		1,200.00	
Loan received back during the year		25.00		1,200.00
Hindustan Retail Private Limited	25.00		1,200.00	
Movement in money receivable on implementation of scheme		(1,408.38)		2,834.11
Spice Digital Limited	(1,408.38)		2,834.11	
(change during the approval process of scheme of arrangement)				
Advance received back during the year		125.08		-
S Global Services Pte Limited	125.08		-	
Outstanding Interest converted in loan during the year		-		505.28
Hotspot Sales & Solutions Private Limited	-		181.82	
New Spice Sales & Solutions Limited	-		26.06	
Hindustan Retail Private Limited	-		297.40	
Purchase of assets		-		0.60
Hotspot Sales & Solutions Private Limited	-		0.60	

(Amount in Rs. Lakhs)

Outstanding balances at the end of year/ period	As at 31 March 2019		As at 31 March 2018	
Receivables		4,761.33		4,619.03
New Spice Sales & Solutions Limited	3,336.86		3,681.71	
S Global Services Pte. Ltd	76.57		-	
Spice Digital Bangladesh Limited	712.97		671.52	
Spice Digital FZCO	53.82		-	
Spice VAS Kenya Limited	0.84		29.20	
Omnia Pte. Ltd	580.27		236.60	
Provision for doubtful receivables		**3,336.86**		**3,681.71**
New Spice Sales & Solutions Limited	3,336.86		3,681.71	
Hotspot Sales & Solutions Private Limited	-		-	
Payables		**542.02**		**416.49**
Spice Digital Limited	13.24		19.88	
Wall Street Finance Limited	-		0.93	
S Global Services Pte. Ltd	20.36		97.66	
New Spice Sales & Solutions Limited	-		2.41	

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Outstanding balances at the end of year/ period	As at 31 March 2019		As at 31 March 2018	
Spice VAS (Africa) Pte. Ltd.	6.18		6.72	
Spice VAS Ghana Limited	-		8.27	
Kimaan Exports Private Limited	499.54		219.48	
Laniakea Holdings (Proprietor - Shrenik H Khasgiwala)	2.70		-	
Spice Connect Private Limited	-		61.14	
Loans receivable		**739.32**		**764.32**
New Spice Sales & Solutions Limited	171.57		171.57	
Hindustan Retail Private Limited	567.75		592.75	
Money receivable		**3,851.63**		**5,260.01**
Spice Digital Limited	3,851.63		5,260.01	
Provision for doubtful loans		**739.32**		**764.32**
New Spice Sales & Solutions Limited	171.57		171.57	
Hindustan Retail Private Limited	567.75		592.75	
Other liability		**2.70**		**2.70**
Smart Global Corporate Holding Private Limited	2.70		2.70	
Unbilled revenue		**10.21**		**2.45**
S Global Services Pte. Ltd	7.80		0.20	
Spice Digital Bangladesh Limited	2.29		2.25	
Spice Digital FZCO	0.12		-	
Security deposits / rent advance (including rent received in advance)		**95.75**		**94.49**
Kimaan Exports Private Limited	95.75		94.49	
Provision for liability payout of subsidiary		**160.00**		**-**
New Spice Sales & Solutions Limited	160.00		-	
Provision for diminution in the value of investments / share application money		**42,438.00**		**42,438.00**
Hindustan Retail Private Limited	42,438.00		42,438.00	
Other Receivable		**189.36**		**113.23**
Smart Dreams Private Limited	28.68		6.91	
Spice Digital Limited	13.21		8.66	
New Spice Sales & Solutions Limited	122.42		96.73	
Hindustan Retail Private Limited	4.21		-	
Cellucom Retail India Private Limited	14.29		-	
Spice Connect Private Limited	6.53		0.91	
Spice Online Private Limited	0.02		0.02	
Advances recoverable		**-**		**125.08**
S Global Services Pte Limited	-		125.08	

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Outstanding balances at the end of year/ period	As at 31 March 2019		As at 31 March 2018	
Provision for doubtful other receivables		**140.92**		**96.73**
New Spice Sales & Solutions Limited	122.42		96.73	
Hindustan Retail Private Limited	4.21		-	
Cellucom Retail India Private Limited	14.29		-	
Interest receivable fully provided		**20.38**		**20.38**
New Spice Sales & Solutions Limited	20.38		20.38	
Dividend receivable		**535.76**		**-**
Spice Digital Bangladesh Limited	535.76		-	
Payables to KMP		**29.06**		**22.63**
Ms. Preeti Das	7.47		-	
Mr. Madhusudan V.	11.90		13.05	
Mr. Rajneesh Arora	4.57		-	
Mr. M R Bothra	5.12		9.58	

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Break up of remuneration				
- Short term employee benefits	220.04		112.71	
- Long term employee benefits	-		-	
- Other Long term employee benefits # *	7.16		-	
- Post employment benefits# **	13.82		2.52	

Remuneration to key managerial personnel as disclosed above does not include provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole and charge taken towards share based payments.

* Include payment made towards compensated absences of Rs. 7.16 Lakhs (31st March 2018: Nil) during the year against the provisions made in earlier years.

** Include payment made towards gratuity of Rs. 7.21 Lakhs (31st March 2018: Nil) during the year against the provisions made in earlier years.

Also refer note no. 36 D.

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.

The above details of related party transactions include related party transactions pertaining to amalgamating companies viz. Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited and the DTS business of Spice Digital Limited (which have been merged into SML) which were entered into by these companies. Accordingly, the current year details of related party transactions are consolidated transactions of the Company and these entities and the previous year figures have also been restated.

38. Segment information

Information about geographical areas

The board of directors of the Company which have been identified as being the chief operating decision maker (CODM), evaluate the Company's performance. Based on identical services the Company deals in, which have similar risks and rewards, the entire business has been considered as a single segment i.e. Digital Technology Services (DTS) which includes Technology services and Value Added Services, in terms of Ind AS-108 on segment reporting.

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.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

Secondary Segment Reporting (by Geographical Segments)

(Amount in Rs. Lakhs)

Geographical Segment	As at 31 March 2019	As at 31 March 2018
Revenue from the Domestic market	12,229.70	11,402.13
Revenue from the Overseas markets	3,434.25	2,982.71
Total Revenue	**15,663.95**	**14,384.84**

There are three major external customer where their individual revenue exceeds more than 10% of the entity's revenue.

All non current assets are situated in India as on 31 March, 2019 and 31 March, 2018.

39. Business combinations/ Scheme of Arrangement

Scheme of Arrangement

The Hon'ble National Company Law Tribunal, New Delhi, Principal Bench ("NCLT"), has approved the Scheme of Arrangement between Spice Mobility Limited and Spice Digital Limited and Spice IOT Solutions Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective shareholders and creditors ("Scheme") under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013. Necessary procedural formalities in this respect is under process. Pursuant to the said Scheme, the assets and liabilities of Digital Technology Services (DTS) Business of Spice Digital Limited and the amalgamating companies (Spice IOT Solutions Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited) were transferred to and vested with the Company with effect from the appointed date viz. April 01, 2017. DTS business undertaking of Spice Digital Limited and other amalgamating companies are engaged in the business of providing Technology services and Value Added Services. The amalgamation being a common control transaction has been accounted for under the 'pooling of interest' method as prescribed by the Ind AS 103 (Business Combinations). Accordingly, the Scheme of Arrangement has been given effect from appointed date April 01, 2017.

The Accounting Effect of this Amalgamation in the Financial Statements has been given as under:-

(a) The assets and liabilities of Digital Technology Services (DTS) Business of Spice Digital Limited and the amalgamating companies were transferred to and vested with the Company with effect from the appointed date viz. April 01, 2017.

(b) The amalgamation being a common control transaction has been accounted for under the 'pooling of interest' method as prescribed by the Ind AS 103 (Business Combinations)

(c) Paid share capital of the Amalgamating Companies to the extent held by their holding Companies as on the Appointed Date shall stand cancelled.

(d) Authorised share capital of the company has been increased by Rs. 2505 Lakhs (i.e. 83,500,000 equity shares of Rs. 3 each).

(e) Previous year figures have been restated by incorporating financial information of DTS Business of Spice Digital Limited extracted from audited financial statements audited by other auditor and audited financial statements of the amalgamating companies audited by respective auditors in previous year. Further above previous year figures have been regrouped and/ or rearranged wherever required to align with disclosure parameters of the Amalgamated Company.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

The values of the assets, liabilities, and Reserves incorporated as at Appointed Date (i.e.1st April, 2017) is as follows.

(a) Summary of Assets, Liabilities and Reserves Acquired

Summarised balance sheet as at 1st April 2017

(Amount in Rs. Lakhs)

Particulars	Digital Technology Services (DTS) Business of Spice Digital Limited	Spice Labs Private Limited	Spice IOT Solutions Limited	Mobisoc Technology Private Limited
Assets				
Non-current assets				
Property, plant and equipment	1,758.99	3.31		19.04
Capital work in progress	8.30			
Other intangible assets	265.71			10.75
Intangible assets under development	129.89			
Investment in associate and a joint venture	280.50			
Financial assets				
(i) Investments	7,811.71	129.00		
(ii) Loans	2,737.20	-		
(iii) Other financial assets	381.12			29.98
Deferred tax assets	264.03	2.57		66.43
Non current tax assets	-	11.62		210.81
Other assets	93.19			
Total non-current assets	**13,730.64**	**146.50**		**337.01**
Current assets				
Financial assets				
(i) Inventories	36.92			
(ii) Trade receivables	4,775.04	2.02		311.44
(iii) Cash and cash equivalents	930.71	31.67	0.82	25.17
(iv) Bank balance other than (iii) above	1,440.23	10.90		64.89
(v) Loans	5,153.60	310.10		420.50
(vi) Other financial assets	3,019.15	120.00		96.20
Other assets	169.30	26.79		22.84
Total current assets	**15,524.95**	**501.48**	**0.82**	**941.04**
Total assets (A)	**29,255.59**	**647.98**	**0.82**	**1,278.05**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Other financial liabilities	15.92			
Provisions	327.45	1.97		24.50
Other liabilities	3.14			
Total non-current liabilities	**346.51**	**1.97**	**-**	**24.50**
Current liabilities				
Financial liabilities				
(i) Borrowings	524.94			
(ii) Trade payables	2,035.04	17.95	-	147.10
(iii) Other financial liabilities	431.82	16.45		109.87
Provisions	57.33	0.15		22.86
Other liabilities	36.27	2.67		22.72
Total current liabilities	**3,085.40**	**37.22**	**-**	**302.55**
Total liabilities (B)	**3,431.91**	**39.19**	**-**	**327.05**

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

Particulars	Digital Technology Services (DTS) Business of Spice Digital Limited	Spice Labs Private Limited	Spice IOT Solutions Limited	Mobisoc Technology Private Limited
Reserve and Surplus				
- Retained Earning*	24,436.41	(396.21)	(0.18)	(50.00)
- General reserve	957.79	-	-	-
- Capital reserve**	429.48	-	-	-
Total Reserves (C)	**25,823.68**	**(396.21)**	**(0.18)**	**(50.00)**
Net Assets, Liabilities and Reserves Acquired as at 1st April 2017(A-B-C)	**0.00**	**1,005.00**	**1.00**	**1,001.00**

*Net of adjustment of Rs 34 lakhs on account of earlier provisions provided for investment made in DTS business of Spice Digital Limited.

**Capital reserve created on acquisition of DTS business from a subsidiary company i.e. Spice Digital Limited

(b) Share Capital (Rs) of the Amalgamating Companies (Stand Cancelled)

Share Capital as at 1st April 2017		1,005.00	1.00	1,001.00
New Shares Allotment as in Year 2017-18		-	-	-
New Shares Allotment as in Year 2018-19		-	-	-
Total Share Capital as at 31st March 2019	**-**	**1,005.00**	**1.00**	**1,001.00**

(c) Consideration (Investment in Amalgamating Companies)

Equity Share Investment held as at 1st April 2017		1,004.00	1.00	1,001.00
Equity Share Investment made in Year 2017-18				
Equity Share Investment made in Year 2018-19				
Total Consideration	**-**	**1,004.00**	**1.00**	**1,001.00**

40. Share-based payments

The Company has granted stock options under the SML Employees stock option Plan 2018 (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 21,381,000 options on September 18, 2018 and 3,439,000 options on February 05, 2019. 40%, 30% and 30% of total options granted would vest in after one year, two year and three year from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of Rs.3 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

The fair value of the options are estimated at the grant dates using Black and Scholes Model, taking into account the terms and conditions upon which the options were granted.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March 2019	
	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	-	-
Options granted under ESOP 2018*	24,820,000	13.25
Options exercised during the year	-	-
Options cancelled during the year	2,059,000	13.25
Options expired during the year	-	-
Options outstanding at the end of the year**	22,761,000	13.25
Options exercisable at the end of the year	22,761,000	13.25
Range of exercise price of outstanding options (₹)	13.25	
Remaining contractual life of outstanding options granted on September 18, 2018	3.47 years (40% vesting) 4.47 years (30% vesting) 5.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on February 05, 2019	3.85 years (40% vesting) 4.85 years (30% vesting) 5.85 years (30% vesting)	

* Includes 72,24,000 options granted to employees of Holding company (4,895,000 options) and subsidiary Companies (23,29,000 options).

*132,66,000 options granted to employees of amalgamated companies and DTS business of Spice digital limited has been merged with the company.

** Includes 71,59,000 options outstanding at the end of the year hold by employees of Holding company (4,895,000 options) and subsidiary companies (22,64,000 options).

**116,82,000 options outstanding of employees of amalgamated companies and DTS business of Spice digital limited has been merged with the company.

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	As at 31 March 2019	
Grant Date	18-09-2018	05-02-2019
No of options outstanding at the end of the year	19,322,000	3,439,000
Dividend yield (%)	-	-
Expected life	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.
Risk free interest rate (%)	8.06% (2.50 yrs.) 8.11% (3.50 yrs.) 8.23% (4.50 yrs.)	7.02% (2.50 yrs.) 7.27% (3.50 yrs.) 7.42% (4.50 yrs.)
Expected Volatility (%)	62.56%	69.49%
Market price on date of grant/re-pricing (₹)	13.25	9.70
Weighted Average Fair Value of option at grant date	6.73	4.43

41A. Fair value

Set out below, is a comparison by class of the carrying amounts and fair value category of the Company's financial instruments

(Amount in Rs. Lakhs)

	As at 31 March 2019			As at 31 March 2018		
Financial assets	**Carrying Value**	**FVTPL**	**Amortised cost**	**Carrying Value**	**FVTPL**	**Amortised cost**
Non current assets						
- Equity and other investment (excluding investment in subsidiaries, joint venture and associates)	42.58	42.58	-	40.46	40.46	-

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

	As at 31 March 2019			As at 31 March 2018		
Financial assets	**Carrying Value**	**FVTPL**	**Amortised cost**	**Carrying Value**	**FVTPL**	**Amortised cost**
- Loans and advances	4,294.03		4,294.03	5,717.34		5,717.34
- Other financial assets	55.15		55.15	9.19		9.19
Total non current assets	**4,391.76**	**42.58**	**4,349.18**	**5,766.99**	**40.46**	**5,726.53**
Current assets						
- Current investment	239.30	239.30	-	-	-	-
- Trade receivables	6,767.77		6,767.77	3,664.78		3,664.78
- Cash and cash equivalents	1,128.46		1,128.46	1,523.90		1,523.90
- Bank balances other than above	2,353.37		2,353.37	1,755.30		1,755.30
- Loans and advances	105.48		105.48	217.63		217.63
- Other financial assets	2,989.06		2,989.06	2,537.78		2,537.78
Total current assets	**13,583.44**	**239.30**	**13,344.14**	**9,699.39**	**-**	**9,699.39**
Total financial assets	**17,975.20**	**281.88**	**17,693.32**	**15,466.38**	**40.46**	**15,425.92**
Financial liabilities						
Non current liabilities						
- Other financial liabilities	43.83		43.83	61.05		61.05
Total non current liabilities	**43.83**	**-**	**43.83**	**61.05**	**-**	**61.05**
Current liabilities						
- Borrowings	2,376.14		2,376.14	1,667.86		1,667.86
- Trade payables	5,428.57		5,428.57	2,808.15		2,808.15
- Other financial liabilities	772.22		772.22	688.81		688.81
Total current liabilities	**8,576.93**	**-**	**8,576.93**	**5,164.82**	**-**	**5,164.82**
Total financial liabilities	**8,620.76**	**-**	**8,620.76**	**5,225.87**	**-**	**5,225.87**

41 B. Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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:

- Borrowings are evaluated by the Company 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 Company'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 2019 was assessed.

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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 2019:

Fair value measurement using **(Amount in Rs. Lakhs)**

	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)	4,132.00	-	-	4,132.00
Non current assets				
- Equity and other investment (excluding investment in subsidiaries, joint venture and associates)	42.58	-	-	42.58
- Loans and advances	4,294.03	-	-	4,294.03
- Other financial assets	55.15	55.15	-	
Total non current assets				
Current assets				
- Current investment	239.30	-	239.30	-
- Trade receivables	6,767.77	-	-	6,767.77
- Cash and cash equivalents	1,128.46	1,128.46	-	-
- Bank balances other than above	2,353.37	2,353.37	-	-
- Loans and advances	105.48	-	-	105.48
- Other financial assets	2,989.06	-	-	2,989.06

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 2019:

(Amount in Rs. Lakhs)

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial labilities measured at fair value:				
- Other financial liabilities	43.83	-	-	43.83
Total non current liabilities				
Current liabilities				
- Borrowings	2,376.14	-	2,376.14	-
- Trade payables	5,428.57	-	-	5,428.57
- Other financial liabilities	772.22	-	-	772.22

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 2018:

Fair value measurement using **(Amount in Rs. Lakhs)**

	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)	4,277.50	-	-	4,277.50
Non current assets				

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for the year ended 31 March 2019

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
- Equity and other investment (excluding investment in subsidiaries, joint venture and associates)	40.46	-	-	40.46
- Loans and advances	5,717.34	-	-	5,717.34
- Other financial assets	9.19	9.19	-	-
Total non current assets		-	-	-
Current assets				
- Current investment	-	-	-	-
- Trade receivables	3,664.78	-	-	3,664.78
- Cash and cash equivalents	1,523.90	1,523.90	-	-
- Bank balances other than above	1,755.30	1,755.30	-	-
- Loans and advances	217.63	-	-	217.63
- Other financial assets	2,537.78	-	-	2,537.78

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:

(Amount in Rs. Lakhs)

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Financial liabilities measured at fair value:				
- Other financial liabilities	61.05	-	-	61.05
Current liabilities				
- Borrowings	1,667.86	-	1,667.86	-
- Trade payables	2,808.15	-	-	2,808.15
- Other financial liabilities	688.81	-	-	688.81

There have been no transfers between Level 1 and Level 2 during the year.

42. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company'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 Company also holds FVTPL investments and investment in subsidiary companies, associates and a joint venture measured at cost , unless otherwise as stated.

The Company is exposed to market risk, credit risk and liquidity risk. The senior management of the Company 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. The Company is not effected by commodity risk.

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

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.

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for the year ended 31 March 2019

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 2019 and 31 March 2018.

- 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 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 Company'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-19		
Rs. Lakhs	50	-12.10
Rs. Lakhs	-50	12.10
31-Mar-18		
Rs. Lakhs	50	-8.64
Rs. Lakhs	-50	8.64

Fair value sensitivity analysis for fixed-rate instruments:

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

- 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 exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AFN, SGD, NPR and BDT exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities . The Company'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-19	USD (US Dollar)	5%	30.46	30.46
		-5%	(30.46)	(30.46)
	SGD (Singapore Dollar)	5%	2.82	2.82
		-5%	(2.82)	(2.82)
	AFN (Afghanistan Afghani)	5%	14.78	14.78
		-5%	(14.78)	(14.78)
	NPR (Nepal Rupiah)	5%	12.49	12.49
		-5%	(12.49)	(12.49)
	BDT (Bangladeshi Taka)	5%	85.09	85.09

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(Amount in Rs. Lakhs)

		-5%	(85.09)	(85.09)
31-Mar-18	USD (US Dollar)	5%	5.06	5.06
		-5%	(5.06)	(5.06)
	SGD (Singapore Dollar)	5%	(4.88)	(4.88)
		-5%	4.88	4.88
	AFN (Afghanistan Afghani)	5%	16.98	16.98
		-5%	(16.98)	(16.98)
	NPR (Nepal Rupiah)	5%	7.22	7.22
		-5%	(7.22)	(7.22)
	BDT (Bangladeshi Taka)	5%	80.39	80.39
		-5%	(80.39)	(80.39)

- Equity price risk

The Company's listed and 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 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 Company operates in a service sector on revenue sharing model. There is downward revision of revenue shares frequently, as a result, the revenue of Company may reduce depending upon percentage decrease in revenue share of Company 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 Company 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 Company 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 information's.

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 2019:

(Amount in Rs. Lakhs)

In Rs. Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance	Credit-Impaired
Not Due	3,420.46	0%	9.67	Yes
1- 90 days	1,136.33	1%	14.54	Yes
91-180 days	955.08	4%	37.94	Yes
181-270 days	161.90	36%	58.03	Yes
271-360 days	135.36	56%	75.88	Yes
More than 360 days	5,772.94	80%	4,618.24	Yes
	11,582.07		**4,814.30**	

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Movement in the expected credit loss allowance of receivables **(Amount in Rs. Lakhs)**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at beginning of the year	4,954.34	4,617.09
Add: provided during the year	209.96	337.25
Less: Reversed during the year	(350.00)	-
Balance at the end of the year	**4,814.30**	**4,954.34**

- Trade receivables

Customer credit risk is managed by each business unit subject to the Company'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.

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 Companied into homogenous Company's 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 Company does not hold collateral as security. The Company 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 Company 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 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.

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 balance between continuity of funding and flexibility through the use of bill discounting facility. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company 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 Company 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 2019						
Borrowings	2,322.29	2.98	50.87	-	-	2,376.14
Other financial liabilities(non-current)	-	-	-	43.83	-	43.83
Other financial liabilities(current)	33.54	220.47	108.94	409.27	-	772.22
Trade and other payables	-	3,672.83	1,753.25	2.49	-	5,428.57
Total	**2,355.83**	**3,896.28**	**1,913.06**	**455.59**	**-**	**8,620.76**

* 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 2018						
Borrowings	1,667.86	-	-	-	-	1,667.86
Other financial liabilities(non-current)	-	-	-	61.05	-	61.05
Other financial liabilities(current)	46.74	579.71	62.36	-	-	688.81
Trade and other payables	4.49	2,122.11	681.55	-	-	2,808.15
Total	**1,719.09**	**2,701.82**	**743.91**	**61.05**	**-**	**5,525.87**

* Based on the maximum amount that can be called for under the financial guarantee contract.

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- 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 performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company 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 fixed deposits with bank as margin money against issuance of bank/corporate guarantees in order to fulfil the collateral requirements for its various contracts. At 31 March 2019 and 31 March 2018, the fair values of fixed deposits pledged were Rs. 985.61 Lakhs and Rs.1,242.12 Lakhs respectively. The Company 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).

42(a) Foreign currency risk exposure:

The Company's 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 2019	Dirahm	-	-	-	-	-	-	-	-	
	ID	-	-	-	-	-	-	-	-	
	NPR	-	249.80	-	-	249.80	-	-	249.80	12.49
	SDG	-	-	-	-	-	-	-	-	
	SLR	-	-	-	-	-	-	-	-	
	AFN	40.12	255.47	-	-	295.59	-	-	295.59	14.78
	IDR	-	-	-	-	-	-	-	-	
	BDT	1,701.87	-	-	-	1,701.87	-	-	1,701.87	85.09
	LKR	-	3.03	-	-	3.03	-	-	3.03	
	MMK	-	0.84	-	-	0.84	-	-	0.84	
	SGD	76.67	-	-	-	76.67	20.36	20.36	56.31	2.82
	USD	1,496.58	48.43	-	-	1,545.01	935.81	935.81	609.20	30.46
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	7.22
	SDG	-	5.99	-	-	5.99	-	-	5.99	
	SLR	-	0.96	-	-	0.96	-	-	0.96	
	AFN	-	339.54	-	-	339.54	-	-	339.54	16.98
	IDR	-	0.20	-	-	0.20	-	-	0.20	
	BDT	1,605.42	2.41	-	-	1,607.83	-	-	1,607.83	80.39
	SGD	-	-	-	-	-	97.66	97.66	(97.66)	(4.88)
	USD	825.76	43.55	-	-	869.31	768.03	768.03	101.28	5.06

43. Capital management

For the purpose of the Company'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 Company's capital management is to maximise the shareholder value.

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, interest bearing loans and borrowings, trade payable, other current liabilities, other financial liabilities and provisions, less cash and cash equivalents (excluding discontinued operations).

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Borrowings	2,376.14	1,667.86
Less: cash and cash equivalents	1,128.46	1,523.90
Net debt	1,247.68	143.96
Equity	6,054.90	6,053.51
Other equity attributable	25,224.33	24,076.60
Total equity attributable to owner of the Company	**31,279.23**	**30,130.11**
Capital and net debt	**32,526.91**	**30,274.07**
Gearing ratio	3.99%	0.48%

In order to achieve this overall objective, the Company'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 2019 and 31 March 2018.

44. As on 31st March, 2019, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,155,067 (March 31, 2018: 10,201,417) 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, 2018: 15,912,776) 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 Nil (31 March 2018 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 20 Lakhs (31 March 2018 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.

45. The Board of Directors in their meeting held on May 21, 2019 has recommended a dividend of 15% (Rs. 0.45 per equity share of Rs 3 each) on the paid up Capital of the Company for the Financial Year 2018 – 2019, subject to the approval by the Shareholders of the Company.

46. Disclosure required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013.*

Loans and advances to related parties, the particulars of which are disclosed below as required required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013:

(Amount in Rs. Lakhs)

Name of Loanee	Purpose	Rate of Interest	Outstanding balance as at 31 March 2019	Maximum balance in FY 2018-19	Outstanding balance as at 31 March 2018	Maximum balance in FY 2017-18
New Spice Sales and Solutions Limited	General Corporate purposes	11%	171.57	171.57	171.57	171.57
Hindustan Retail Private Limited		11%	567.75	592.75	592.75	592.75
Hotspot Sales and Solutions Private Limited		11%	4,923.07	4,923.07	4,923.07	4,923.07
Spice Online Retail Private Limited		11%	22.07	22.07	22.07	22.07

*The above loans have been provided for doubtful during previous year and were originally given by the amalgamating companies and spice digital limited

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Particulars of Corporate guarantee given as required by Section 186(4) of Companies Act, 2013

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2018	Guarantee given	Guarantee Withdrawn	As at 31 March 2019
Hotspot Sales and Solutions Private Limited	1,000.00	-	1,000.00	-

Loan to body corporate, the particulars of which are disclosed below as required by Section 186(4) of Companies Act, 2013:

(Amount in Rs. Lakhs)

Name of Loanee	Purpose	Rate of interest	Due Date	Outstanding balance as at 31 March 2019	Outstanding balance as at 31 March 2018
Bharat BPO Services Limited (Secured)	General Corporate purposes	11%	16-Nov-20	271.42	300.00

Details of Investments made (At cost or FVTPL) as required by Section 186(4) of Companies Act, 2013:

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Spice Digital Limited	7,320.67	7,230.42
Hindustan Retail Private Limited	42,238.00	42,238.00
S Mobility (HK) Limited	0.64	0.64
S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)*	5,853.61	5,853.61
Spice Digital Bangladesh Limited*	30.33	30.33
911 India Healthcare Private Limited*	-	34.97
S Mobile Devices Limited	5.00	5.00
Creative Functionapps Lab Pvt. Ltd*	100.00	100.00
Adgyde Solutions Pvt. Ltd*	-	123.00
Sunstone Learning Private Limited *	814.88	814.88
	56,363.12	**56,430.84**

*These pertains to DTS business of Spice Digital Limited which has been demerged into the company pursuant to the Scheme of Arrangement.

47. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006.

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
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	3.64	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

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48. During the previous 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.

49. Group information

Information about subsidiaries, associates and joint ventures

The financial statements includes subsidiaries, associate and joint ventures as listed in the table below:

Subsidiary Companies

S. No.	Name	Principal Activities	Country of Incorporation	% Equity Interest		Method of accounting of investment
				As at 31 March 2019	As at 31 March 2018	
1	Spice Digital Limited		India	99.98%	99.98%	Cost
2	Kimaan Exports Private Limited (a)		India	100.00%	100.00%	Cost
3	Luharia Technologies Private Limited (w.e.f January 01, 2018 till July 25, 2018) (a)		India	0.00%	30.00%	Cost
4	Hindustan Retail Private Limited		India	100.00%	100.00%	Cost
5	New Spice Sales and Solutions Limited (b)		India	100.00%	100.00%	Cost
6	Cellucom Retail India Private Limited (c)		India	100.00%	100.00%	Cost
7	S Mobility (HK) Limited		Hong Kong	100.00%	100.00%	Cost
8	Spice Digital Bangladesh Limited		Bangladesh	100.00%	100.00%	Cost
9	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)		Singapore	100.00%	100.00%	Cost
10	Beoworld SDN. BHD (d)		Malaysia	100.00%	100.00%	Cost
11	Fast Track IT Solutions Ltd (d) (w.e.f. 27th November, 2018)		Bangladesh	70.00%	0.00%	Cost
12	Spice Digital FZCO (w.e.f. March 26, 2017) (d)		UAE	100.00%	100.00%	Cost
13	Spice VAS (Africa) Pte. Limited (d)		Singapore	80.00%	80.00%	Cost
14	S Mobility Pte. Ltd. (d)		Singapore	100.00%	100.00%	Cost
15	Omnia Pte. Ltd. (e)		Singapore	100.00%	100.00%	Cost
16	Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited") (e)		Nigeria	100.00%	100.00%	Cost
17	Spice VAS Ghana Limited (e)		Ghana	100.00%	100.00%	Cost
18	Spice VAS Zambia Limited (e)		Zambia	100.00%	100.00%	Cost
19	Spice VAS Tanzania Limited (e) (g)		Tanzania	100.00%	100.00%	Cost
20	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (e) (i)		South Africa	0.00%	100.00%	Cost
21	SVA (Mauritius) Pvt. Limited (formerly known as Spice (Mauritius) Pvt. Limited (e)		Mauritius	100.00%	100.00%	Cost
22	Spice VAS Kenya Limited (e)		Kenya	100.00%	100.00%	Cost
23	Spice VAS Uganda Limited (e)		Uganda	75.00%	75.00%	Cost
24	Spice VAS RDC (e)		Democratic Republic of Congo	100.00%	100.00%	Cost
25	PT Spice Digital Indonesia (f)		Indonesia	100.00%	100.00%	Cost
26	Digispice Nepal Pvt. Limited (w.e.f. January 21, 2019)		Nepal	100.00%	-	Cost

a) Subsidiary through Spice Digital Limited.

b) Subsidiary through Hindustan Retail Private Limited.

c) Subsidiary through New Spice Sales & Solutions Limited.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 Omnia Pte. Ltd.

g) 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.

h) 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.

i) With the issuance of new shares by Ziiki Media SA (Pty) Ltd formerly known as Spice Digital South Africa (Pty) Limited to Kama Trust Group, Ziiki Media SA (Pty) Ltd ceased to be subsidiary of the Group w.e.f. 07th February 2019 (shareholding of Group in Ziiki Media SA (Pty) Ltd has been reduced to 49%).

Ultimate Holding Company

Smart Global Corporate Holding Private Limited

Holding Company

Spice Connect Private Limited

Sr. No.	Name of associates and joint venture	Nature	Country of Incorporation	% Equity Interest	
				As at 31 March 2019	As at 31 March 2018
1	Sunstone Learning Private Limited	Associate	India	41.61%	41.61%
2	Creative Function Apps Labs Private Limited	Associate	India	26.00%	26.00%
3	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited)*	Associate	South Africa	49.00%	-
4	Adgyde Solutions Private Limited**	Joint Venture	India	-	49.00%

*With the issuance of new shares by Ziiki Media SA (Pty) Ltd formerly known as Spice Digital South Africa (Pty) Limited to Kama Trust Group, Ziiki Media SA (Pty) Ltd ceased to be subsidiary of the Group w.e.f. 07th February 2019 (shareholding of Group in Ziiki Media SA (Pty) Ltd has been reduced to 49%).

** ceased to be joint venture w.e.f. October 25, 2018.

50. Significant accounting judgements, estimates and assumptions

The preparation of the Company'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 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.

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 future years and do not include restructuring activities that the Company 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 Company. 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.

Share based payments

The Company measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

Taxes

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that recognised MAT credit will be utilized against normal tax liability within specified period for which MAT Credit allowed to be carried forward.

The tax assets of Rs 58.49 Lakhs (31 March 2018: Rs 58.49 Lakhs) recognised by the Company 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 Company 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 Company has tax losses carried forward. These losses may 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.

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 35.

Intangible asset under development

The Company 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.

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. Contingent Assets 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 assessment. These assumptions are reviewed at each reporting date.

As per our report of even date attached

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

B. K. Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 21 May 2019

For and on behalf of the board of directors

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

Preeti Das
Chief Executive Officer

Rajneesh Arora
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Spice Mobility Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Spice Mobility Limited ("the Parent Company") and its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Consolidated other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed and information obtained to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements. The components' auditors have not reported any key audit matter in their audit reports. Therefore, key matters below include key audit matters reported by us in the audit report on standalone financial statement of parent company and one of the subsidiaries audited by us.

INDEPENDENT AUDITOR'S REPORT

S. N.	Key Audit Matter	Auditor's Response
1.	**Revenue Recognition** The accounting policies for revenue recognition are set out in Note 2 (f) to the consolidated financial statements and the different revenue streams of the Company have been disclosed in Note 24 to the consolidated financial statements. The application of the new revenue accounting standard (Ind AS 115 "Revenue from Contracts with Customers") involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue recognition is susceptible to the higher risk that the revenue is recognized when performance obligation has not been completed. This was an area of focus for our audit and the area where significant audit effort was directed.	**How our audit addressed the key audit matter:** We assessed the process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected samples of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Selected samples of continuing and new contracts and performed the following procedures: – Read, analyzed and identified the distinct performance obligations in these contracts. – Compared these performance obligations with that identified and recorded. – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. – Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – In respect of samples relating to fixed-price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems. – Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. – Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. **Our Observation:** We found the revenue recognition to be consistent with its accounting policy as disclosed in Note 2 (f) to the consolidated financial statements. We are satisfied that the revenue has been appropriately recognized and disclosure in the relevant accounting period.

INDEPENDENT AUDITOR'S REPORT

S. N.	Key Audit Matter	Auditor's Response
2	**Income and Deferred Taxes** The accounting policies for current and deferred tax recognition are set out in Note 2 (G) and the breakup of deferred tax have been disclosed in Note 16 to the consolidated financial statements. Also refer note no. 36, 13 and 40 (C) of consolidated financial statements. There is significant judgement involved in accounting for taxes, particularly given the large number of jurisdictions in which they operate and exposures to income tax laws in India. This gives rise to complexity and uncertainty in respect of the calculation of current taxes, deferred tax positions. Due to significance to the consolidated financial statements as a whole, combined with the judgement and estimation required to determine their values, the evaluation of current and deferred tax balances is considered to be a key audit matter.	**How our audit addressed the key audit matter:** We assessed the adequate implementation of the policies and controls regarding current and deferred tax. We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition and recoverability of deferred tax assets. We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. We performed an assessment of the major items impacting the Company's tax expense, balances and exposures. **Our Observations:** We analyzed tax balances. In respect of net deferred tax assets, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets on tax losses carried forward, which shall be available for utilization in future. We found that tax provision and deferred tax assets are appropriately recognized and disclosed in the consolidated financial statement.
3	**Valuation of trade receivables** We refer to Note 10 and Note 2 (S) to the financial statements. As disclosed in Notes to the consolidated financial statements, company assesses periodically and at each reporting date, the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. We focused on this area because of its significance and the degree of judgement required to estimate the expected credit loss and determining the carrying amount of trade receivables as at the reporting date.	**How our audit addressed the key audit matter:** We obtained an understanding of the Company's credit policy for trade receivables, process of approvals and terms and conditions and evaluated the processes for identifying impairment indicators. We have reviewed and tested the ageing of trade receivables and management's assessment on the credit worthiness of selected customers for trade receivables. We further discussed with the key management on the adequacy of the allowance for credit losses recorded by the Company and reviewed the supporting documents provided by management in relation to their assessment. We have also reviewed adequacy and appropriateness of allowance for credit impaired based on available information. **Our Observation:** Based on our audit procedures performed, we found management's assessment of the recoverability of trade receivables to be reasonable and the disclosures to be appropriate.

INDEPENDENT AUDITOR'S REPORT

Other Information

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies included in the Group 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 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 Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent company and of its subsidiaries, associates and joint venture are responsible for assessing the ability of their Company and of its subsidiaries, 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 Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent Company and of its subsidiaries, associates and joint venture are also responsible for overseeing the financial reporting process of the Parent Company and of its subsidiaries, associates and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We a lso:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 the

INDEPENDENT AUDITOR'S REPORT

Parent Company and its subsidiaries, 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 our 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 the Parent Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent Auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other Auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Parent Company and one of the subsidiary company audited by us included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of three foreign subsidiary companies for the year ended March 31, 2019, included in the consolidated financial statements whose financial statements reflect revenue from services of Rs. 4865 Lakhs for the year ended March 31, 2019 and total comprehensive income/(loss) (comprising of profit/(loss) and other comprehensive income/(loss)) of Rs. (380) Lakhs for the year ended March 31, 2019 as considered in consolidated financial statements. These financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company management has converted financial statements of such subsidiaries located outside India, from accounting principle generally accepted in their respective countries to accounting principle generally accepted in India. We have audited the conversion adjustment made by the Company's management. Our opinion in so far as it relates to the balance and affair of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustment prepared by the management of the Company and audited by us.

(b) We did not audit the financial statements of one foreign subsidiary company (who became associate w.e.f. 07th February, 2019) for the year ended March 31, 2019, included in the consolidated financial statements whose financial statements reflect revenue from services of Rs. 676 Lakhs for period ended 7th February, 2019 and total comprehensive income/(loss) (comprising of profit/(loss) and other comprehensive income/(loss)) of Rs. (101) Lakhs for the period ended 7th February, 2019 respectively and also includes Group's share of net profit/(loss) of Rs. (70) Lakhs for the period from February 07, to March 31, 2019 as considered in the consolidated financial statements. This financial statements for the period from 01st April, 2018 to 31st March 2019 has been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditors under generally accepted auditing standards applicable in its country. The Company management has converted these financial statements of such subsidiary/associate located outside India, from accounting principle generally accepted in its country to accounting principle generally accepted in India. We have audited the conversion adjustment made by the Company's management. The Management has derived figures for revenue from services of Rs. 676 Lakhs, total comprehensive income/(loss) of Rs. (101) Lakhs (comprising of profit/(loss) and other comprehensive income/(loss)) till subsidiary converted into associate and share of net profit or Rs. (70) Lakhs as an associate from annual audited financial statements audited by another auditor. Our opinion in so far

INDEPENDENT AUDITOR'S REPORT

as it relates to the balance and affair of such subsidiary/associate located outside India is based on the report of other auditor and the conversion adjustment prepared by the management of the Company and audited by us.

(c) We did not audit the financial statements of one foreign subsidiary company for the year ended March 31, 2019, included in the consolidated financial statements whose financial statements reflect revenue from services of Rs. 2342 Lakhs for the year ended March 31, 2019 and total comprehensive income/(loss) (comprising of profit/(loss) and other comprehensive income/(loss)) of Rs. 143 Lakhs for the year ended March 31, 2019. This financial figures for the period from 01st April, 2018 to 31st December 2018 derived from the audited financial statements for the period from 01st January 2018 to 31st December, 2018 which has been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in its country. The Management has prepared the financial statements from 01st January 2019 to 31st March 2019 in accordance with accounting principles generally accepted in its country. The Company management has converted and adjusted this financial statement of such subsidiary located outside India, from accounting principle generally accepted in its country to accounting principle generally accepted in India. We have audited the conversion adjustment and Ind as adjustment made by the Company's management. Our opinion in so far as it relates to the balance and affair of such subsidiary located outside India is based on the report of other auditor and management prepared financials and the conversion adjustment made by the management of the Company and audited by us.

(d) We did not audit the financial statements of fourteen foreign subsidiary companies (including step down subsidiaries) for the year ended March 31, 2019, included in the consolidated financial statements whose financial statements reflect revenue from services of Rs. 2355 Lakhs for the year ended March 31, 2019 and total comprehensive income/(loss) (comprising of profit/(loss) and other comprehensive income/(loss)) of Rs. 1650 Lakhs for the year ended March 31, 2019. The management has prepared these financial statements of these subsidiaries in accordance with accounting principles generally accepted in their respective countries and converted these financial statements of such subsidiaries located outside India, from accounting principle generally accepted in their respective countries to accounting principle generally accepted in India. We have audited the conversion adjustment made by the Company's management. These financial statements have been prepared and certified by the management and our opinion on financial statements, in so far as it relates to amount and disclosures in respect of these subsidiary companies, is based solely on the financial statements prepared and certified by the management and conversion audited by us.

(e) We did not audit the financial statements of five subsidiary companies for the year ended March 31, 2019, included in the consolidated financial statements whose financial statements reflect revenue from services of Rs. 93 Lakhs for the year ended March 31, 2019 and total comprehensive income/(loss) (comprising of profit/(loss) and other comprehensive income/(loss)) of Rs. 209 Lakhs for the year ended March 31, 2019. The consolidated financial statements also include Group's share of net profit/ (loss) of Rs. (46) Lakhs for the year ended March 31, 2019 as considered in the consolidated financial statements in respect of one associate and one joint venture, financial statement of which have been prepared and certified by the management and our opinion on financial statements, in so far as it relates to amount and disclosures in respect of these subsidiary companies, associate and joint venture, is based solely on the financial statements prepared and certified by the management.

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 and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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, associates and joint venture, 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 & Loss, Consolidated Statement of Change in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2013;

(e) On the basis of the written representations received from the Directors of the Parent Company and one of the Indian subsidiary company as on 31 March 2019 taken on record by the Board of Directors of the respective company, none of the Directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act. We are not able to comment whether directors of other subsidiary companies, associate companies and joint venture companies incorporated in India are qualified from being appointed as director in terms of Section 164(2) of the Act in absence of their audited financial statements;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company and its subsidiary companies, associate companies and joint venture company incorporated in India, 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 the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, no remuneration paid by the Parent Company to its directors during the year, therefore, the relevant provisions of section 197 of the Act is not applicable to the company.

(h) 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, as amended, 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, as noted in the 'Other matter' paragraph:
   i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 40 (C) to the consolidated financial statements;
   ii. The Group, its associates and joint venture has provided material foreseeable losses in long-term contracts, where applicable. The Group has no outstanding derivative contracts at the yearend;
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary company, associate companies and joint venture incorporated in India.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: Noida (Delhi-NCR)
Date: May 21, 2019

ANNEXURE A

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 over financial reporting of Spice Mobility Limited ('the Parent Company") and one of subsidiary company which are incorporated in India and audited by us as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Parent Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the respective 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 Institute of Chartered Accountants of India. 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 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 Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under

INDEPENDENT AUDITOR'S REPORT

section 143(10) of the Companies Act, 2013, to the extent applicable to as audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements of and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated 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 statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 judgement, 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 consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 authorization of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

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 over financial reporting to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Parent Company and one of the subsidiary audited by us, 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 March 31, 2019, based on the internal control over financial reporting criteria established by respective 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 Institute of Chartered Accountants of India.

Other Matter

We could not comment on the adequacy of internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, insofar as it relates to other subsidiary companies, associate companies and joint venture company, which are companies incorporated in India as referred in Other Matters paragraph in Audit Report, in absence of their audited financial statements. These subsidiaries are not material to the Group; therefore, Our Opinion is not modified in respect of this matter.

For **Singhi & Co.**
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
Partner
Membership No. 088926

Place: Noida (Delhi-NCR)
Date: May 21, 2019

DIGISPICE

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

(Amount in Rs. Lakhs)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property,plant and equipment	3	4,332.51	4,906.25
Capital work in progress	3	130.01	41.83
Investment property	4	1,676.53	1,776.91
Goodwill on consolidation		5,139.03	5,494.52
Other intangible assets	5	1,528.50	1,052.43
Intangible assets under development	5	251.33	712.38
Investment in associate and a joint venture	6	665.13	132.37
Financial assets			
(i) Investments	7	1,323.31	1,429.91
(ii) Loans	8	421.58	430.97
(iii) Other financial assets	9	55.15	9.19
Deferred tax assets (net)	16	2,368.11	1,526.54
Non current tax assets (net)	13	5,782.40	5,114.96
Other non current assets	14	134.58	163.48
Total non-current assets		**23,808.17**	**22,791.74**
Current assets			
Inventories	15	31.34	5.53
Financial assets			
(i) Investments	7	239.30	232.82
(ii) Trade receivables	10	7,391.47	3,688.53
(iii) Cash and cash equivalents	11	3,489.34	5,219.25
(iv) Bank balance other than (iii) above	12	3,373.57	3,127.19
(v) Loans	8	193.25	438.55
(vi) Other financial assets	9	12,069.43	6,562.58
Other current assets	14	1,743.93	979.61
Total current assets		**28,531.63**	**20,254.06**
Assets of discontinued operations	47	519.81	1,161.48
		29,051.44	**21,415.54**
Total assets		**52,859.61**	**44,207.28**
Equity and liabilities			
Equity			
Equity share capital	17	6,054.90	6,053.51
Other equity	17A	22,417.13	21,635.86
Equity attributable to holders of the Company		28,472.03	27,689.37
Non controlling interests		1,505.44	1,319.88
Total equity		**29,977.47**	**29,009.26**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	1,277.85	1,237.67
(ii) Other financial liabilities	20	43.83	43.38
Provisions	21	679.10	597.71
Deferred tax liabilities (net)	16	-	4.72
Other non current liabilities	23	27.56	38.56
Total non-current liabilities		**2,028.34**	**1,922.04**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	4,454.19	2,142.91
(ii) Trade payables	19		
- total outstanding dues of micro and small enterprises		3.64	-
- total outstanding dues of creditors other than micro and small enterprises		7,619.02	5,141.72
(iii) Other financial liabilities	20	1,224.14	1,098.80
Provisions	21	139.80	738.38
Current tax liabilities (net)	22	424.57	211.36
Other current liabilities	23	6,329.21	2,973.82
Total current liabilities		**20,194.57**	**12,306.99**
Liabilities of discontinued operations	47	659.23	969.00
		20,853.80	**13,275.99**
Total equity and liabilities		**52,859.61**	**44,207.28**
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 attached

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

B. K. Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 21 May 2019

For and on behalf of the board of directors

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

Preeti Das
Chief Executive Officer

Rajneesh Arora
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 2019

(Amount in Rs. Lakhs)

Particulars	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Continuing operations			
Income			
I. Revenue from operation	24	37,668.39	28,052.48
II. Other income	25	1,836.65	1,321.50
III. Total Income (I+II)		**39,505.04**	**29,373.98**
IV. Expenses			
Cost of goods and services procured	26	8,151.39	3,240.69
(Increase) / Decrease in inventories of procured goods	27	(25.81)	229.35
Cost of services rendered	28	12,271.60	9,727.30
Employee benefits expense	29	8,600.57	6,791.16
Finance costs	30	262.15	205.37
Depreciation and amortisation expense	31	1,797.07	1,697.16
Other expenses	32	7,127.56	7,497.93
Total expenses (IV)		**38,184.53**	**29,388.96**
V. Profit/(loss) before share of profit/(loss) of associates and a joint venture, exceptional items and tax from continuing operations (III-IV)		**1,320.51**	**(14.98)**
VI. Share of (loss) of associates and a joint venture accounted for using other equity method	45	(116.55)	(78.60)
VII. Profit/(loss) before exceptional items and tax from continuing operations (V-VI)		**1,203.96**	**(93.58)**
VIII. Exceptional items	33	(0.09)	6,746.23
IX. Profit/(loss) before tax from continuing operations (VII-VIII)		**1,204.05**	**(6,839.81)**
X. Tax expense:			
(1) Current tax	36	1,128.34	816.40
(2) Deferred tax credit	36	(847.26)	(126.77)
(3) Income tax adjustments for earlier years	36	5.68	116.31
Income tax expense (X)		**286.76**	**805.94**
XI. Profit/(loss) for the year from continuing operations (IX-X)		**917.29**	**(7,645.75)**
XII. Discontinued operations			
Profit/(Loss) before tax for the year from discontinued operations	47	(9.15)	3,148.24
Tax expense of discontinued operations	47	-	(27.80)
Profit/(loss) for the year from discontinued operations (XII)		**(9.15)**	**3,176.04**
XIII. Profit/(loss) for the year (XI-XII)		**908.14**	**(4,469.71)**
XIV. Other comprehensive income from continuing operations			
Items that will not be reclassified to profit or loss	34		
Remeasurement gain of defined benefit plan		(6.93)	13.66
Tax impact		1.68	(4.49)
Items that will be reclassified to profit or loss	35		
Exchange differences on translations of foreign operations		88.89	259.23
Exchange difference on Foreign Currency Monetary Item		(0.31)	(137.02)
XV. Other comprehensive income from discontinued operations			
Items that will not be reclassified to profit or loss	47		
Remeasurement gain of defined benefit plan		-	-
Items that will be reclassified to profit or loss	47		
Exchange differences on translations of foreign operations		-	-
XVI. Other comprehensive income for the year (XIV+XV)		**83.33**	**131.38**
XVII. Total comprehensive income for the year (XIII-XVII)		**991.47**	**(4,338.33)**
Profit/(loss) for the year (XIII)		**908.14**	**(4,469.71)**
Attributable to:			
Equity holders of the Company		605.59	(3,574.92)
Non-controlling interests		302.55	(894.79)
Other comprehensive income for the year (XVI)		**83.33**	**131.38**
Equity holders of the Company		77.75	151.59
Non-controlling interests		5.57	(20.21)
Total comprehensive income for the year (XVII)		**991.47**	**(4,338.33)**
Attributable to:			
Equity holders of the Company		683.35	(3,423.33)
Non-controlling interests		308.12	(915.00)
XVIII. Earnings per share for continuing operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2018: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) from continuing operations (Rs.)		0.27	(2.96)
Diluted, computed on the basis of profit/(loss) from continuing operations (Rs.)		0.27	(2.96)
Earnings per share for discontinued operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2018: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) from discontinued operations (Rs.)		(0.00)	1.39
Diluted, computed on the basis of profit/(loss) from discontinued operations (Rs.)		(0.00)	1.39
Earnings per share for continuing and discontinued operations (attributable to equity holders of the Company) (nominal value of share Rs. 3 (31 March 2018: Rs. 3)	37		
Basic, computed on the basis of profit/(loss) for the year (Rs.)		0.27	(1.57)
Diluted, computed on the basis of profit/(loss) for the year (Rs.)		0.27	(1.57)
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 attached

For and on behalf of the board of directors

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

B. K. Sipani
Partner
Membership no.: 088926

Preeti Das
Chief Executive Officer

Rajneesh Arora
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

Place : Noida
Date : 21 May 2019

CONSOLIDATED CASH FLOWS STATEMENT

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES			
Profit/(loss) before tax from continuing operations		1,204.05	(6,839.81)
Profit/(loss) before tax from discontinued operations		(9.15)	3,148.24
Profit/(Loss) before tax		**1,194.90**	**(3,691.57)**
Adjustments for :			
Exceptional items			
Provision for diminution in the value of non current investments		-	(30.00)
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)
Gain on sale of a subsidiary		(0.09)	-
Net Loss on foreign currency transactions and translations		145.45	112.88
Share of loss of associates and a joint venture		116.55	78.60
Depreciation and amortisation expense		1,797.07	1,993.75
(Profit)/Loss on disposal of plant, property and equipment's (net)		5.07	(96.33)
Interest income		(685.97)	(508.41)
Rental Income on investment property net of directly attributable expense		(20.15)	(232.53)
Fair value gain on financial instruments at fair value through profit or loss		(14.30)	(32.96)
Profit on sale of investment in an associates		(110.44)	(331.52)
Net loss/(gain) on sale of current investments in mutual fund units		1.93	(8.90)
Unclaimed balances written back (net)		(190.60)	(464.58)
Gain on Deemed Loss of Control recognised in statement of profit and loss		(561.09)	-
Interest expense		262.15	755.30
Employee ESOP Compensation		669.44	-
Provision for Impaired Credit (net)		152.88	704.16
Provision for doubtful debts advance (net)		209.96	319.34
Irrecoverable balances written off		468.25	424.57
Operating profit/(loss) before working capital changes		**3,441.01**	**(134.52)**
Movements in working capital:			
(Increase)/Decrease in inventories		(25.81)	2,772.79
(increase)/Decrease in trade receivables		(4,318.79)	2,220.12
(Increase)/Decrease in other receivables		(6,348.28)	(2,910.27)
Increase/(Decrease) in trade payables		2,660.47	(2,153.50)
Increase in other payable		3,467.25	907.92
(Decrease) in provisions		(537.98)	(168.14)
Cash (used in)/from operations		**(1,662.13)**	**534.39**
Direct taxes paid (net of refunds)		(1,685.42)	(1,609.57)
Net cash (used in) operating activities	**(A)**	**(3,347.55)**	**(1,075.18)**
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of plant, property and equipment's (including capital work in progress and capital advances)		(986.54)	(1,165.41)
Purchase of intangible assets (Including intangible assets under development)		(459.32)	(983.91)
Proceeds from disposal of plant, property and equipment's and intangible assets		150.94	161.81
Proceeds from sales of investment property		-	2,768.04
Proceeds from sale of investment in an associate company		123.00	57.50
Sale of current investments		265.85	413.84
Purchase of current investments		(225.00)	-
Purchase of non-current investments		-	(1,529.30)
Proceeds from sale of non-current investments		-	446.60
Net cash acquired on acquisition of subsidiary (refer note 44)		-	-
Proceeds from sale of subsidiary		625.01	-
Net cash acquired on disposal of erstwhile subsidiaries (refer note 47)		-	3,185.49
Receipt from Employee benefit trust against loan repayment		20.01	342.00

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2019

(Amount in Rs. Lakhs)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Receipt from Independent non promoter trust against sale of shares		-	3,450.00
Interest received		689.35	617.40
Rental income		20.15	232.53
Fixed deposits refunded/(created) by banks (net)*		(352.35)	(420.93)
Net cash (used in)/from investing activities	**(B)**	**(128.90)**	**7,575.66**
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds/(repayment) from current borrowings		325.03	(1,798.83)
Proceeds/(repayment) from non current borrowings		-	1,237.67
Acquisition of non-controlling interests		-	(3,457.05)
Buy back of shares of Spice VAS (Africa) Pte. Ltd.		-	(10.86)
Interest paid		(262.15)	(631.55)
Net cash from/(used in) financing activities	**(C)**	**62.88**	**(4,660.62)**
Net Increase/(decrease) in cash and cash equivalents (A + B + C)		(3,413.57)	1,839.86
Net cash acquired on acquisition/(disposal) of subsidiary (refer note 44)		(269.64)	206.41
Cash and cash equivalents at the beginning of the year		4,789.73	2,743.46
Cash and cash equivalents at the end of the year		**1,106.52**	**4,789.73**
i) Components of cash and cash equivalents:			
Cash on hand		2.63	4.55
Cheques/ drafts on hand		0.10	0.08
With banks			
- on current accounts		3,247.86	4,372.25
- Deposits with original maturity of less than three months		241.65	812.32
Bank overdrafts		(2,385.72)	(399.47)
Total cash and cash equivalents (note 11, 18 & 47)		**1,106.52**	**4,789.73**

ii) Movement in financial liabilities (Amount in Rs. Lakhs)

	Current borrowings	Non-current borrowings	Interest expense on financial liabilities	Total
As at 1 April 2018	1,743.44	1,237.67	-	2,981.10
Cash flows	325.03	-	-	325.03
Interest expenses	-	-	262.15	262.15
Interest paid	-	-	(262.15)	(262.15)
Non Cash items				
Foreign currency Translation Reserve(FCTR)	-	40.18	-	40.18
As at 31 March 2019	**2,068.47**	**1,277.85**	**-**	**3,346.31**
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)
Non Cash items				
- Changes arising from loosing control of subsidiaries#	(3,529.73)	(1,603.59)	-	(5,133.32)
As at 31 March 2018	**1,743.44**	**1,237.67**	**-**	**2,981.11**
Summary of significant accounting policies		2		

Cash Flow from operating activities for the 31 March 2019 is after considering Corporate Social Responsibility Expenditure of Rs. 36 Lakhs (31 March 2018: Rs. 128 Lakhs)

*Includes deposit with original maturity of less than three months of Nil (31 March 2018 : Rs 125 Lakhs) which is pledged with banks.

Pertaining to companies which are 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 attached

For and on behalf of the board of directors

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

B. K. Sipani
Partner
Membership no.: 088926

Preeti Das
Chief Executive Officer

Rajneesh Arora
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

Place : Noida
Date : 21 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

A: Equity share capital

	Number of shares	(Amount Rs Lakhs)
Balance as at 01 April 2017*	**180,681,015**	**5,420.43**
Change in equity share capital during the year		
Movement in share capital due to sale of shares by Employee Benefit Trust	1,700,335	51.01
Movement in share capital due to sale of shares by Independent Non Promoter Trust	19,368,439	581.05
Estimated Shares to be issued pursuant to Scheme of arrangement (refer note 60)	34,080	1.02
Balance as at 31 March 2018*	**201,783,869**	**6,053.51**
Change in equity share capital during the year		
Movement in share capital due to sale of shares by Employee Benefit Trust	46,350	1.39
Balance as at 31 March 2019*	**201,830,219**	**6,054.90**

* 22,78,63,982 Equity shares are netted off of 26,067,843 equity shares (26,114,193 equity share as on 31 March, 2018 and 47,182,967 equity shares as on 01 April, 2017 hold by Employee benefit Trust and Independent Non Promoter Trust. (refer note no. 51)

B : Other equity

For the year ended 31 March 2019

(Amount in Rs Lakhs)

Particulars	Trust Shares (Refer note 51)	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(iv)	Capital reserve on Scheme of Arrangement (v)	Share Based Payment Reserve (vi)	Retained Earnings	Foreign Currency Translation Reserve (vii)	Foreign Currency Monetary Item Translation Difference Account (viii)	'Remeasurement gain/(loss) on defined benefit plan, net of tax impact			
As at April 01, 2018	**142.58**	**(15.76)**	**1,770.80**	**306.66**	**5,712.74**	**(1.02)**	**-**	**14,011.12**	**227.12**	**(503.35)**	**(15.03)**	**21,635.86**	**1,319.88**	**22,955.74**
Profit for the year	-	-	-	-	-	-	-	605.59	-	-	-	605.59	302.55	908.14
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	83.26	(0.25)	(5.25)	77.76	5.57	83.33
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**605.59**	**83.26**	**(0.25)**	**(5.25)**	**683.35**	**308.12**	**991.48**
Adjustments relating to sale of shares by Trust	18.61	-	-	-	-	-	-	-	-	-		18.61	-	18.61
Share based payment to employees of the Group	-	-	-	-	-	-	783.25	(113.81)	-	-		669.44	-	669.44
Share of retained earning moved to non controlling interest	-	-	-	-	-	-	-	(475.76)	-	-		(475.76)	475.76	-
Adjustment on Deemed loss of Control (Refer note no. 44 a)	-	-	-	-	-	-	-	-	(114.37)			(114.37)	(28.37)	(142.74)
Disposal of a Subsidiary (refer note no. 44 b)	-	-	-	-	-	-	-	-	-	-		-	(569.95)	(569.95)
As at March 31, 2019	**161.19**	**(15.76)**	**1,770.80**	**306.66**	**5,712.74**	**(1.02)**	**783.25**	**14,027.14**	**196.01**	**(503.60)**	**(20.28)**	**22,417.13**	**1,505.44**	**23,922.57**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

For the year ended 31 March 201 (Amount in Rs Lakhs)

Particulars	Trust Shares (Refer note 51)	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 (iv)	Capital reserve on Scheme of Arrangement (v)	Share Based Payment Reserve (vi)	Retained Earnings	Foreign Currency Translation Reserve (vii)	Foreign Currency Monetary Item Translation Difference Account (viii)	Remeasurement gain/(loss) on defined benefit plan, net of tax impact			
As at April 01, 2017	**(3,014.49)**	**472.19**	**2,101.68**	**306.66**	**5,712.74**	**-**	**-**	**17,210.65**	**(0.45)**	**(282.97)**	**(24.20)**	**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)	-	-	-	-	-	-	-	-	256.87	(114.45)	9.17	151.59	(20.21)	131.38
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,574.92)**	**256.87**	**(114.45)**	**9.17**	**(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)
Addition pursuant to Scheme of Arrangement (refer note 60)	-	-	-	-	-	(1.02)	-	-	-	-	-	(1.02)	-	(1.02)
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**	**(1.02)**	**-**	**14,011.12**	**227.12**	**(503.35)**	**(15.03)**	**21,635.86**	**1,319.88**	**22,955.74**

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) Capital redemption reserve represents amount created upon cancellation of shares pursuant to buy back of shares.

(iv) General reserve represents free reserve amount appropriated out of retained earnings.

(v) Capital reserve represent reserve created pursuance to scheme of arrangement (refer note no. 60).

(vi) Share based payment reserve relates to stock options granted to employees (including employees of holding company and Subsidiary companies) under "SML Employees stock option Plan (ESOP) 2018 of the company" and to employees of a subsidiary under "SDL Employee Stock Option Plan 2015' of Spice Digital Limited, a subsidiary company "and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options (refer note no.46).

(vii) 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.

(viii) 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 attached

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

B. K. Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 21 May 2019

For and on behalf of the board of directors

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

Preeti Das
Chief Executive Officer

Rajneesh Arora
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 2019

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 2019. 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 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 21 May 2019.

2. Summary of Significant accounting policies

2.1 Statement of Compliance:-

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

These financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

2.2 Basis of preparation

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.

2.3 Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.4 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 2019. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

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 thefinancial 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup 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 intragroup 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 acquirer'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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

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 Company'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 Rupees 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.

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

The Group recognises revenue from sale of goods when effective control of goods have been passed along with all the following conditions are satisfied:

i) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) The amount of revenue can be measured reliably;

iv) It is probable that the economic benefits associated with the transaction will flow to the Group; and

v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, etc. The Group considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue. In certain customer contracts, shipping and handling services are treated as a distinct separate performance obligation and the Group recognises revenue for such services when the performance obligation is completed. Sales include excise duty, wherever applicable and are net of Sales Tax / Goods and Service Tax.

Sale of software/hardware (customised bundled solution) and software services

Revenue is recognised based on milestone achieved by the Group on development of software's, 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 rateably 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 arrangement 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, at the reporting date in respective country, 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.

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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 principleexplained 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/GST 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.

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/ distributionof 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 47. 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 period sare 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	3-10Years
- Office equipment's (other than mobile handsets)	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.

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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 accreditedexternal independent valuers 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.

Software (In-house Developed) product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economical benefits are probable, the company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include material cost, employee benefits and other overhead cost that are directly attributable to preparing the asset for its intended use.

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
In-house developed Software	5 Years
Intellectual Property Right	5 Years
Web site Development Cost	3 Years

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 fulfilment of the arrangement is dependent onthe use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that rightis 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.

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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 indications 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 thereis a possible obligation arising from past events ,the existence of which will be confirmed only by the occurrenceor non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arisesfrom pasteventswhere itis either not probablethatanoutflow of resources will required to settleor reliableestimateof the amountcannot 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 Company operates a defined benefit gratuity plan in India. The liability as at the year end represents the actuarial valuation of the gratuity liability of continuing employees 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 Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under non current provisions in the Balance Sheet and the accumulated leave, which is expected to be settled within twelve months, is presented as current liability in the Balance Sheet.

Remeasurement, 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. Remeasurement 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 thestatement 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 incomecategory 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 incomedebt 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 atFVTPL.

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'sbalance 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 thebalance 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 51)

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.

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 and financial technologies services.

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

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from 01 April, 2019: The Company will adopt new standard and amendment to existing standards with effect from April 1, 2019.

a. **New Standard Ind AS 116: Leases**

Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same in not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application the Group will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

b. **Amendment to Other Ind Ass**

Amendment to Ind AS 19 – plan amendment, curtailment or settlement : Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019,in connection with accounting for plan amendments, curtailments and settlements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the company need to determine the probability of the relevant tax authority accepting each tax treatment, or the Group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Amendment to Ind AS 12 – Income taxes: Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

Ind AS 23 – Borrowing Costs : The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Group is in process of evaluating the impact of adoption of the above pronouncements on its Consolidated Financial Statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

3 Property ,plant and equipment and capital work in progress (Amount in Rs. Lakhs)

Particulars	Leasehold Land	Building	Leasehold Improve-ment	Plant and Machinery	Office Equipment's	Furniture and Fittings	Computers	Vehicle	Total	Capital Work in Progress	Grand Total
As at 01 April 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	1,400.35	54.74	1,503.07	17.96	1,521.03
Disposals	-	-	-	-	(1.58)	(0.48)	(39.80)	(13.23)	(55.09)	(5.91)	(61.00)
Capitalised during the year	-	-	-	-	-	-	-	-	-	(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**
Additions for the year	-	-	20.16	-	12.94	16.98	683.82	62.07	795.97	691.03	1,487.00
Disposals	-	-	-	-	(12.73)	(10.33)	(1.06)	(54.99)	(79.11)	(91.68)	(170.79)
Capitalised during the year	-	-	-	-	-	-	-	-	-	(500.46)	(500.46)
Transfer to Intangible assets	-	-	-	-	-	-	(49.21)		(49.21)	-	(49.21)
Acquisition of a subsidiary (Note 44)	-	-	-	-	(0.55)	1.48	(195.43)	(27.64)	(222.14)	(11.00)	(233.14)
Exchange differences	-	-	-	-	0.01	0.78	66.36	1.88	69.03	0.29	69.32
At 31 March 2019	**412.21**	**2,514.34**	**254.33**	**406.84**	**410.45**	**425.27**	**5,200.53**	**230.89**	**9,854.86**	**130.01**	**9,984.87**
Accumulated depreciation											
As at 01 April 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**
Depreciation for the year	4.96	359.32	11.63	33.49	37.60	53.31	723.40	22.56	1,246.27	-	1,246.27
Disposals	-	-	-	-	(9.71)	(4.12)	(0.89)	(3.50)	(18.22)	-	(18.22)
Acquisition of a subsidiary (Note 44)	-	-	-	-	(0.73)	1.98	(129.41)	(3.80)	(131.96)	-	(131.96)
Transfer to Intangible assets	-	-	-	-	-	-	(25.34)	-	(25.34)	-	(25.34)
Exchange differences	-	-	-	-	(0.04)	0.16	17.64	(0.23)	17.53	-	17.53
At 31 March 2019	**19.85**	**1,444.19**	**234.05**	**133.96**	**365.33**	**272.68**	**2,940.09**	**112.20**	**5,522.35**	**-**	**5,522.35**
Net Book Value											
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**
At 31 March 2019	**392.36**	**1,070.15**	**20.28**	**272.88**	**45.12**	**152.59**	**2,260.44**	**118.69**	**4,332.51**	**130.01**	**4,462.52**

Notes:

1. Property plant and equipment include the following assets given on operating lease :

Particulars	Gross Block		Depreciation*		Accumulated Depreciation	
	As at 31 March 2019	As at 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Building	189.00	189.00	28.87	28.98	116.05	87.18
Leasehold Land	22.96	22.96	0.27	0.28	1.13	0.86
Furniture and Fittings	19.24	19.24	3.10	3.02	12.23	9.14
Plant and Machinery	30.78	30.78	2.76	2.76	11.02	8.27
Office Equipment	17.90	17.90	0.49	0.67	16.99	16.50
Total #	**279.88**	**279.88**	**35.49**	**35.71**	**157.42**	**121.95**

* Depreciation is for the period during which building along with other assets were given on operating lease.

In the previous 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 Nil (31 March 2018: Rs.802.81 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 Nil (31 March 2018 Rs.283.28 Lakhs)

3. Building includes assets of Dehradun property having gross value of Rs.359.96 Lakhs and Net WDV of Rs. 305.04 Lakhs (Rs.315.47 Lakhs as on 31 March, 2018) given as security against bill discounting, bank guarantee limit taken from a bank

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

4 Investment Property

(Amount in Rs. Lakhs)

Particulars	Free hold land	Lease hold land	Building	Office Equipment's	Furniture and Fittings	Total
As at 01 April 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**
Additions	-	-	-	-	-	-
At 31 March 2019	**8.00**	**264.63**	**1,733.04**	**79.35**	**12.16**	**2,097.18**
Accumulated depreciation						
As at 01 April 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**
Depreciation for the year	-	23.90	73.85	-	2.63	100.38
At 31 March 2019	**-**	**95.59**	**243.51**	**75.28**	**6.27**	**420.65**
Net Book Value						
At 31 March 2018	**8.00**	**192.94**	**1,563.38**	**4.07**	**8.52**	**1,776.91**
At 31 March 2019	**8.00**	**169.04**	**1,489.53**	**4.07**	**5.89**	**1,676.53**

1. Information regarding income and expenditure of Investment property

	As at 31 March 2019	As at 31 March 2018
Rental income derived from investment properties	112.95	342.50
Direct operating expenses (including repairs and maintenance) generating rental income(repairs & maintenance)	79.98	87.25
Direct operating expenses (including repairs and maintenance) that did not generate rental income(Property tax)	12.82	22.72
Profit arising from investment properties before depreciation and indirect expenses	**20.15**	**232.53**
Less - Depreciation	100.38	135.75
Less - Exchange differences	-	0.63
Profit arising from investment properties before indirect expenses	**(80.23)**	**96.15**

2. The Group's investment properties as on 31 March 2019 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.

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

4. Measurement of fair value

The fair value of investment properties has been determined by external, independent property valuers.

The fair value measurement for investment properties has been categorised as a level 3 fair value based on inputs to valuation techniques used (refer note 4 (6)). Fair value hierarchy disclosures have been given in note 48.

5. Fair value of Investment Properties

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Fair Value of Investment Properties	4,132.00	4,277.50

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

Investment properties	Valuation technique	Significant unobservable Inputs
Office properties		
-Kolkata	Market Approach	Reference pricing
-Rampur Land	Market Approach	Reference pricing
-Rampur Building	Depreciated Replacement Cost	
-Mumbai	Market Approach	Reference pricing
-Mumbai (Jogeshwari)	Sale Comparison Method	Reference pricing
-Singapore*	Sale Comparison Method	Reference pricing

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 range requires judgement, considering qualitative and quantitative factors specific to the reasurement.

Depreciated Replacement cost method represents amount that would be required currently to replace cost of building less accumulated depreciation for used life i.e. current replacement cost.

Sale Comparison Method represents the amount that would be received to sell similar property in an orderly transaction between marker participants less transaction cost to be incurred to execute the sell.

5 **Intangible assets**

(Amount in Rs. Lakhs)

Particulars	Intellectual Property Rights	Computer Software	In-house developed Software	Web site Development Cost	Total	Intangible asset under development	Grand Total
As at 01 April 2017	**70.62**	**1,234.39**	**251.95**	**-**	**1,556.96**	**468.75**	**2,025.71**
Additions for the year	-	704.82	-	-	704.82	763.92	1,468.74
Capitalised during the year	-	-	-	-	-	(516.83)	(516.83)
Acquisition of a subsidiary (Note 44)	0.59	-	7.58	-	8.17	-	8.17
Exchange differences	-	6.32	-	-	6.32	(3.46)	2.86
At 31 March 2018	**71.21**	**1,945.53**	**259.53**	**-**	**2,276.27**	**712.38**	**2,988.65**
Additions for the year	452.06	65.61	402.70	-	920.37	386.26	1,306.63
Capitalised during the year	-	-	-	-	-	(847.31)	(847.31)
Transfer from Property, plant and equipment		49.21			49.21	-	49.21
Acquisition of a subsidiary (Note 44)	(0.59)	(90.17)	(4.14)	-	(94.90)	-	(94.90)
Disposals	-	-	(3.44)	-	(3.44)	-	(3.44)
Exchange differences	-	13.88	-	-	13.88	-	13.88
At 31 March 2019	**522.68**	**1,984.06**	**654.65**	**-**	**3,161.39**	**251.33**	**3,412.72**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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Particulars	Intellectual Property Rights	Computer Software	In-house developed Software	Web site Development Cost	Total	Intangible asset under development	Grand Total
Accumulated amortisation							
As at 01 April 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**
Amortisation for the year	57.95	281.81	110.66	-	450.42	-	450.42
Transfer from Property, plant and equipment	-	25.35	-	-	25.35	-	25.35
Acquisition of a subsidiary (Note 44)	-	(76.64)	(1.12)	-	(77.76)	-	(77.76)
Exchange differences	-	11.04	-	-	11.04	-	11.04
At 31 March 2019	**123.55**	**1,382.50**	**126.84**	**-**	**1,632.89**	**-**	**1,632.89**
Net Book Value							
At 31 March 2018	**5.61**	**804.59**	**242.23**	**-**	**1,052.43**	**712.38**	**1,764.81**
At 31 March 2019	**399.13**	**601.56**	**527.81**	**-**	**1,528.50**	**251.33**	**1,779.83**

1. Amortisation for the year includes amortisation of intangible asset, pertaining to discontinued operation of Nil (31 March 2018 Rs. 13.30 Lakhs)
2. Intangible assets under development includes Manpower and other cost incurred for various internally developed software's.

6. **Investment in associates and a joint venture**

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in associates (refer note 45)		
Creative Functionapps Lab Pvt. Ltd 3,514 (31 March 2018 : 3,514) equity share of Rs 10 each	73.68	82.56
Sunstone Learning Private Limited 95,058 (31 March 2018 : 95,058) equity share of Rs 1 each	782.09	782.09
Less: Impairment of Investment	(782.09)	(782.09)
Ziiki Media SA Pty. Ltd. **(Formerly known as Spice Digital South Africa Pty. Ltd.)** 40,016,870 (31 March 2018: Nil) equity shares of 1 Zar each	591.45	-
Investment in joint venture (refer note 45)		
Adgyde Solutions Pvt. Ltd Nil (31 March 2018 : 1,230,000) equity share of Rs 10 each	-	49.81
	665.13	**132.37**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

7 **Investments**

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Financial instrument carried at fair value through profit and loss				
Investment in equity instrument (unquoted)				
911 India Healthcare Private Limited Nil (31 March 2018 : 1) equity share of Rs 10 each	-	0.01	-	-
S Mobile Devices Limited 50,000 (31 March 2018 : 50,000) equity shares of Rs.10 each fully paid up	5.00	5.00	-	-
Investment in fully paid up cumulative compulsorily convertible preference shares (unquoted)				
911 India Healthcare Private Limited Nil (31 March 2018 : 2,688) preference share of Rs 10 each	-	34.94	-	-
Investment in unquoted cumulative compulsorily convertible bonds				
Investment in PT Solusi Pasti Indonesia (IDR 27,000,000,000 (Twenty Seven Billion Rupiah) convertible bonds)	1,317.81	1,389.46	-	-
Investment in PT Jasa Digital Nusantara (USD 2,00,000 (Two hundred thousand USD) convertible bonds)	139.85	139.85	-	-
Less: Impairment of Investment (refer note 55)	(139.85)	(139.85)	-	-
Government and trust securities (unquoted)				
National Saving Certificates 5 (31 March 2018 : 5) 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	-	-
Mutual fund units (unquoted) of Rs. 10 each fully paid up				
IDFC Super Saver Income Fund-Investment Plan-Growth (Regular Plan) Nil (31 March 2018: 564,052) units of Rs 35.46 each	-	-	-	232.82
Reliance Low Duration Fund- Growth Plan Growth Option (LPIGG) 9,259 (31 March 2018: Nil) units of Rs 2430.12 each	-	-	239.30	-
	1,323.31	**1,429.91**	**239.30**	**232.82**
Aggregate amount of unquoted investments	1,323.31	1,429.91	239.30	232.82
Aggregate amount of impairment in value of investments	139.85	139.85	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

8 **Loans - financial assets**

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Secured, considered good				
Loans to body corporate#	271.42	300.00	-	-
Unsecured, considered good				
Security deposits	108.19	109.11	163.57	153.52
Loans to employees	41.97	21.86	29.68	159.95
Advances recoverable in cash or kind	-	-	-	125.08
	421.58	**430.97**	**193.25**	**438.55**
Doubtful				
Security deposits	-	-	2.10	2.10
Advances recoverable in cash or kind	-	-	404.92	404.92
	-	**-**	**407.02**	**407.02**
Allowances for doubtful				
Security deposits	-	-	2.10	2.10
Advances recoverable in cash or kind	-	-	404.92	404.92
	-	**-**	**407.02**	**407.02**
	421.58	**430.97**	**193.25**	**438.55**

Loans and receivables 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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good				
Receivable from related party (refer note 41)				
Rent and other receivable	-	-	35.24	7.82
Receivable against ticketing	-	-	57.14	54.72
Receivable from others				
Interest accrued on fixed deposits	-	-	28.17	22.06
Interest accrued on inter-corporate loans	-	-	33.45	31.42
Interest accrued on loan to employees	-	-	-	-
Rent and other receivable	-	-	2.60	11.47
Income accrued but not billed	-	-	6,725.53	5,260.64
Receivable against ticketing	-	-	70.25	63.73
Receivable against collection from agents	-	-	5,117.05	1,110.72
Fixed deposits with remaining maturity of more than 12 months (Refer note 12 for fixed deposit pledged with bank)	55.15	9.19	-	-
	55.15	**9.19**	**12,069.43**	**6,562.58**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Unsecured, considered doubtful				
Receivable against collection from agents	-	-	3.27	3.27
Rent and other receivables - from others	-	-	22.23	22.23
	-	**-**	**25.50**	**25.50**
Allowances for doubtful				
Receivable against collection from agents	-	-	3.27	3.27
Rent and other receivables - from others	-	-	22.23	22.23
	-	**-**	**25.50**	**25.50**
	55.15	**9.19**	**12,069.43**	**6,562.58**

10 **Trade receivables**

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Trade receivables	9,102.63	5,192.75
Less: Provision for Credit Impaired	(1,711.16)	(1,504.22)
	7,391.47	**3,688.53**
Unsecured, considered good	7,391.47	3,688.53
Unsecured, Credit Impaired	1,711.16	1,504.22
	9,102.63	5,192.75
Provision for Credit Impaired	(1,711.16)	(1,504.22)
	7,391.47	**3,688.53**

11 **Cash and cash equivalents**

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Balance with banks :		
On current accounts	3,244.96	4,277.40
Cheques, drafts on hand	0.10	0.08
Cash on hand	2.63	4.45
Deposit with original maturity of less than three months*	241.65	937.32
	3,489.34	**5,219.25**

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 Nil (31 March 2018 : Rs. 125 Lakhs) 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

12 Bank balances other than (11) above

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Unclaimed dividend accounts	33.54	45.97
Fixed deposits with remaining maturity for less than 12 months *	3,340.03	3,081.22
Fixed deposits with remaining maturity of more than 12 months	55.15	9.19
	3,428.72	3,136.38
Amount disclosed under other non current financial assets (refer note 9)	(55.15)	(9.19)
	3,373.57	**3,127.19**

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. 1,025.92 Lakhs (31 March 2018: Rs.1,783.50 Lakhs) pledged with bank/government authority (including fixed deposits as at 31 March 2019 of Nil Lakhs (31 March 2018: Rs. 419.75 Lakhs) transferred to assets held for discontinued operations.

13 Non current tax assets (net)

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Advance income-tax (net of provision for taxation)	5,782.40	5,114.96
	5,782.40	**5,114.96**

14 Other assets

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Unsecured, considered Good				
Capital advances	-	16.73	-	-
Prepaid expenses	5.06	17.64	416.29	248.26
Prepaid rent	4.75	4.10	0.13	3.55
Balances with statutory / government authorities*	124.77	125.01	582.05	259.65
Interest receivable on income Tax/ VAT refund	-	-	-	-
Advance to suppliers/ service providers	-	-	745.46	468.15
	134.58	**163.48**	**1,743.93**	**979.61**
Unsecured, considered doubtful				
Advances receivable in cash or kind	17.50	-	172.98	164.45
Balances with statutory / government authorities	-	-	30.80	-
Allowances for doubtful				
Advances receivable in cash or kind	(17.50)	-	(172.98)	(164.45)
Balances with statutory / government authorities	-	-	(30.80)	-
	134.58	**163.48**	**1,743.93**	**979.61**

*includes Rs 20 Lakhs (31 March 2018 : Rs 20 Lakhs) deposited under protest with excise authorities, Rs. 86 Lakhs (31 March 2018 : Rs 86 Lakhs) deposited under protest with service tax authorities and Rs 4.74 Lakhs (31 march 2018: Rs 4.74 Lakhs) deposited under protest with sales tax authorities by the company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

15 Inventories (valued at lower of cost and net realisable value) **(Amount in Rs. Lakhs)**

	As at 31 March 2019	As at 31 March 2018
Goods and services procured	31.34	5.53
	31.34	**5.53**

16. Deferred tax assets and liabilities

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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Property, plant and equipments and intangible assets: impact of difference between tax depreciation and depreciation/ amortisation recognised in books	-	-	(425.57)	(172.47)	(425.57)	(172.47)
Investment at fair value through profit or loss	-	-	-	(9.56)	-	(9.56)
Other financial liabilities at fair value	-	-	-	(0.99)	-	(0.99)
Acquisition of a subsidiary (refer note 44)	-	2.29	-	-	-	2.29
Loans at fair value	0.22	0.96	-	-	0.22	0.96
Other financial assets at fair value	0.39	18.88	-	-	0.39	18.88
Provisions for Impaired Credit	471.52	378.59	-	-	471.52	378.59
Provisions-employee benefits	215.58	175.27	-	-	215.58	175.27
Business Losses including unabsorbed depreciation	807.89	-	-	-	807.89	-
Other items	180.26	11.03	-	-	180.26	11.03
Deferred tax assets/ (liabilities)	**1,675.86**	**587.02**	**(425.57)**	**(183.02)**	**1,250.29**	**404.00**
MAT credit receivable	1,117.82	1,117.82	-	-	1,117.82	1,117.82
Net deferred tax assets/ (liabilities)	**2,793.68**	**1,704.84**	**(425.57)**	**(183.02)**	**2,368.11**	**1,521.82**

B. Movement in temporary differences

(Amount in Rs. Lakhs)

	As at 31 March 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	As at 31 March 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	As at 31 March 2019
	(A)	(B)	(C)	(D=A-B+C)	(E)	(F)	(G=D-E+F)
Property, plant and equipments and intangible assets	(196.77)	(24.30)	-	(172.47)	253.10	-	(425.57)
Investment at fair value through profit or loss	(32.61)	(23.05)	-	(9.56)	(9.56)	-	-
Other financial liabilities at fair value (Security deposits)	-	0.99	-	(0.99)	(0.99)	-	-
Acquisition of a subsidiary (refer note 44)	-	-	-	2.29	2.29	-	-
Loans at fair value (security deposits)	-	(0.96)	-	0.96	0.74	-	0.22
Other financial assets at fair value	-	(18.88)	-	18.88	18.49	-	0.39
Provisions- bad and doubtful debts	321.19	(57.40)	-	378.59	(92.93)	-	471.52
Provisions-employee benefits	176.50	1.23	-	175.27	(40.31)	-	215.58
Business Losses including Unabsorbed Depreciation	-	-	-	-	(807.89)	-	807.89
Other items	11.28	(4.24)	(4.49)	11.03	(169.85)	1.68	180.26
Exchange difference on translation	-	(0.16)	-	-	(0.35)	-	-
	279.59	**(126.77)**	**(4.49)**	**404.00**	**(847.26)**	**1.68**	**1,250.29**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Reflected in the balance sheet as follows:	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	2,368.11	1,526.54
Deferred tax liabilities	-	4.72
Deferred tax assets (net)	**2,368.11**	**1,521.82**

(Amount in Rs. Lakhs)

Reflected in the statement of profit and loss as follows:	As at 31 March 2019	As at 31 March 2018
Tax income/(expense) during the year	(847.26)	(126.77)
Deferred tax impact OCI	1.68	(4.49)
Total	**(845.58)**	**(131.26)**

- 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.

The MAT credit of INR 1,117.82 Lakhs (31 March 2018: INR 1,117.82 Lakhs) recognised by respective 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 respective Company to utilize MAT credit assets.

C. Unrecognised deferred tax assets and Liabilities

Entity	As at 31 March 2019	Expiry date	As at 31 March 2018	Expiry date
- Company				
Loss from business	1,559.11	31 March 2020 to 31 March 2020	2,442.43	31 March 2019 to 31 March 2026
Unabsorbed depreciation	-	Carried forward indefinitely	2,611.01	Carried forward indefinitely
Long term capital losses	2,689.75	31 March 2020 to 31 March 2026	3,715.12	31 March 2019 to 31 March 2026
Provision for bad and doubtful debts	3,331.71		3,827.90	
Provision for Employee Benefits	-		90.58	
Fair value of Financial Liabilities	-		19.69	
Deferred Tax Liabilities				
Property, plant and equipments and intangible assets	-		(278.73)	
Fair value of financial assets	-		(18.77)	
Total	**7,580.57**		**12,409.23**	
Potential tax benefit	**2,108.92**		**3,226.40**	
- Subsidiaries				
Loss from business	384.32		1,202.26	
Unabsorded Depreciation	446.73	Indefinite Period	76.08	Indefinite Period
Property, plant and equipments and intangible assets	(0.61)		(2.58)	
Provisions- bad and doubtful debts	191.02		202.34	
Provisions-employee benefits	9.75		19.48	
Other items	-		358.21	
Total	**1,031.21**		**1,855.79**	
Potential tax benefit	**299.95**		**529.67**	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

17. Equity share capital

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Authorized		
413,500,000 (01 April, 2017: 330,000,000) equity shares of Rs. 3 each	12,405.00	9,900.00
Add: Nil (31 March 2018: 83,500,000)equity shares of Rs. 3 each Pursuant to Scheme of Arrangement (refer note 60)	-	2,505.00
413,500,000 (31 March 2018: 413,500,000) equity shares of Rs. 3 each	12,405.00	12,405.00
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 N on-Promoters Trust		
(face value of 26,067,843 (31 March 2018 :26,114,193) shares transferred to the trust pursuant to the Scheme of Amalgamation) (refer to note 51)	782.04	783.43
Add: Estimated shares of Rs. 3 each to be issued pursuant to Scheme of Arrangement (refer note 60)	1.02	1.02
	6,054.90	6,053.51

(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 01 April, 2017	227,863,982	6,835.92
Estimated share to be issued pursuant to the Scheme of arrangement (refer note 60)	34,080	1.02
Outstanding at the end of the year as at 31 March 2018	227,898,062	6,836.94
Outstanding at the end of the year as at 31 March 2019	227,898,062	6,836.94

(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:

	As at 31 March 2019	As at 31 March 2018
Spice Connect Private Limited		
169,447,570 (31 March 2018: 169,447,570) equity shares of Rs. 3 each fully paid	5,083.43	5,083.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	Nos.	% holding in the class	Nos.	% holding in the class
Equity shares of Rs. 3 each fully paid				
Spice Connect Private Limited	169,447,570	74.36%	169,447,570	74.36%
Mediatek India Technology Private Limited	19,368,439	8.50%	19,368,439	8.50%
Independent Non Promoter Trust	15,912,776	6.98%	15,912,776	6.98%

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 2019	As at 31 March 2018
Securities premium	1,770.80	1,770.80
Capital redemption reserve	306.66	306.66
General reserve	5,712.74	5,712.74
Capital reserve on consolidation	(15.76)	(15.76)
Retained earnings	14,027.14	14,011.12
Trust shares (refer note 51)	161.19	142.58
Share Based Payment Reserve	783.25	-
Capital reserve on Amalgamation	(1.02)	(1.02)
Other comprehensive income (OCI)	(327.87)	(291.26)
	22,417.13	**21,635.86**
a) Securities premium		
Balance as per the last financial statements	1,770.80	2,101.68
Add: Addition/(deletion) during the year	-	-
Add: Adjustment on account of change in ownership	-	(330.88)
Closing Balance	**1,770.80**	**1,770.80**
b) Capital redemption reserve		
Balance as per the last financial statements	306.66	306.66
Add: Addition/(deletion) during the year	-	-
Closing Balance	**306.66**	**306.66**
c) General reserve		
Balance as per the last financial statements	5,712.74	5,712.74
Add: Addition/(deletion) during the year	-	-
Add: Transfer to retain earning	-	-
Closing Balance	**5,712.74**	**5,712.74**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

(Amount in Rs. Lakhs)

		As at 31 March 2019	As at 31 March 2018
d)	**Capital reserve on consolidation**		
	Balance as per the last financial statements	(15.76)	472.19
	Add: Addition/(deletion) during the year	-	(487.95)
	Closing Balance	**(15.76)**	**(15.76)**
e)	**Retained earnings**		
	Balance as per the last financial statements	14,011.12	17,210.65
	Add: Profit/(Loss) during the year	908.14	(4,469.71)
	Non Controlling Interest	(302.55)	894.79
	Add: Share based payment to employees of the Group (refer note 46 (I))	(113.81)	-
	Share of retained earning moved to non controlling from controlling	(475.76)	12.46
	Add: Acquisition of non-controlling interest of subsidiary	-	32.05
	Add: Adjustment on account of change in ownership	-	330.88
	Closing Balance	**14,027.14**	**14,011.12**
f)	**Trust shares (refer note 51)**		
	Opening balance	142.58	(3,014.49)
	Adjustments relating to sale of shares by Trust	18.61	3,157.07
	Closing Balance	**161.19**	**142.58**
g)	**Share Based Payment Reserve**		
	Opening balance	-	-
	Add: Share based payment to employees of the Group	783.25	-
	Closing Balance	**783.25**	**-**
h)	**Capital reserve on Scheme of Arrangement**		
	Opening balance	(1.02)	-
	Add: Addition pursuant to Scheme of Arrangement (refer note 60)	-	(1.02)
	Closing Balance	**(1.02)**	**(1.02)**
i)	**Items of OCI**		
1.	**Foreign Currency Translation Reserve**		
	Balance as per the last financial statements	**227.12**	**(0.45)**
	Add: Addition/(deletion) during the year	83.26	256.87
	Less: Transaction with Non Controlling Interest	-	(42.33)
	Less: Adjustment on Deemed loss of Control (Refer note no. 44 a)	(114.37)	-
	Add: Acquisition of non-controlling interest of subsidiary	-	13.03
	Closing Balance	**196.01**	**227.12**
2.	**Foreign Currency Monetary Item Translation Difference Account**		
	Balance as per the last financial statements	**(503.35)**	**(282.97)**

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 2019	As at 31 March 2018
Add: Addition/(deletion) during the year	(0.25)	(114.45)
Less: Transaction with Non Controlling Interest	-	(60.91)
Add: Acquisition of non-controlling interest of subsidiary	-	(45.02)
Closing Balance	**(503.60)**	**(503.35)**
3. Remeasurement gain/(loss) on defined benefit plan, net of tax impact		
Balance as per the last financial statements	**(15.03)**	**(24.20)**
Add: Addition/(deletion) during the year	(5.25)	9.17
	(20.28)	**(15.03)**
Total (1+2+3)	**(327.87)**	**(291.26)**
Total other equity	**22,417.13**	**21,635.86**

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) Share 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.

(vi) Capital reserve on Amalgamation is created pursuant to scheme of arrangement (refer Note No: 44)

18 **Borrowings**

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Secured				
Bill discounting facility from a bank (secured) (repayable on demand) $	-	-	1,936.57	1,667.86
Limit from a bank (repayable on demand) #	-	-	2,385.72	399.47
Loan from Bank *	-	-	53.85	-
	-	**-**	**4,376.14**	**2,067.33**
Unsecured				
Loans from related party (refer note 41 & 54)	1,277.85	1,237.67	-	-
Interest free loan and advances from others repayable on demand (repayable on demand)	-	-	78.05	75.58
	1,277.85	**1,237.67**	**78.05**	**75.58**
	1,277.85	**1,237.67**	**4,454.19**	**2,142.91**

$ The bill discounting facility from a bank is secured by first and exclusive charge on current assets of the Company, both present and future and are further secured by land and building situated in Dehradun. Further, lien is marked on fixed deposits with bank to extent of 15% of bill discounting outstanding amount. The facility carries interest at MCLR plus 1.10% (31 March 2018: MCLR plus 1.10%) and also secured by exclusive charge by way of hypothecation on the entire receivable from NPCI routed through RBI.

#The bank overdraft facility is 100% secured against fixed deposits of the Company. Further, the bank overdraft facility taken by a subsidiary from the bank is secured by exclusive charge by way of hypothecation on entire receivable from NPCI routed through RBI, and Negative lien on Commerical Property situated at Jogeshwari (w), Mumbai. The facility carries interest at base rate plus 1.30% (31 March 2018 : 1.10%).

* secured against the asset of the company and carries interest at 9%.

19 Trade payables

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Trade payables		
-Due to Micro and Small Enterprises (refer note 52)	3.64	-
-Due to Other than Micro and Small Enterprises	7,613.61	5,076.95
Trade payable to related parties (refer note 41)*	5.41	64.77
	7,622.66	**5,141.72**

* Balance as at 31 March 2019 excludes Rs. 136.55 Lakhs (31 March 2018: Rs 136.55 Lakhs transferred to liabilities for discontinued operation.

20 Other financial liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
At amortised cost				
Security deposits	43.83	43.38	-	-
Unpaid dividends	-	-	33.54	45.97
Payable towards capital goods	-	-	10.04	35.61
Employee related liabilities (includes salary payable and variable compensation)				
- to related parties (refer note 41)	-	-	29.06	22.63
- to other employees	-	-	1,151.50	994.59
	43.83	**43.38**	**1,224.14**	**1,098.80**

21 Provisions

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefit				
Gratuity (refer note no.39)	415.86	392.12	75.01	53.06
Compensated absences	263.24	205.59	64.79	85.32
Provision for bank liability payout of discontinued operations (Refer Note 40 D (a) and 47)	-	-	-	600.00
	679.10	**597.71**	**139.80**	**738.38**

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as at and for the year ended 31 March 2019

22 Current tax liabilities (net)

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Provision for income-tax (net of advance tax)	424.57	211.36
	424.57	**211.36**

23 Other liabilities

(Amount in Rs. Lakhs)

	Non current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Rent received in advance	18.11	13.11	1.97	6.95
Security deposits	9.45	7.78	-	-
Deposits from customers	-	17.67	-	-
Employee statutory deductions	-	-	121.24	59.67
TDS payable	-	-	438.63	331.36
Advance from customers and their credit balances	-	-	5,493.65	2,334.43
Deferred income	-	-	6.59	72.76
Indirect taxes and duties payable	-	-	199.72	146.70
Dividend Tax			66.93	-
Others	-	-	0.48	21.95
	27.56	**38.56**	**6,329.21**	**2,973.82**

24 Revenue from operations

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of hardware, traded goods and software solution	8,647.00	2,299.55
Sales/rendering of services	29,021.39	25,752.93
	37,668.39	**28,052.48**

25 Other income

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on:		
Income tax refund	121.92	22.95
Bank deposits	251.58	160.02
Loan to an employee and body corporate	39.41	40.15
Others	273.06	12.42
Rent received	204.26	403.21
Profit on sale of investment in an associates	110.44	331.52
Net gain on sale of current investments in mutual fund units	(1.93)	8.90
Unclaimed balances written back (net)	190.60	114.39
Fair value gain on financial instruments at fair value through profit or loss	14.30	32.96
Maintenance charges recovery	55.11	70.69
Miscellaneous income	15.93	32.10
Other non-operating income	561.97	92.19
	1,836.65	**1,321.50**

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26 Cost of goods and services procured

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Goods and services procured	8,151.39	3,240.69
	8,151.39	**3,240.69**

27 (Increase) / Decrease in inventories of procured goods

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the end of the year	31.34	5.53
Goods and services procured		
Inventories at the beginning of the year	5.53	234.88
Goods and services procured		
	(25.81)	**229.35**

28 Cost of services rendered

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Value added service charges	12,271.60	9,727.30
	12,271.60	**9,727.30**

29 Employee benefits expense

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	7,480.01	6,664.55
Contribution to provident and other funds	393.36	368.20
Gratuity expense (refer note 39)	136.52	118.89
Staff welfare expenses	254.11	231.60
Employee ESOP Compensation	669.44	-
	8,933.44	7,383.24
Less: Capitalized as intangible assets	332.87	592.08
	8,600.57	**6,791.16**

30 Finance costs

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest Cost	83.64	46.68
Bill discounting charges	178.51	158.69
	262.15	**205.37**

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31 Depreciation and amortization expense

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on plant, property and equipment's (refer note 3)	1,246.27	1,191.80
Amortization on intangible assets (refer note 5)	450.42	369.61
Depreciation on investment property (refer note 4)	100.38	135.75
	1,797.07	**1,697.16**

32 Other expenses

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Net Loss on foreign currency transactions and translations	162.25	280.14
Rent	385.51	304.47
Rates and taxes	97.83	190.54
Insurance	78.79	70.92
Repairs and maintenance		
-Buildings	33.69	67.38
-Others	272.16	244.64
Advertising and sales promotion	364.38	250.35
Loss on disposal of plant, property and equipment's (net)	5.07	9.67
Travelling and conveyance	1,654.94	1,342.89
Legal and professional fees	1,755.95	2,276.41
Payment to statutory auditors (refer note A below)	186.94	137.07
Corporate social responsibility expenses (refer note B below)	36.00	128.00
Provision for doubtful advances	152.88	389.59
Provision for Impaired credit	209.96	319.34
Irrecoverable balances written off	468.25	391.95
Donation and contributions to charitable institutions	1.40	1.20
Miscellaneous expenses	1,310.05	1,237.64
	7,176.05	7,642.20
Less: Capitalized as intangible assets	48.49	144.27
	7,127.56	**7,497.93**

A. Payment to auditors

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor:*		
Statutory audit fees	70.35	60.24
Tax audit fees	19.08	2.91
Limited reviews	15.90	22.60
Other services (certification fees)	80.33	31.73
Reimbursement of expenses	1.28	19.59
	186.94	**137.07**

*Includes fee paid to erstwhile auditor and auditor of subsidiaries.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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B. Details of CSR expenditure

(Amount in Rs. Lakhs)

		For the year ended 31 March 2019	For the year ended 31 March 2018
a.	**Gross amount required to be spent by the Group during the year**	-	30.88
b.	**Amount spent during the year ending :**		
	i) Construction/acquisition of any asset	-	-
	ii) On purposes other than (i) above	36.00	128.00
	iii) On purposes other than (i) above yet to be paid	-	-

33 Exceptional items

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
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)
Provision for diminution in the value of non current investments (refer note 55)	-	134.08
Loss on sale of investment property	-	380.00
Impairment of goodwill of subsidiary (refer note 56)	-	104.34
Provision for demand raised by tax authorities (refer note 53)	-	277.60
Gain on sale of subsidiary	(0.09)	-
	(0.09)	**6,746.23**

34 Items that will not be reclassified to profit and loss

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Remeasurement gain of defined benefit plan	(6.93)	13.66
Deferred tax impact	1.68	(4.49)
	(5.25)	**9.17**

35 Items that will be reclassified to profit and loss

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Exchange differences on translations of foreign operations	88.89	259.23
Exchange difference on long term loan*	(0.31)	(137.02)
	88.58	**122.21**

* Represents foreign exchange loss on translation of a long term monetary item forming part of a subsidiary's net investment in its foreign subsidiary.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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36 Income Tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

A. Amount recognised in profit and loss:

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax:		
Current income tax charge	1,128.34	816.40
Adjustment in respect of current tax of previous year	5.68	116.31
Deferred tax		
Relating to origination and reversal of temporary differences	(847.26)	(126.77)
Income tax expense reported in the statement of profit or loss	**286.76**	**805.94**

B. Reconciliation of effective tax rate

(Amount in Rs. Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(loss) before tax from continuing operations (A)	1,204.05	(6,839.81)
Profit/(loss) before tax from discontinued operations (B)	(9.15)	3,148.24
Profit/(loss) before tax (A) +(B)	**1,194.89**	**(3,691.57)**
Tax using the Company's domestic tax rate (C.Y. 27.82% and PY 29.12%)	332.42	(1,074.98)
Adjustments in respect of current income tax of previous years	5.68	116.31
Permanent difference related to provision for advances	6.95	1,547.26
Other Permanent differences	(16.10)	(3.77)
Foreign withholding taxes expensed off	186.12	194.37
Tax adjustment due to rate difference	291.84	391.78
Income on sale of investment taxed as capital gain	-	(59.16)
Share of losses of associates and joint venture	32.42	22.89
Tax credit not accounted in respect of entities having nil tax due to business loss	101.60	888.52
Gain on loss of control (consolidation adjustment, non taxable)	-	(1,637.99)
Income Tax exemption on income in Bangladesh	-	(25.54)
Changes in estimates related to prior years	(20.13)	349.98
Recognition of tax effect of previously unrecognised unabsorbed depreciation*	(807.89)	-
Deferred tax Assets on others due to change in reasonable certainty*	31.94	-
Non-deductible expenses for tax purposes:	0.22	-
Unrecognised tax losses	124.28	84.31
Others	17.41	11.95
Effective tax rate	**286.76**	**805.94**

* The company has recognised deferred tax asset on certain items due to reasonable certainty in realisation of these deferred tax assets in view of improved business plan as implementation of scheme of arrangement resulting increase in profitability.

37 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(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 profit/(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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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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 2019	For the year ended 31 March 2018
Profit/(loss) attributable to equity holders of the parent:		
Continuing operations	614.74	(6,750.95)
Discontinued operation	(9.15)	3,176.04
Profit/(Loss) attributable to equity holders of the Company	605.59	(3,574.92)
Weighted average (net) number of equity shares in calculating basic and diluted EPS	227,898,062	227,898,062
Earnings per share for continuing operations		
Basic, computed on the basis of loss from continuing operations attributable to equity holders of the parent	0.27	(2.96)
Diluted, computed on the basis of loss from continuing operations attributable to equity holders of the parent	0.27	(2.96)
Earnings per share for discontinued operations		
Basic, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	(0.00)	1.39
Diluted, computed on the basis of loss from discontinued operations attributable to equity holders of the parent	(0.00)	1.39
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	0.27	(1.57)
Diluted, computed on the basis of loss for the year attributable to equity holders of the parent	0.27	(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 2019 and 31 March 2018.

38 Group information

Information about subsidiaries, associates and joint ventures

The consolidated financial statements of the Group includes subsidiaries, associate and joint ventures as listed in the table below:

S. No.	Name	Country of Incorporation	% Equity Interest	
			As at 31 March 2019	As at 31 March 2018
1	Spice Digital Limited	India	99.98%	99.98%
2	Kimaan Exports Private Limited (a)	India	100.00%	100.00%
3	Luharia Technologies Private Limited (w.e.f January 01, 2018 till July 25, 2018) (a) (j)	India	-	30.00%
4	Hindustan Retail Private Limited (j)	India	100.00%	100.00%
5	New Spice Sales and Solutions Limited (b) (j)	India	100.00%	100.00%
6	Cellucom Retail India Private Limited (c) (j)	India	100.00%	100.00%
7	S Mobility (HK) Limited (j)	Hong Kong	100.00%	100.00%
8	Spice Digital Bangladesh Limited	Bangladesh	100.00%	100.00%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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S. No.	Name	Country of Incorporation	% Equity Interest	
			As at 31 March 2019	As at 31 March 2018
9	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)	Singapore	100.00%	100.00%
10	Beoworld SDN. BHD (d) (j)	Malaysia	100.00%	100.00%
11	Fast Track IT Solutions Ltd (d) (j) (w.e.f. 27 Nov. 2018)	Bangladesh	70.00%	0.00%
12	Spice Digital FZCO (w.e.f. March 26, 2017) (d) (j)	UAE	100.00%	100.00%
13	Spice VAS (Africa) Pte. Limited (d) (h) (j)	Singapore	80.00%	80.00%
14	S Mobility Pte. Ltd. (d) (j)	Singapore	100.00%	100.00%
15	Omnia Pte. Ltd. (d) (e) (j)	Singapore	100.00%	100.00%
16	Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited") (e)	Nigeria	100.00%	100.00%
17	Spice VAS Ghana Limited (e)	Ghana	100.00%	100.00%
18	Spice VAS Zambia Limited (e)	Zambia	100.00%	100.00%
19	Spice VAS Tanzania Limited (e) (g) (j)	Tanzania	100.00%	100.00%
20	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (e) (i)	South Africa	-	100.00%
21	SVA (Mauritius) Pvt. Limited (formerly known as Spice (Mauritius) Pvt. Limited (e) (j)	Mauritius	100.00%	100.00%
22	Spice VAS Kenya Limited (e) (j)	Kenya	100.00%	100.00%
23	Spice VAS Uganda Limited (e)	Uganda	75.00%	75.00%
24	Spice VAS RDC (e)	Democratic Republic of Congo	100.00%	100.00%
25	PT Spice Digital Indonesia (f) (j)	Indonesia	100.00%	100.00%
26	Digispice Nepal Pvt. Limited (w.e.f. January 21, 2019)	Nepal	100.00%	-

a) Subsidiary through Spice Digital Limited.

b) Subsidiary through Hindustan Retail Private Limited.

c) Subsidiary through New Spice Sales & Solutions 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 Omnia Pte. Ltd.

g) 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.

h) 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.

i) With the issuance of new shares by Ziiki Media SA (Pty) Ltd formerly known as Spice Digital South Africa (Pty) Limited to Kama Trust Group, Ziiki Media SA (Pty) Ltd ceased to be subsidiary of the Group w.e.f. 07th February 2019 (shareholding of Group in Ziiki Media SA (Pty) Ltd has been reduced to 49%).

(j) Management financial statements has been considered for consolidation

Ultimate Holding Company

Smart Global Corporate Holdings Private Limited

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Holding Company

Spice Connect Private Limited

Name of associates and joint venture	Nature	Country of Incorporation	% Equity Interest	
			As at 31 March 2019	As at 31 March 2018
Sunstone Learning Private Limited	Associate	India	41.61%	41.61%
Creative Functionapps Lab Private Limited	Associate	India	26.00%	26.00%
Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited)*	Associate	South Africa	49.00%	-
Adgyde Solutions Private Limited**	Joint Venture	India	-	49.00%

*With the issuance of new shares by Ziiki Media SA (Pty) Ltd formerly known as Spice Digital South Africa (Pty) Limited to Kama Trust Group, Ziiki Media SA (Pty) Ltd ceased to be subsidiary of the Group w.e.f. 07th February 2019 (shareholding of Group in Ziiki Media SA (Pty) Ltd has been reduced to 49%).

** ceased to be joint venture w.e.f. October 25,2018

39. Employee Benefit

A. Defined Contribution Plan

During the year, the Group has recognised the following amounts in the statement of Profit & Loss:

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Employer's contribution to provident and pension fund*	**394.31**	469.20

*includes Rs. 0.95 Lakhs (31 March 2018 Rs. 101 Lakhs) for discontinued operations.

B. Defined Benefit Plan

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 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:

(i) Liability for defined benefit obligation as at Balance sheet date:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2019	As at 31 March 2018
Gratuity plan*	492.22	455.88
Total	**492.22**	**455.88**

*includes Rs. 1.35 Lakhs (31 March 2018 Rs. 10.70 Lakhs) for discontinued operations.

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(ii) Components of defined benefit cost recognised in the statement of profit and loss under Employee benefit Expense:

(Amount in Rs. Lakhs)

	Gratuity	
	For the year ended 31 March 2019	**For the year ended 31 March 2018**
Current service cost	104.25	89.86
Interest cost on benefit obligation	34.74	32.06
Past service cost including curtailment losses	1.24	3.85
Return on plan assets	(0.10)	(0.09)
Net benefit expense*	**140.13**	**125.68**

*includes Rs. 3.61 Lakhs (31 March 2018 Rs. 6.79 Lakhs) for discontinued operations.

(iii) Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2019	**As at 31 March 2018**
Opening defined benefit obligation	**457.14**	**502.22**
Past service cost	0.51	34.00
Current service cost	104.25	89.86
Interest cost	34.74	32.06
Actuarial loss arising from change in demographic assumption	1.24	3.85
Expenses Recognised in Profit and loss statement	**140.23**	**125.77**
Benefits paid	(112.47)	(81.82)
Actuarial (Gain)/Loss arising from change in financial assumption	0.31	(1.47)
Actuarial (Gain)/Loss arising from experience adjustment	6.50	(12.28)
Total Change in defined benefit obligation due to change in actuarial losses/ (gains) recognised in OCI	**6.81**	**(13.75)**
Liability transferred to third party due to change in ownership	-	(109.28)
Closing defined benefit obligation	**492.22**	**457.14**

(iv) Changes in the fair value of plan assets are as follows:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2019	**As at 31 March 2018**
Opening fair value of plan assets	**1.26**	**18.16**
Expected return	0.10	0.09
Benefit Paid	(1.24)	-
Actuarial gain /(loss) for the year on asset recognised in OCI	**(0.12)**	**(0.09)**
Liability transferred to third party due to change in ownership	-	(16.90)
Closing fair value of plan assets	**-**	**1.26**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at 31 March 2019	**As at 31 March 2018**
Investments with insurer	100%	100%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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(v) The principal assumptions used in determining gratuity for the Group's plans are shown below:

	As at 31 March 2019	As at 31 March 2018
Discount rate	7.66%-7.80%	7.80%
Future salary increase	8.00%	8.00%
Retirement age	58 Years	58 Years
Employee turnover		
- Upto 30 years	4% to 15%	4% to 15%
- 31-44 years	4% to 15%	4% to 15%
- Above 44 years	1% to 15%	1% to 15%
Mortality rate	100% of IALM	

(vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

(Amount in Rs. Lakhs)

	As at 31 March 2019 Discount Rate		As at 31 March 2019 Future Salary Increase	
Sensitivity level	0.5% Increase	0.5% Decrease	0.5% Increase	0.5% Decrease
Impact on defined benefit obligation	(13.42)	14.16	12.91	(12.45)

(vii) 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)

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.

(viii) The following payments are expected contributions to the defined benefit plan in future years:

(Amount in Rs. Lakhs)

	Gratuity	
	As at 31 March 2019	As at 31 March 2018
Within the next 12 months (next annual reporting period)	76.36	65.30
Between 2-5 Years	209.38	189.74
Between 5-10 years	67.12	30.88
Beyond 10 years	139.36	171.22
Total expected payments	**492.22**	**457.14**

The average duration of the defined benefit plan obligation at the end of the reporting period is 2 to 26 years (31 March 2018: 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.385.70 Lakhs (31 March 2018 Rs. 1,921.45 Lakhs) (including Rs. 0.19 Lakhs and Rs. 1,616.98 Lakhs respectively for the year ended 31 March 2019 and 31 March 2018 related to discontinued operations).

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During the previous 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. 13.70 lakh for the year ended 31 March 2019 (31 March 2018: Rs 0.96 Lakhs).

The total of future minimum lease payments under the non cancellable operating leases is as under:

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Within one year	13.70	13.70
After one year but not more than five years	12.75	26.45
More than five years	-	-
	26.45	40.15

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 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 for one year and are cancellable after the lock in period by either party by serving a notice of atleast 3 months.

The Company had entered into operating leases on its office buildings situated at Mumbai (Jogeshwari). 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 current year the lease term has expired.

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Rent received during the year (including discontinued operations)	204.26	403.21

B. Commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 122.07 Lakhs (31 March 2018: Rs. 92.17 Lakhs).

C. Contingent liabilities

(Amount in Rs. Lakhs)

	As at 31 March 2019	As at 31 March 2018
Demands and claims from government authorities		
1) Demand from excise/ service tax authorities		
a) Demand raised by the excise authorities. The Company has deposited Rs 20 Lakhs (31 March 2018 Rs 20 Lakhs) under protest which is appearing in note no. 14 under balances with statutory/ government authorities)	662.63	662.63
b) Demand (includes penalty Rs 324.46 Lakhs (31 March 2018: Rs 324.46 Lakhs)) in respect of non charging the service tax on the short messaging peer-to-peer service. The company has deposited Rs 86 Lakhs (31 March 2018 Rs 86 Lakhs) under protest which is appearing in note no. 14 under balances with statutory/ government authorities.	1,293.95	1,235.55
c) Demand Includes penalty Rs 56.96 Lakhs (31 March 2018: Rs 66.96 Lakhs)in respect of non-registration of corporate office as a input service distributor and availment of input service CENVAT credit.	202.77	332.91
d) Demand in respect of wrong cenvat taken from dealer mentioning non PAN based registration.	-	1.50

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(Amount in Rs. Lakhs)

		As at 31 March 2019	As at 31 March 2018
e)	The group has not provided for against Labour case (Spice VAS Tanzania Limited).	-	29.24
f)	The group has not provided against case filed by content partner (Spice VAS Uganda Limited).	32.82	24.11
g)	Consumer disputes*	28.01	28.01
2)	**Demands raised by sales tax authorities****	6,687.44	9,080.88
3)	**Demands raised by income tax authorities**		
a)	Income Tax Demands being disputed by the Group. During the previous 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. (The company has deposited Rs 60 lakhs, and Rs 395.63 lakhs adjusted against the outstanding refund)	653.95	672.31
b)	Various other claims against the Group not acknowledged as debts	67.81	67.81
		10,213.68	**12,719.25**

* 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 110.35 Lakhs, Rs 425.45 Lakhs, Rs 16.99 Lakhs, Rs 307.92 Lakhs and Rs.171.00 Lakhs (31 March 2018 : 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 Karnataka 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/Performance guarantees

a) The Company has given corporate guarantee of Nil (31 March 2018: Rs 1,000 Lakhs) and pledged fixed deposits of Nil (31 March 2018: Rs 200 Lakhs) in respect of bill discounting/bank guarantee/overdraft facility taken by a step down subsidiaries Hotspot Sales & Solutions Private Limited/Spice Online Private Limited (step down subsidiaries till 12 February 2018). The Company is jointly and severally liable in case of default by step down subsidiary companies. Step down Subsidiary companies have total outstanding obligation of Rs. 600 lakhs as on 31 March, 2018. The Company has fully provided possible obligation against said outstanding during previous year. However, during the year, the company has discharged obligation of step down subsidiary companies of Rs. 600 lakhs.

b) The Company has pledged its fixed deposit of Rs. 307.82 Lakhs (31 March 2018 : Rs. 317.47 Lakhs) against issuance of bank guarantees of Rs. 856.74 Lakhs (31 March 2018 : Rs. 546.07 Lakhs). Bank guarantees are further secured by industrial property of the Company in Dehradun."

c) One of the subsidiaries has pledged its fixed deposit of Nil (31 March 2018 : Rs. 321.63 Lakhs) for its pre paid Instrument business.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

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 Smart value Ventures Private Limited (Ceased w.e.f. 19th July, 2017) Smart Dream Private Limited Sterea Infratech Limited
Key Management Personnel	Mr. Dilip Modi (Executive Chairman) Mr. Subramanian Murali (Non Executive Director) Mr. Umang Das (Independent Director) Mr. Shrenik M Khasgiwala (Non Executive Director, w.e.f 17th May 2018) Ms. Rashmi Aggarwal (Independent Director w.e.f 2nd November 2018) Mr. Suman Ghosh Hazra (Independent Director) Mr. Hanif Mohamed Dahya (Independent Director) (upto 7th feb 2019) Ms. Jayashree Vaidhyanthan (Independent Director) (w.e.f. 17th May 2018 till 12th Aug 2018) Ms. Preeti Malhotra-Director(till 21.02.2018) Ms. Preeti Das- Chief Executive Officer (w.e.f 02 November 2018) Mr. Madhusudan V.- Chief Financial Officer (till 04 December 2018) Mr. Rajneesh Arora- Chief Financial Officer (w.e.f 07 December 2018) 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 the company Creative Function Apps Labs Private Limited, an associate of the company Adgyde Solutions Private Limited, a joint venture of the company (Ceased w.e.f 25th Oct 2018)
Other Related parties with whom transactions have taken place during the year	Momagic Technologies Private Limited (Ceased w.e.f. 25 Oct 2018) S Global Innovation Centre Pte Ltd Laniakea Holdings (Proprietor- Shrenik M Khasgiwala)
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 2019

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Revenue from Value Added Services		**-**		**13.37**
Momagic Technologies Private Limited	-		13.37	
Remuneration#		**210.44**		**98.14**
Ms. Preeti Das	62.08		-	
Mr.Madhusudan V.	62.49		59.88	
Mr.Rajneesh Arora	31.12		-	
Mr. M R Bothra	54.18		38.26	
Director sitting Fees*		**18.00**		**9.25**
Mr. Umang Das	7.50		3.75	
Mr. Suman Ghosh Hazra	10.00		5.25	
Ms.Rashmi Aggarwal	0.50		-	
Mr. Hanif Mohamed Dahya	-		0.25	
*excluding Service Tax/GST.				
Security Received		**-**		**4.80**
Smart Dreams Pvt Ltd.	-		4.80	
Miscellaneous Expenses		**0.91**		**2.84**
Wall Street Finance Limited	0.91		2.84	
Rent Income		**30.41**		**29.28**
Spice Connect Private Limited	10.25		10.08	
Smart Dream Pvt Ltd	20.16		19.20	
Reimbursement of Expenses (recovered)		**20.37**		**21.21**
Spice Connect Private Limited	18.76		20.41	
Wall Street Finance Limited	1.59		0.80	
Smart Entertainment Private Limited	0.02		-	
Reimbursement of Expenses (provided)		**20.35**		**25.46**
Spice Connect Private Limited	6.41		2.54	
Wall Street Finance Limited	11.49		21.62	
Mr. Hanif Mohamed Dahya	2.45		1.30	
Loan taken during the year		**-**		**1,237.67**
S Global Innovation Centre Pte Ltd	-		1,237.67	
Purchase of assets		**-**		**0.90**
Smart value Ventures Private Limited	-		0.90	
Management Fees		**-**		**668.19**

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as at and for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Spice Connect Private Limited	-		668.19	
Legal & Professional Fees		**26.08**		**-**
Laniakea Holdings (Proprietor- Shrenik M Khasgiwala)	26.08		-	
Travel Commission		**1.50**		**0.93**
Spice Connect Private Limited	1.48		0.63	
Smart Entertainment Private Limited	0.02		-	
Wall Street Finance Limited	-		0.30	
Commission expense		**-**		**4.66**
Wall Street Finance Limited	-		4.66	
Interest expense		**23.74**		**23.14**
S Global Innovation Centre Pte Ltd	23.74		23.14	

Outstanding balances at the end of year	As at 31 March 2019		As at 31 March 2018	
Payables		**141.96**		**201.32**
Smart Global Corporate Holding Private Limited	2.70		2.70	
Wall Street Finance Limited	-		0.93	
Si2i Ltd	136.55		136.55	
Laniakea Holdings (Proprietor- Shrenik M Khasgiwala)	2.70		-	
Spice Connect Private Limited	-		61.14	
Loan/advances receivable		**87.54**		**87.54**
Si2i Ltd	87.54		87.54	
Loan/advances payable		**1,277.85**		**1,237.67**
S Global Innovation Centre Pte Ltd	1,277.85		1,237.67	
Provision for doubtful debts and advances		**87.54**		**87.54**
Si2i Ltd	87.54		87.54	
Other Receivable		**56.19**		**37.83**
Smart Dream Pvt Ltd	28.68		6.91	
Spice Connect Private Limited	18.19		21.94	
Sterea Infratech Ltd	0.52		0.52	
Smart Entertainment Private Limited	0.04		2.62	
Smart value Ventures Private Limited	4.74		4.74	

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as at and for the year ended 31 March 2019

Outstanding balances at the end of year	As at 31 March 2019		As at 31 March 2018	
Wall Street Finance Limited	3.22		1.10	
Payables to KMP		**29.06**		**22.63**
Ms. Preeti Das	7.47		-	
Mr.Madhusudan V.	11.90		13.05	
Mr.Rajneesh Arora	4.57		-	
Mr. M R Bothra	5.12		9.58	

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
Break up of remuneration				
- Short term employee benefits	222.11		112.71	
- Long term employee benefits	-		-	
- Other Long term employee benefits # *	7.16		-	
- Post employment benefits# **	13.82		2.52	

Remuneration to key managerial personnel as disclosed above does not include provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole and charge taken towards share based payments.

* Include payment made towards compensated absences of Rs. 7.16 Lakhs (31st March 2018: Nil) during the year against the provisions made in earlier years.

** Include payment made towards gratuity of Rs. 7.31 Lakhs (31st March 2018: Nil) during the year against the provisions made in earlier years.

Also refer note no. 40 D.

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) Digital Technology Services (DiGiSPICE) - 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.

ii) Financial Technology Services (Spice Money) - The segment is engaged in 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.

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.

Segment Revenue & Segment Income/ Expense

Particulars	Digital Technology Services (DiGiSPICE)		Financial Technology Services (Spice Money)		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Revenue						
External revenue (including other operating revenue)	23,749.27	22,514.71	14,006.42	5,871.21	37,755.69	28,385.92
Less: Inter segment revenue	84.00	328.18	3.30	5.26	87.30	333.44

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

Particulars	Digital Technology Services (DiGiSPICE)		Financial Technology Services (Spice Money)		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Total revenue	**23,665.27**	**22,186.53**	**14,003.12**	**5,865.95**	**37,668.39**	**28,052.48**
Income/ (expense)						
Depreciation and amortisation	871.13	920.65	457.39	250.59	1,328.52	1,171.24
Segment profit	2,382.08	(69.52)	(629.01)	169.90	1,753.07	100.38
Segment assets	18,919.18	14,957.06	10,017.28	5,722.28	28,936.46	20,679.34
Segment liabilities	8,927.75	6,577.08	6,596.18	3,420.85	15,523.93	9,997.93
Other disclosures						
Capital expenditure	1,445.86	860.97	964.87	1,161.12	2,410.73	2,022.09

Reconciliations to amounts reflected in the financial statements

(Amount in Rs. Lakhs)

Particulars	31 March 2019	31 March 2018
Reconciliation of profit		
Segment profit	1,753.07	100.38
Reconciliation items:-		
Interest income	685.97	235.54
Income from Long term investments in Fixed Maturity Plan (Other than trade)	-	-
Profit on sale of Investment property	-	-
Profit on sale of Investments in equity investments	-	-
Profit on sale of investment in an associates	110.44	331.52
Profit on sale of current investments in mutual fund units	(1.93)	8.90
Gain on dilution of Investment in a Subsidiary Company	-	-
Fair value gain on financial instruments at fair value through profit or loss	14.30	32.96
Rent Received	204.26	403.21
Employee benefits expense	(528.83)	(269.02)
Depreciation and amortisation	(467.57)	(525.92)
Interest Cost	(262.15)	(205.37)
Exceptional items	0.09	(6,521.26)
Other expenses	(303.60)	(430.75)
Profit before tax from continuing operations	**1,204.05**	**(6,839.81)**
Profit /(Loss) before tax from Discontinued Operations	(9.15)	3,148.24
Profit/Loss before tax for Continued + Discontinued Operation	**1,194.90**	**(3,691.57)**

Reconciliation of assets

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Segment operating assets	28,936.46	20,679.34
Property, plant and equipment including intangible assets, capital work in progress and intangible asset under development	1,493.12	1,936.79
Investment Property	1,676.53	1,776.91
Goodwill	5,139.03	5,494.52
Non-current/current investments	2,227.75	1,795.11
Income Tax assets (net)	5,782.40	5,114.96
Deferred Tax assets (net)	2,368.11	1,526.54

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and bank balances	3,934.88	4,226.21
Loans and advances	388.08	470.69
Assets of a discontinued operations	519.81	1,161.48
Others	393.44	24.73
Total assets	**52,859.61**	**44,207.28**

Reconciliation of liabilities

(Amount in Rs. Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Segment operating liabilities	15,523.93	9,997.93
Long-term borrowings	1,277.85	1,237.67
Deferred tax liabilities (net)	-	4.72
Short-term borrowings	4,454.19	2,142.91
Provisions	69.57	663.43
Trade payables	119.77	89.28
Income Tax liabilities (net)	424.57	-
Liabilities of a discontinued operations	659.23	969.00
Others	353.03	93.08
Total liabilities	**22,882.14**	**15,198.02**

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 2019	31 March 2018
Revenue from the Domestic market	26,148.82	16,787.27
Revenue from the Overseas markets	11,519.57	11,265.21
Total Revenue	**37,668.39**	**28,052.48**

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 2019	As at 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
Domestic Market	11,521.44	12,107.85	1,305.89	1,779.94	608.52	584.26
Overseas Markets	1,536.47	1,876.47	128.97	248.72	2.79	19.38
Total	**13,057.91**	**13,984.32**	**1,434.86**	**2,028.66**	**611.31**	**603.64**

* 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

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area in which the assets are located.

43. Additional information pursuant to schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financials statement" for financials year 2018-19.

	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 2019	109.86%	31,279.23	131.59%	796.89	-4.36%	(3.39)	116.12%	793.50
	Balance as at 31 March 2018	108.81%	30,130.11	193.95%	(6,933.57)	4.17%	6.32	202.35%	(6,927.26)
Subsidiaries									
Indian									
1	Spice Digital Limited								
	Balance as at 31 March 2019	23.67%	6,739.29	-107.39%	(650.36)	-2.39%	(1.86)	-95.45%	(652.22)
	Balance as at 31 March 2018	25.16%	6,967.43	0.39%	(13.86)	1.88%	2.85	0.32%	(11.01)
2	Kimaan Exports Private Limited								
	Balance as at 31 March 2019	4.16%	1,184.07	38.80%	234.98	0.00%		34.39%	234.98
	Balance as at 31 March 2018	3.43%	949.07	-5.93%	212.13	0.00%	-	-6.20%	212.13
3	Hindustan Retail Private Limited								
	Balance as at 31 March 2019	-2.03%	(577.06)	-69.23%	(419.25)	0.00%		-61.35%	(419.25)
	Balance as at 31 March 2018	-0.57%	(157.81)	88.22%	(3,153.82)	0.00%	-	92.13%	(3,153.82)
4	New Spice Sales & Solutions Limited								
	Balance as at 31 March 2019	-40.86%	(11,633.93)	-69.76%	(422.44)	0.00%		-61.82%	(422.44)
	Balance as at 31 March 2018	-46.87%	(12,977.65)	24.85%	(888.28)	0.00%	-	25.95%	(888.28)
5	Cellucom Retail India Private Limited								
	Balance as at 31 March 2019	-0.07%	(21.17)	-2.10%	(12.69)	0.00%		-1.86%	(12.69)
	Balance as at 31 March 2018	-0.03%	(8.72)	0.43%	(15.49)	0.00%	-	0.45%	(15.49)
6	Spice Online Private Limited (till 12 Feb 2018)								
	Balance as at 31 March 2019	0.00%		0.00%		0.00%		0.00%	-
	Balance as at 31 March 2018	0.00%	-	-1.71%	61.28	0.00%	-	-1.79%	61.28
7	Omniventures Private Limited (till 12 Feb 2018)								
	Balance as at 31 March 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Balance as at 31 March 2018	0.00%	-	0.01%	(0.37)	0.00%	-	0.01%	(0.37)
8	Hotspot Sales and Solution Pvt Ltd. (till 12 Feb 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
	Balance as at 31 March 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Balance as at 31 March 2018	0.00%	-	64.64%	(2,310.85)	0.00%	-	67.50%	(2,310.85)
9	Luharia Technologies Private Limited (w.e.f January 01, 2018 till July 25, 2018)								
	Balance as at 31 March 2019	0.00%	-	-5.07%	(30.70)	0.00%	-	-4.49%	(30.70)
	Balance as at 31 March 2018	3.01%	832.35	-0.84%	30.17	0.00%	-	-0.88%	30.17
Foreign									
1	Spice Digital Bangladesh Limited								
	Balance as at 31 March 2019	1.29%	366.27	8.11%	49.09	61.85%	48.09	14.22%	97.18
	Balance as at 31 March 2018	3.39%	938.01	-2.88%	102.91	-12.81%	(19.42)	-2.44%	83.49
2	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)								
	Balance as at 31 March 2019	23.44%	6,672.75	-26.70%	(161.67)	0.00%	-	-23.66%	(161.67)
	Balance as at 31 March 2018	23.88%	6,610.99	-78.97%	2,823.14	0.00%	-	-82.47%	2,823.14
3	Beoworld SDN. BHD								
	Balance as at 31 March 2019	0.02%	5.63	-1.47%	(8.93)	0.00%	-	-1.31%	(8.93)
	Balance as at 31 March 2018	0.05%	14.32	0.12%	(4.26)	0.00%	-	0.12%	(4.26)
4	PT Spice Digital Indonesia								
	Balance as at 31 March 2019	1.00%	285.17	23.60%	142.90	0.00%	-	20.91%	142.90
	Balance as at 31 March 2018	0.50%	138.16	-1.70%	60.89	0.00%	-	-1.78%	60.89
5	Omnia Pte. Ltd.								
	Balance as at 31 March 2019	1.01%	288.15	53.21%	322.25	0.00%	-	47.16%	322.25
	Balance as at 31 March 2018	-0.11%	(30.96)	1.12%	(39.97)	0.00%	-	1.17%	(39.97)
6	S Mobility Pte. Ltd.								
	Balance as at 31 March 2019	-0.02%	(5.23)	-0.41%	(2.50)	0.00%	-	-0.37%	(2.50)
	Balance as at 31 March 2018	-0.01%	(2.66)	0.08%	(2.74)	0.00%	-	0.08%	(2.74)
7	Spice VAS (Africa) Pte. Limited								
	Balance as at 31 March 2019	33.32%	9,485.94	230.44%	1,395.56	0.00%	-	204.23%	1,395.56
	Balance as at 31 March 2018	19.84%	5,494.24	-38.70%	1,383.56	0.00%	-	-40.42%	1,383.56
8	Digispice Nigeria Limited (formerly known as "Spice Digital Nigeria Limited")								
	Balance as at 31 March 2019	-1.74%	(496.83)	-20.87%	(126.40)	0.00%	-	-18.50%	(126.40)
	Balance as at 31 March 2018	-1.27%	(350.35)	4.31%	(154.11)	0.00%	-	4.50%	(154.11)

DIGISPICE

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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	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 VAS Kenya Limited								
	Balance as at 31 March 2019	-1.22%	(346.40)	-59.47%	(360.17)	0.00%	-	-52.71%	(360.17)
	Balance as at 31 March 2018	0.04%	10.21	-2.89%	103.40	0.00%	-	-3.02%	103.40
10	Spice VAS Uganda Limited								
	Balance as at 31 March 2019	0.31%	86.91	-10.23%	(61.93)	0.00%	-	-9.06%	(61.93)
	Balance as at 31 March 2018	0.48%	134.06	0.32%	(11.46)	0.00%	-	0.33%	(11.46)
11	Spice VAS Ghana Limited								
	Balance as at 31 March 2019	1.04%	296.03	17.64%	106.86	0.00%	-	15.64%	106.86
	Balance as at 31 March 2018	0.83%	229.65	-2.13%	76.02	0.00%	-	-2.22%	76.02
12	Spice VAS Zambia Limited								
	Balance as at 31 March 2019	0.19%	55.35	-3.67%	(22.23)	0.00%	-	-3.25%	(22.23)
	Balance as at 31 March 2018	0.33%	90.36	-0.08%	2.81	0.00%	-	-0.08%	2.81
13	Spice VAS Tanzania Limited								
	Balance as at 31 March 2019	-1.78%	(508.09)	-21.76%	(131.80)	0.00%	-	-19.29%	(131.80)
	Balance as at 31 March 2018	-1.27%	(352.64)	7.66%	(273.79)	0.00%	-	8.00%	(273.79)
14	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (till 6 February 2019)								
	Balance as at 31 March 2019	0.88%	249.51	-16.64%	(100.75)	0.00%	-	-14.74%	(100.75)
	Balance as at 31 March 2018	1.43%	394.59	0.89%	(31.87)	0.00%	-	0.93%	(31.87)
15	Spice VAS RDC Limited								
	Balance as at 31 March 2019	-0.03%	(7.75)	-0.05%	(0.31)	0.00%	-	-0.05%	(0.31)
	Balance as at 31 March 2018	-0.03%	(7.17)	0.05%	(1.74)	0.00%	-	0.05%	(1.74)
16	SVA (Mauritius) Pvt. Limited (formerly known as Spice (Mauritius) Pvt. Limited								
	Balance as at 31 March 2019	-0.11%	(32.73)	-2.76%	(16.72)	0.00%	-	-2.45%	(16.72)
	Balance as at 31 March 2018	-0.05%	(15.12)	0.22%	(7.92)	0.00%	-	0.23%	(7.92)
17	S Mobility (HK) Limited								
	Balance as at 31 March 2019	-0.01%	(2.45)	-0.30%	(1.81)	-0.03%	(0.02)	-0.27%	(1.83)
	Balance as at 31 March 2018	0.00%	(0.63)	-0.61%	21.65	-1.95%	(2.96)	-0.55%	18.69
18	Spice Digital FZCO								
	Balance as at 31 March 2019	-1.39%	(396.92)	-30.36%	(183.88)	0.00%	-	-26.91%	(183.88)

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	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
	Balance as at 31 March 2018	-0.73%	(200.96)	5.58%	(199.41)	0.00%	-	5.83%	(199.41)
19	Fast Track IT Solutions Ltd								
	Balance as at 31 March 2019	0.01%	2.25	-0.01%	(0.07)	0.00%	-	-0.01%	(0.07)
	Balance as at 31 March 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests in all subsidiaries									
	Balance as at 31 March 2019	-5.29%	(1,505.44)	-49.96%	(302.55)	-7.16%	(5.57)	-45.09%	(308.12)
	Balance as at 31 March 2018	-4.77%	(1,319.88)	-25.03%	894.79	13.33%	20.21	-26.73%	915.00
Associates									
1	Creative Functionapps Lab Private Limited								
	Balance as at 31 March 2019	0.00%	-	-1.47%	(8.88)	0.00%	-	-1.30%	(8.88)
	Balance as at 31 March 2018	0.00%	-	0.33%	(11.85)	0.00%	-	0.35%	(11.85)
2	Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited) (from 7 February 2019)								
	Balance as at 31 March 2019	0.00%	-	-11.63%	(70.41)	0.00%	-	-10.30%	(70.41)
	Balance as at 31 March 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3	Exponentially I Mobility LLP (till 24 Feb 2018)								
	Balance as at 31 March 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Balance as at 31 March 2018	0.00%	-	0.01%	(0.18)	0.00%	-	0.01%	(0.18)
Joint Venture									
1	Adgyde Solutions Private Limited (till 3 Nov 2018)								
	Balance as at 31 March 2019	0.00%	-	-6.15%	(37.26)	0.00%	-	-5.45%	(37.26)
	Balance as at 31 March 2018	0.00%	-	1.86%	(66.57)	0.00%	-	1.94%	(66.57)
Eliminations									
	Balance as at 31 March 2019	-45.63%	(12,990.52)	114.07%	690.80	52.09%	40.50	107.02%	731.30
	Balance as at 31 March 2018	-35.46%	(9,819.64)	-133.55%	4,774.45	95.38%	144.59	-143.69%	4,919.02
Total	**Balance as at 31 March 2019**	**100.00%**	**28,472.02**	**100.00%**	**605.59**	**100.00%**	**77.75**	**100.00%**	**683.34**
	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)**

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44. Business combinations

A). Deemed Loss of Control over a subsidiary, Ziiki Media SA (Pty) Ltd (formerly known as Spice Digital South Africa (Pty) Limited)

With the issuance of new shares by Ziiki Media SA (Pty) Ltd formerly known as Spice Digital South Africa (Pty) Limited to Kama Trust Group, Ziiki Media SA (Pty) Ltd ceased to be subsidiary of the Group w.e.f. 07th February 2019 (shareholding of Group in Ziiki Media SA (Pty) Ltd has been reduced to 49%).

Financial effects to the Group

The dilution of the Group's interest in Ziiki Media SA (Pty) Ltd constituted a deemed loss of control of the Group's equity interest in said subsidiary(ies). Accordingly, consolidated statement of profit and loss includes Income and Expenses of Ziiki Media SA (Pty) Ltd (Consolidated) on line by line consolidation basis till it ceased to be a subsidiary. The assets and liabilities of Ziiki Media SA (Pty) Ltd (Consolidated) were derecognised from the consolidated financial statement and there after retained interest in Ziiki Media SA (Pty) Ltd (Consolidated) has been accounted for as an associate using equity method.

The gain of Rs 561.09 Lacs on deemed loss of control of subsidiary Ziiki Media SA (Pty) Ltd is recorded in the consolidated statement of profit and loss account as per Ind AS 110 (Consolidated Financial Statements) which has been shown in other income.

The financial statements of Ziiki Media SA (Pty) Ltd has been incorporated line by line adding together like items of income and expenses for the period 1st April 2018 to 06th February 2019 on proportionate basis and assets, liabilities & equity as on 07th February 2019. As on 07th February 2019, assets, liabilities, equity & non-controlling interest has been derecognised on loss of control. Simultaneously on 07th February 2019, the group has accounted initial recognition on the retained interest in Ziiki Media SA (Pty) Ltd resultant as being an associate of the group and applied the equity method for incorporation of profit thereon.

Summary of Assets and Liabilities of Subsidiary in which control was lost :

Particulars	(Amount in Rs. Lakhs)
Assets	
Non-current assets	
Property, plant and equipment	59.35
Other intangible assets	9.83
Financial assets	
- Loans	
Non current tax assets	64.57
Total non-current assets	**133.75**
Current assets	
Financial assets	
- Trade receivables	46.83
- Cash and cash equivalents	18.46
- Other financial assets	94.99
Other assets	73.16
Total current assets	**233.44**
Total assets (A)	**367.19**
Liabilities	
Non-current liabilities	
Financial liabilities	
- Other financial liabilities	13.16
Total non-current liabilities	**13.16**

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Particulars	(Amount in Rs. Lakhs)
Current liabilities	
Financial liabilities	
- Trade payables	87.16
- Other financial liabilities	12.76
Other liabilities	4.62
Total current liabilities	**104.54**
Total liabilities (B)	**117.70**
Net Assets (A-B)	**249.49**

Deemed Gain on Disposal of subsidiary

Particulars	(Amount in Rs. Lakhs)
Net Assets Disposed of	249.49
Forex impact	1.69
Fair Value of Retained Interest	(665.82)
Cumulative exchange difference in respect of the net assets of Ziiki Media SA (Pty) Ltd (Consolidated) reclassified from equity to profit or loss on loss of control over Ziiki Media SA (Pty) Ltd	(146.45)
Gain on Deemed Loss of Control recognised in statement of profit and loss	**(561.09)**

B) Sale/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.

The Group had converted 0.1% "Compulsory Convertible Preference Shares" (CCPS) held in Luharia Technologies Private Limited (LTPL) into, "Redeemable Preference Shares" (RPS) and the said RPS has been redeemed/transferred on July 25, 2018, resulting into NIL holding in LTPL. Consequent to the above LTPL has ceased to be a subsidiary of the Group effective July 25, 2018.

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:

	Values recognised on acquisition as on 01 January 2018	Values recognised on sale as on 24 July 2018
Assets		
Property, plant and equipment	11.46	16.32
Capital work in progress		11.00
Other intangible assets	8.17	3.02
Deferred tax assets (Net)	2.29	-
Non current tax assets	16.81	17.46
Cash and cash equivalents	206.41	251.18
Other bank balances	162.00	639.11
Other financial assets	6.10	38.71
Total assets	**413.24**	**976.80**

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	Values recognised on acquisition as on 01 January 2018	Values recognised on sale as on 24 July 2018
Liabilities		
Trade payables	74.64	141.96
Other financial liabilities	8.61	20.07
Other current liabilities	140.40	0.47
Total liabilities	**223.65**	**162.50**
Total identifiable net assets	**189.59**	**814.30**

Calculation of Goodwill as on 01 January 2018	**(Amount in Rs. Lakhs)**
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 as on 01 January 2018:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	206.41
Net cash flow on acquisition	**206.41**
Analysis of cash flows on sale as on 24 July 2018:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	251.18
Net cash flow on acquisition	**251.18**

Calculation of Gain on sale of stake in subsidiary as on 24 July 2018	**(Amount in Rs. Lakhs)**
Consideration received	625.03
Less : share in net worth of subsidiary as on 24 July 2018	(244.36)
Less : Carrying value of goodwill calculated at the time of acquisition	(380.58)
Gain on sale of stake in subsidiary	**0.09**

C) Acquisition of Fast Track IT Solutions Ltd

On 27 November 2018, the Group had acquired 70% of the voting shares of Fast Track IT Solutions Ltd, a non-listed company based in Bangladesh and is engaged in providing value added services The Group acquired Fast Track IT Solutions Ltd because it significantly enlarges the range of services in the value added services segment that can be offered to its clients.

The Group had elected to measure the non-controlling interests in the acquiree at fair value.

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Assets acquired and liabilities assumed

The values of the identifiable assets and liabilities of Fast Track IT Solutions Ltd as at the date of acquisition were:

(Amount in Rs. Lakhs)

	Values recognised on acquisition as on 27 November 2018
Assets	
Cash and cash equivalents	1.97
Total assets	**1.97**
Liabilities	
Trade payables	0.32
Total liabilities	**0.32**
Total identifiable net assets	**1.65**

Calculation of Goodwill as on 27 November 2018	(Amount in Rs. Lakhs)
Consideration transferred	1.97
Less: Net identifiable assets acquired	(1.65)
Goodwill	**0.32**
Analysis of cash flows on acquisition as on 27 November 2018:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	1.97
Net cash flow on acquisition	**1.97**

45. Investment in associates and a joint venture

(Amount in Rs. Lakhs)

Particulars	31-Mar-19		31-Mar-18	
	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* Nil (31 March 2018 : 1,230,000) equity share of Rs 10 each	-	(37.26)	49.81	(66.57)
Investment in associates				
40,016,870 (31 March 2018: Nil) Ziiki Media SA Pty. Ltd. (Formerly known as Spice Digital South Africa Pty. Ltd.) (refer note no. 44 a)	591.45	(70.41)	-	-
3,514 (31 March 2018 : 3,514) equity share of Re 10 each in Creative Functionapps Lab Pvt. Ltd	73.68	(8.88)	82.56	(11.85)
Nil (31 March 2017 :27301, 1 April 2015: Nil) equity share of Re 1 each in Sunstone Eduversity Private Ltd*	-	-	-	-

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(Amount in Rs. Lakhs)

Particulars	31-Mar-19		31-Mar-18	
	Carrying value of investment	Sharing of profit/(loss) during the year	Carrying value of investment	Sharing of profit/(loss) during the year
Nil (31 march 2018: Nil) profit sharing in Exponentially I Mobility LLP**	-	-	-	(0.18)
95,058 (31 March 2018 : 95,508) equity share of Re 1 each in Sunstone Learning Pvt. Ltd***	-	-	-	-
Total	**665.13**	**(116.55)**	**132.37**	**(78.60)**

*** ceased to be Joint Venture w.e.f. October 25, 2018.**
**** ceased to be Associate w.e.f. February 24, 2018.**
***** Fully impaired in earlier years.**

46. Share-based payments

1) SML Employees stock option Plan (ESOP) 2018 of the Company

The Company has granted stock options under the SML Employees stock option Plan 2018 (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 21,381,000 options on September 18, 2018 and 3,439,000 options on February 05, 2019. 40%, 30% and 30% of total options granted would vest in after one year, two year and three year from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of Rs.3 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

The fair value of the options are estimated at the grant dates using Black and Scholes Model, taking into account the terms and conditions upon which the options were granted.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31 March 2019	
	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	-	-
Options granted under ESOP 2018*	24,820,000	13.25
Options exercised during the year	-	-
Options cancelled during the year	2,059,000	13.25
Options expired during the year	-	-
Options outstanding at the end of the year**	22,761,000	13.25
Options exercisable at the end of the year	22,761,000	13.25
Range of exercise price of outstanding options (₹)	13.25	
Remaining contractual life of outstanding options granted on September 18, 2018	3.47 years (40% vesting) 4.47 years (30% vesting) 5.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on February 05, 2019	3.85 years (40% vesting) 4.85 years (30% vesting) 5.85 years (30% vesting)	

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* Includes 72,24,000 options granted to employees of Holding company (4,895,000 options) and subsidiary Companies (23,29,000 options).
*132,66,000 options granted to employees of amalgamated companies and DTS business of Spice digital limited has been merged with the company.
** Includes 71,59,000 options outstanding at the end of the year hold by employees of Holding company (4,895,000 options) and subsidiary companies (22,64,000 options).
**116,82,000 options outstanding of employees of amalgamated companies and DTS business of Spice digital limited has been merged with the company.

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	**As at 31 March 2019**	
Grant Date	18-09-2018	05-02-2019
No of options outstanding at the end of the year	19,322,000	3,439,000.00
Dividend yield (%)	-	-
Expected life	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.
Risk free interest rate (%)	8.06% (2.50 yrs.) 8.11% (3.50 yrs.) 8.23% (4.50 yrs.)	7.02% (2.50 yrs.) 7.27% (3.50 yrs.) 7.42% (4.50 yrs.)
Expected Volatility (%)	62.56%	69.49%
Market price on date of grant/re-pricing (₹)	13.25	9.70
Weighted Average Fair Value of option at grant date *	6.73	4.43

2) **'SDL Employee Stock Option Plan 2015' of Spice Digital Limited, a subsidiary company**

In May 2018, in order to motivate the employees of the Fintech Business Undertaking ('designed employees'), the Nomination and Remuneration Committee granted Options to the designated employees pursuant to the subsidiary company's stock option plan namely, 'SDL Employee Stock Option Plan 2015' ('ESOP 2015'). The Options so granted will vest over a period of 3 years from the date of grant in the manner given below:

Time Period	% of Options granted
1st Vesting	40
2nd Vesting	30
3rd Vesting	30

The maximum period for exercise of options is 3 years from end of each vesting date. Each option, when exercised, would be converted into one fully paid-up equity share of 10 each of the subsidiary company. The options granted under ESOP 2015 carry no rights to dividends and no voting rights till the date of exercise.

The fair value of the share options is estimated at the grant date using Black and Scholes Model, taking into account the terms and conditions upon which the share options were granted.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP 2015. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	**As at 31 March 2019**	
	No of Options	**Weighted Average exercise price (₹)**
Options granted under ESOP 2015	56,92,919	34.10
Options outstanding at the beginning of the year	-	-
Options exercised during the year	-	-
Options cancelled during the year	2,66,400	34.10
Options expired during the year	-	-
Options outstanding at the end of the year	54,26,519	34.10
Options exercisable at the end of the year	-	

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Particulars	As at 31 March 2019	
	No of Options	Weighted Average exercise price (₹)
Range of exercise price of outstanding options (₹)	34.10	
Remaining contractual life of outstanding options (years)	4yrs for 1st Vesting 5yrs for 2nd Vesting 6yrs for 3rd vesting	

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	ESOP 2015
Dividend yield (%)	-
Expected life	2.5 yrs. for 1st vesting 3.5yrs for 2nd vesting 4.5 yrs. for 3rd vesting
Risk free interest rate (%)	6.82% for 1st Vesting 7.04% for 2nd vesting 7.21% for 3rd Vesting
Volatility(%)	24.90%
Market price on date of grant/re-pricing (₹)	34.10
Fair Value Per Option (₹)	9.81

3) 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 2019 and 31 March 2018:

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 2019	As at 31 March 2018
Outstanding at 1 April	**2,260**	2,260
Granted	-	-
Expired/Forfeited	-	-
Exercised	-	-
Outstanding at 31 March	**2,260**	2,260
Exercisable at 31 March		

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

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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.These subsidiaries were operating in retail business..

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 2019 and 31 March 2018 classified separately as assets / liabilities related to discontinued operations are given below:

(Amount in Rs Lakhs)

	As at 31 March 2019	As at 31 March 2018
Assets		
Financial Assets		
Loans	0.24	0.24
Others	0.20	0.20
Other assets	0.15	0.15
Non Cur rent Tax Assets	96.16	80.06
Total non-current assets	**96.75**	**80.65**
Current assets		
Financial Assets		
Trade receivables	14.52	123.71
Cash and bank balances	2.90	94.95
Other Bank Balances	11.62	419.75
Loans	1.49	7.59
Others	2.60	5.99
Other assets	389.93	428.84
Total current assets	**423.06**	**1,080.83**
Assets directly associated with assets pertaining to discontinued operations	**519.81**	**1,161.48**
Non-current liabilities		
Financial Liabilities		
Others	108.49	143.79
Provisions	-	7.88
Total non-current liabilities	**108.49**	**151.67**
Current liabilities		
Financial Liabilities		
Trade payables	302.20	542.39
Others	17.50	25.11
Other liabilities	228.03	239.14
Provisions	3.01	10.69
Total current liabilities	**550.74**	**817.33**
Liability directly associated with assets pertaining to discontinued operations	**659.23**	**969.00**
Net assets directly associated with discontinued operations	**139.42**	**(192.48)**

The following statement shows the revenue and expenses of discontinued operations, of the Company which has been discontinued.

(Amount in Rs Lakhs)

Income	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Revenue from operations		
Revenue from operations (net)	**8.32**	**33,534.61**
Other income	8.32	33,534.61
Total revenue (I)	141.37	656.52
	149.69	**34,191.13**
Expenses		
Purchase of traded goods	-	27,929.45
Decrease in inventories of traded goods	-	2,543.44
Employee benefits expense	25.67	1,844.44
Depreciation and amortization expense	-	296.59
Finance costs	0.02	549.92
Other expenses	133.15	3,504.00
Total (II)	**158.84**	**36,667.84**
(Loss) before exceptional items and tax from discontinued operations (I) – (II)	**(9.15)**	**(2,476.71)**
Exceptional items (refer note 58)	-	(5,624.95)
Profit/(Loss) before tax	**(9.15)**	**3,148.24**
Tax adjustment related to an earlier year	-	(27.80)
Profit/(Loss) for the year from discontinued operations	**(9.15)**	**3,176.04**
Other comprehensive income from discontinued operations		
Items that will not be reclassified to profit or loss		
Remeasurement gain of defined benefit plan	-	-
Items that will be reclassified to profit or loss		
Exchange differences on translations of foreign operations	-	-
Total comprehensive income for the year from discontinued operations	**(9.15)**	**3,176.04**

The Net cash flow incurred by discontinued business are, as follows;

(Amount in Rs Lakhs)

	31 March 2019	**31 March 2018**
Operating	(181.29)	(32.57)
Investing	436.47	3,036.26
Financing	1.21	(539.70)
Net cash (outflow)/inflow	256.39	2,463.99
Earning Per Share:		
Earnings per equity share from discontinued operations	(0.00)	1.39

"Effect of disposal of Omniventures Private Limited and its subsidiaries on the financial position of the group (refer note A above)"

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(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	
(ii) Loans and advances	(232.34)
(iii) Others	(201.89)
Other assets	(202.72)
Non Cur rent Tax Assets	(46.62)
Total non-current assets	**(941.94)**
Inventories	(606.07)
Financial assets	
(ii) Trade receivables	(296.52)
(iii) Cash and cash equivalents	(115.46)
(iv) Bank balance other than (iii) above	(3,443.79)
(v) Loans & advances	(80.00)
(vi) 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	
(i) Borrowings	1,603.59
(ii) Others	65.43
Provisions	45.13
Total non-current liabilities	**1,714.15**
Financial liabilities	
(i) Borrowings	9,186.11
(ii) Trade payables	2,299.12
(iii) 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**

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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 2019		As at 31 March 2018	
Financial assets	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**
Non current assets				
- Equity and other investment	1,323.31		1,429.91	
- Loans and advances		421.58		430.97
- Other financial assets		55.15		9.19
Total non current assets	**1,323.31**	**476.73**	**1,429.91**	**440.16**
Current assets				
- Current investment	239.30		232.82	
- Trade receivables		7,391.47		3,688.53
- Cash and cash equivalents		3,489.34		5,219.25
- Bank balances other than above		3,373.57		3,127.19
- Loans and advances		193.25		438.55
- Other financial assets		12,069.43		6,562.58
Total current assets	**239.30**	**26,517.06**	**232.82**	**19,036.10**
Total financial assets	**1,562.61**	**26,993.79**	**1,662.73**	**19,476.26**
Financial liabilities				
Non current liabilities				
- Borrowings		1,277.85		1,237.67
- Other financial liabilities		43.83		43.38
Total non current liabilities	**-**	**1,321.68**	**-**	**1,281.05**
Current liabilities				
- Borrowings		4,454.19		2,142.91
- Trade payables		7,622.66		5,141.72
- Other financial liabilities		1,224.14		1,098.80
Total current liabilities	**-**	**13,300.99**	**-**	**8,383.43**
Total financial liabilities	**-**	**14,622.67**	**-**	**9,664.48**

48 B. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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:

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- 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 Company'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.

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 2019:

Fair value measurement using

(Amount in Rs. Lakhs)

	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)	4,132.00	-	-	4,132.00
Non current assets				
- Equity and Other investment (excluding investment in joint venture and associates)	1,323.31	-	-	1,323.31
- Loans and advances	421.58	-	-	421.58
- Other financial assets	55.15	-	-	55.15
Current assets				
- Current investment	239.30	-	239.30	-
- Trade receivables	7,391.47	-	-	7,391.47
- Cash and cash equivalents	3,489.34	3,489.34	-	-
- Bank balances other than above	3,373.57	3,373.57	-	-
- Loans and advances	193.25	-	-	193.25
-Other financial assets	12,069.43	-	-	12,069.43

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 2019:

(Amount in Rs. Lakhs)

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Non current liabilities				
-Borrowings	1,277.85	-	-	1,277.85
-Other financial liabilities	43.83	-	-	43.83
Current liabilities				
-Borrowings	4,454.19	-	4,454.19	-
-Trade payables	7,622.66	-	-	7,622.66
-Other financial liabilities	1,224.14	-	-	1,224.14

There have been no transfers between Level 1 and Level 2 during the year.

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Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

Fair value measurement using

	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)	4,277.50	-		4,277.50
Non current assets				
- Equity and Other investment (excluding investment in joint venture and associates)	1,429.91	-	-	1,429.91
- Loans and advances	430.97	-	-	430.97
- Other financial assets	9.19	-	-	9.19
Current assets				
- Current investment	232.82	-	232.82	-
- Trade receivables	3,688.53	-	-	3,688.53
- Cash and cash equivalents	5,219.25	5,219.25	-	-
- Bank balances other than above	3,127.19	3,127.19	-	-
- Loans and advances	438.55	-	-	438.55
- Other financial assets	6,562.58	-	-	6,562.58

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)

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:				
Non current liabilities				
- Borrowings	1,237.67	-	-	1,237.67
- Other financial liabilities	43.38	-	-	43.38
Current liabilities				
- Borrowings	2,142.91	-	2,142.91	-
- Trade payables	5,141.72	-	-	5,141.72
- Other financial liabilities	1,098.80	-	-	1,098.80

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.

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I) 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 2019 and 31 March 2018.

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 2019 and 31 March 2018.

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 2019 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-19		
Rs. Lakhs	50	(22.27)
Rs. Lakhs	-50	22.27
31-Mar-18		
Rs. Lakhs	50	(10.71)
Rs. Lakhs	-50	10.71

Fair value sensitivity analysis for fixed-rate instruments:

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

- **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.

- **Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD, AFN, SGD, NPR and BDT exchange rates, with all other variables held constant. The impact on the Group's Continuing 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-19	USD (US Dollar)	5%	52.51	52.51
		-5%	(52.51)	(52.51)
	SGD (Singapore Dollar)	5%	2.82	2.82
		-5%	(2.82)	(2.82)
	AFN (Afghanistan Afghani)	5%	14.74	14.74
		-5%	(14.74)	(14.74)
	NPR (Nepal Rupiah)	5%	12.49	12.49
		-5%	(12.49)	(12.49)
	BDT (Bangladeshi Taka)	5%	85.09	85.09
		-5%	(85.09)	(85.09)
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)
	NPR (Nepal Rupiah)	5%	7.22	7.22
		-5%	(7.22)	(7.22)
	BDT (Bangladeshi Taka)	5%	46.70	46.70
		-5%	(46.70)	(46.70)

- **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 information's.

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 2019:

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(Amount in Rs. Lakhs)

In Rs. Lakhs	Gross Carrying Amount	Weighted-Average Loss Rate	Loss Allowance	Credit-Impaired
Not Due	3,676.13	0%	9.67	Yes
1- 90 days	1,801.59	1%	14.54	Yes
91-180 days	1,400.85	3%	37.94	Yes
181-270 days	131.24	44%	58.03	Yes
271-360 days	218.13	75%	162.61	Yes
More than 360 days	1,874.69	76%	1,428.37	Yes
	9,102.63		**1,711.16**	

Movement in the expected credit loss allowance of receivables

(Amount in Rs. Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at beginning of the year	1,504.22	1,169.17
Add: provided during the year	209.96	319.34
Less: FCTR	(3.02)	15.71
Balance at the end of the year	**1,711.16**	**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.

  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 previous 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.

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(Amount in Rs. Lakhs)

	On Demand	Less than 3 Months	3-12 Months	1-5 Years	> 5 years	Total
As at 31 March 2019						
Borrowings	6,322.29	2.98	128.92	1,277.86	-	7,732.04
Other financial liabilities(non-current)	-	-	-	43.83	-	43.83
Other financial liabilities(current)	33.54	672.41	108.93	409.27	-	1,224.15
Trade and other payables	-	5,986.05	1,634.13	2.48	-	7,622.66
Total	**6,355.83**	**6,661.43**	**1,871.98**	**1,733.44**	**-**	**16,622.68**

* 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 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	**2,118.56**	**2,899.84**	**3,365.04**	**1,281.04**	**-**	**9,664.48**

* 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 fulfil the collateral requirements for its various contracts. At 31 March 2019 and 31 March 2018, the fair values of fixed deposits pledged were Rs. 1,025.92 Lakhs (31 March 2018: Rs. 1,908.50 Lakhs) (including fixed deposits as at 31 March 2019 of Nil (31 March 2018 of Rs. 419.75 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 less cash and cash equivalents (excluding discontinued operations).

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	As at 31 March 2019 Rs. Lakhs	As at 31 March 2018 Rs. Lakhs
Borrowings	5,732.04	3,380.58
Less: cash and cash equivalents	3,489.34	5,219.25
Net debt	**2,242.70**	**(1,838.67)**
Equity	6,054.90	6,053.51
Other equity attributable	22,417.13	21,635.86
Total equity attributable to owner of the Company	**28,472.03**	**27,689.37**
Capital and net debt	**30,714.73**	**25,850.70**
Gearing ratio	7.88%	-6.64%

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 2019 and 31 March 2018.

51. As on 31st March, 2019, Independent Non-Promoter (Spice Employee Benefit) Trust ('EBT') holds 10,155,067 (March 31, 2018: 10,201,417) 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, 2018: 15,912,776) 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 Nil (31 March 2018 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 20 Lakhs (31 March 2018 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.

52. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Amount in Rs. Lakhs)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
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	3.64	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

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53. During the previous 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.

54. 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. 1,277.85 Lakhs (31st March, 2018:- 1237.67 Lakhs). The loan was scheduled for bullet repayment on 10 April 2019 in earlier year, but the same has been extended during the year, therefore, considered as Non-current. In view of the management , the fair value of investment in the PT Solusi Pasti, Indonesia has increased marginally as of 31 March 2019. Accordingly, no adjustment is required to be made to the carrying value of the investments in the consolidated financial statements. The loan carries Effective interest rate 2% p.a.

55. A step down subsidiary company has during the previous 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.

56. 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 426.34 Lakhs (31 March 2018: Rs 401.41 Lakhs), Rs 109.15 Lakhs (31 March 2018 : Rs 109.15 Lakhs), Nil (31 March 2018: Rs 380.60 Lakhs) and Rs 4,658.62 Lakhs (31 March 2018 : Rs 4,658.62 Lakhs), Rs 53.75 lakhs (31 March 2018: Rs 53.75 Lakhs) and Rs 0.32 Lakhs (31 March 2018: Nil) in respect of subsidiaries, Spice VAS Kenya Limited, Spice VAS Tanzania Limited, Luharia Technologies Private Limited , Kimaan Exports Private Limited, Spice Labs Private Limited and Fast Track IT Solutions Ltd 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 2019. During the pervious year 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 for the year ended 31 March 2018.

57. The Board of Directors in their meeting held on May 21, 2019 has recommended a dividend of 15% (Rs. 0.45 per equity share of Rs 3 each) on the paid up Capital of the Company for the Financial Year 2018 – 2019, subject to the approval by the Shareholders of the Company.

58. During the previous 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 during the previous year.

59. Total Income for the year ended 31 March 2019, Rs. 1,400.91 Lakhs (31 March 2018: Rs. 1,580 Lakhs), from a long term contract entered into by a step down subsidiary of the Company and realisations are linked to achievement of certain milestones. The Company is in the process of doing a renegotiation of the terms of contract and accordingly further revenue recognition and/or impact on revenues already recognised will be considered after completion of the renegotiation.

60. The Hon'ble National Company Law Tribunal, New Delhi, Principal Bench ("NCLT"), has approved the Scheme of Arrangement between Spice Mobility Limited and Spice Digital Limited and Spice IOT Solutions Limited and Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective shareholders and creditors ("Scheme") under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013. Necessary procedural formalities in this respect is under process. Pursuant to the said Scheme, the assets and liabilities of Digital Technology Services (DTS) Business of Spice Digital Limited and the amalgamating companies were transferred to and vested with the Company with effect from the appointed date viz. April 01, 2017. DTS business undertaking of Spice Digital Limited and other amalgamating companies are engaged in the business of providing Technology services and Value Added Services. The amalgamation being a common control transaction has been accounted for under the 'pooling of interest' method as prescribed by the Ind AS 103 (Business Combinations). Accordingly, the Scheme of Arrangement has been given with effect from appointed date April 01, 2017.

61. 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.

62. Disclosure required under Schedule V read with Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and disclosure required under section 186 (4) of the Companies Act, 2013

Particulars of Corporate guarantee given as required by Section 186(4) of Companies Act, 2013

Particulars	As at 31 March 2018 Rs. Lakhs	Guarantee given Rs. Lakhs	Guarantee Withdrawn Rs. Lakhs	As at 31 March 2019 Rs. Lakhs
Hotspot Sales and Solutions Private Limited	1,000.00	-	1,000.00	-

Loan to body corporate, the particulars of which are disclosed below as required by Section 186(4) of Companies Act, 2013:

Name of Loanee	Purpose	Rate of interest	Due Date	Outstanding balance as at 31 March 2019 Rs. in Lakhs	Outstanding balance as at 31 March 2018 Rs. in Lakhs
Bharat BPO Services Limited (Secured)	General Corporate purposes	11%	16-Nov-20	271.42	300.00

63. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

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 recognised 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 1,119.77 Lakhs (31 March 2018: Rs 1,117.82 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.

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.

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31 March 2019

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.

Share based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 46.

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

As per our report of even date attached

FOR **SINGHI & CO.**
Chartered Accountants
Firm registration number: 302049E

B. K. Sipani
Partner
Membership no.: 088926

Place : Noida
Date : 21 May 2019

For and on behalf of the board of directors

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

Preeti Das
Chief Executive Officer

Rajneesh Arora
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/ JOINT VENTURES

(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 share-holding #
1	Spice Digital Limited	1st April'2018 to 31st March'2019	04 November 2010	INR	1.00	4,345.93	2,393.36	19,303.07	19,303.07	6,276.00	13,936.06	(717.99)	(67.63)	(650.36)	-	99.98%
2	Hindustan Retail Private Limited	1st April'2018 to 31st March'2019	04 November 2010	INR	1.00	42,238.00	(42,815.06)	27.85	27.85	-	1.38	(419.25)	-	(419.25)	-	100.00%
3	Kimaan Exports Private Limited	1st April'2018 to 31st March'2019	24 December 2010	INR	1.00	2.00	1,182.07	1,309.02	1,309.02	-	351.12	299.90	64.91	235.00	-	100.00%
4	S Mobility (HK) Limited	1st April'2018 to 31st March'2019	12 May 2011	USD	69.32	0.64	(3.09)	2.46	2.46	-	0.01	(1.81)	-	(1.81)	-	100.00%
5	New Spice Sales and Solutions Limited	1st April'2018 to 31st March'2019	04 November 2010	INR	1.00	9,971.74	(21,605.67)	504.69	504.69	-	148.31	(422.44)	-	(422.44)	-	100.00%
6	Cellucom Retail India Private Limited	1st April'2018 to 31st March'2019	04 November 2010	INR	1.00	5,000.00	(5,021.17)	15.69	15.69	-	-	(12.92)	-	(12.92)	-	100.00%
7	Spice Digital Bangladesh Limited	1st April'2018 to 31st March'2019	11 August 2012	BDT	0.83	81.26	285.01	1,839.36	1,839.36	-	341.54	61.75	12.66	49.09	669.73	100.00%
8	Luharia Technologies Private Limited	1st April'2018 to 25th July'2018	01 January 2018	INR	1.00	NA	NA	NA	NA	NA	85.35	(17.45)	0.61	(18.06)	-	-
9	S Global Services Pte. Ltd (formerly known as S GIC Pte. Ltd.)	1st April'2018 to 31st March'2019	28 February 2008	SGD	51.12	8,044.72	(1,371.97)	8,146.48	8,146.48	6,363.08	768.89	(161.67)	-	(161.67)	-	100.00%
10	Beoworld SDN. BHD	1st April'2018 to 31st March'2019	02 December 2010	MYR	16.99	74.35	(68.72)	8.03	8.03	-	-	(8.76)	0.17	(8.93)	-	100.00%
11	Spice VAS (Africa) Pte. Limited	1st April'2018 to 31st March'2019	04 November 2010	SGD	51.12	3,297.01	6,188.93	9,756.66	9,756.66	5,989.24	2,610.83	1,735.00	339.44	1,395.56	-	80.00%
12	S Mobility Pte. Limited	1st April'2018 to 31st March'2019	20 October 2011	SGD	51.12	153.37	(158.60)	0.75	0.75	-	-	(2.50)	-	(2.50)	-	100.00%
13	PT Spice Digital Indonesia	1st April'2018 to 31st March'2019	07 April 2016	IDR	0.00	135.47	149.70	3,843.88	3,843.88	-	2,600.91	202.95	60.05	142.90	-	100.00%
14	Omnia Pte. Ltd.	1st April'2018 to 31st March'2019	17 February 2017	SGD	51.12	13.04	275.11	1,582.34	1,582.34	135.47	2,358.06	517.18	194.93	322.25	-	100.00%
15	Spice Digital FZCO	1st April'2018 to 31st March'2019	26 March 2017	AED	18.87	-	(396.92)	42.40	42.40	-	93.88	(183.88)	-	(183.88)	-	100.00%
16	Digi Spice Nigeria Limited (formerly known as Spice Digital Nigeria Limited)	1st April'2018 to 31st March'2019	04 November 2010	NAIRA	0.19	45.16	(541.99)	1,321.60	1,321.60	-	1,520.40	(49.30)	77.10	(126.40)	-	100.00%

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 share-holding #
17	Spice VAS Kenya Limited	1st April'2018 to 31st March'2019	31 March 2011	KSH	0.69	0.78	(347.18)	520.25	520.25	-	1,272.45	(321.97)	38.20	(360.17)	-	100.00%
18	Spice VAS Uganda Limited	1st April'2018 to 31st March'2019	11 November 2010	UGX	0.02	0.28	86.63	100.31	100.31	-	39.64	(21.26)	40.67	(61.93)	-	75.00%
19	Spice VAS Ghana Limited	1st April'2018 to 31st March'2019	15 April 2011	GHS	12.87	33.84	262.19	827.57	827.57	-	2,109.98	137.30	30.45	106.86	234.69	100.00%
20	Spice VAS Zambia Limited	1st April'2018 to 31st March'2019	01 September 2011	ZMW	5.71	0.65	54.70	189.19	189.19	-	380.35	(20.03)	2.20	(22.23)	-	100.00%
21	Spice VAS Tanzania Limited	1st April'2018 to 31st March'2019	29 November 2011	TZS	0.03	77.01	(585.10)	74.04	74.04	-	151.75	(61.35)	70.46	(131.80)	-	100.00%
22	Ziiki Media SA Pty. Ltd. (formerly Spice Digital South Africa (Pty) Ltd.)	1st April'2018 to 06th February'2019	15 October 2011	ZAR	4.79	2,321.14	(2,071.63)	357.18	357.18	-	734.86	(100.75)	-	(100.75)	-	-
23	Spice VAS RDC Limited	1st April'2018 to 31st March'2019	08 April 2016	CDF	0.04	0.36	(8.11)	0.05	0.05	-	-	(0.31)	-	(0.31)	-	100.00%
24	SVA (Mauritius) Pvt Ltd.	1st April'2018 to 31st March'2019	04 October 2016	USD	69.32	0.07	(32.80)	9.19	9.19	-	94.40	(16.72)	-	(16.72)	-	100.00%
25	Fast Track IT Solutions Ltd	27th November 2018 to 31st March'2019	27 November 2018	BDT	0.83	2.87	(0.62)	2.70	2.70	-	-	(0.07)	-	(0.07)	-	70.00%

* 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, 2019

Note:- Names of subsidiaries which have been liquidated or sold during the year.

1	Spice IOT Solutions Private Limited	Amalgamated with the Spice Mobility Limited
2	Mobisoc Technology Private Limited	Amalgamated with the Spice Mobility Limited
3	Spice Labs Private Limited	Amalgamated with the Spice Mobility Limited

Refer Note no 38 of Consolidated financial statement .

FORM AOC-I

Part "B": Associates companies/joint ventures **(Amount in Rs. Lakhs)**

	Name of Associates / Joint Ventures	SunStone Learning Private Limited#	Creative Functionapps Lab Private Limited	Ziiki Media SA (Pty) Ltd (formely Spice Digital South Africa (Pty) Ltd.)	Adgyde Solutions Private Limited##
1	Latest audited Balance Sheet Date	Unaudited	Unaudited	Audited (31st March 19)	Unaudited
2	Date on which the Associate or Joint Venture was associated or acquired	12-Feb-15	1-Jul-15	7-Feb-19	28-Apr-16
3	Shares of Associate/joint ventures company held by the company on the year end				
	No.	95508	3514	40016870	-
	Amount of Investment in Associates/joint ventures	814.88	100.00	2,321.14	-
	Extent of Holding%	41.6%	26.00%	49.00%	-
4	Description of how there is significant influence	Associate	Associate	Associate	Joint Venture
5	Reason why the associate/joint ventures company is not consolidated	NA	NA	NA	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet	-	(3.85)	751.78	-
7	Profit / (Loss) for the year				
(i)	Considered in Consolidation	-	(8.88)	70.41	(37.26)
(ii)	Not Considered in Consolidation	-	(25.27)	73.29	(38.78)

#The investment has been fully impaired in the financials as the networth is fully eroded
Ceased to be joint venture w.e.f 25th October, 2018

For and on behalf of the board of directors

Dilip Modi
Executive Chairman
DIN : 00029062

Subramanian Murali
Director
DIN : 00041261

Suman Ghose Hazra
Director
DIN:00012223

Preeti Das
Chief Executive Officer

Rajneesh Arora
Chief Financial Officer

M R Bothra
Vice President - Corporate Affairs and Company Secretary

Place : Noida
Date : 21 May 2019

Towards Social Responsibility

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

DiGiSPICE Technologies Limited
(Formerly 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.digispice.com

DiGiSPICE Technologies Limited

(Formerly 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.digispice.com

NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of DiGiSPICE Technologies Limited (Formerly Spice Mobility Limited) will be held on Friday, the 27th day of September, 2019 at 3:15 P.M. at The Executive Club Resort, Dolly Farms and Resorts Pvt. Ltd, 439, Shahoorpur, Fatehpurberi, New Delhi –110074 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, 2019 along with the Board of Directors' and Auditors' Report thereon.

   ii. the Audited Consolidated Financial Statement for the financial year ended 31st March, 2019 and the Auditors' Report thereon.

2. To declare dividend @15% (Rs. 0.45 per Equity Share) on face value of Rs. 3/- per share for the financial year ended 31st March, 2019.

3. To consider and appoint a Director in place of Mr. Subramanian Murali (DIN: 00041261) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To approve the appointment of Dr. (Ms.) Rashmi Aggarwal (DIN: 07181938) as an Independent 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 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act) 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) and applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended, the appointment of Dr. (Ms.) Rashmi Aggarwal (DIN: 07181938) who was appointed by the Board as an Additional Director in the category of Non – Executive Independent Director and holds office upto the date of this Annual General Meeting and who meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations be and is hereby approved as an Independent Director of the Company for a period of five years w.e.f. 2nd November, 2018 not liable to retire by rotation."

5. **To approve the remuneration to Mr. Shrenik Mahendra Khasgiwala (DIN: 08136159), Non-Executive Non-Independent Director.**

   To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "Resolved that pursuant to Regulation 17 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (as amended from time-to-time) and applicable provisions of the Companies Act, 2013 (Act) read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the shareholders of the Company be and is hereby accorded to the payment of remuneration by way of monthly consultancy fee of Rs. 2,50,000/- to Mr. Shrenik Mahendra Khasgiwala, Non-Executive Non - Independent Director, for providing professional services for a period of twelve months with effect from May 17, 2018.

   Resolved further that pursuant to the provisions of Regulation 17(6)(ca) of the Listing Regulations, consent of the shareholders of the Company be and is hereby accorded for payment of the aforesaid remuneration to Mr. Shrenik Mahendra Khasgiwala, Non – Executive Non – Independent Director, which may exceed 50% of the total annual remuneration payable to all non-executive directors of the Company during the financial year.

   Resolved further that any action taken by the Company or its Board of Directors, which term shall include any committee thereof, for approving and making payment of consultancy fee to Mr. Shrenik Mahendra Khasgiwala or any firm under his proprietorship be and are hereby ratified and approved.

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 this connection."

By Order of the Board
For DiGiSPICE Technologies Limited
(Formerly Spice Mobility Limited)

(M R Bothra)
Vice President-Corporate Affairs &
Company Secretary

Date: 24th August, 2019
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 21st September, 2019 to 27th September, 2019 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend as may be approved by the shareholders.

5. The dividend, if declared at the Annual General Meeting, will be paid to those members whose names appear in the Register of Members as on 20th September, 2019.

6. (a) In terms of the Listing Regulations read with SEBI circular dated 20th April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend declared will be paid through electronic mode where the bank account details of the members are available. Intimations regarding such remittance would be sent to the members. Where the dividend cannot be paid through electronic mode, the same will be paid by warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on the warrants.

   For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, on or before 20th September, 2019, updated particulars of their bank account to the RTA along with an original cancelled cheque of the bank account and self-attested copy of their PAN card.

   (b) Members who hold shares in dematerialized mode may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrant as per the applicable Regulations of the Depositories and the Company will not entertain any direct request from such Members for change in such Bank Account details. Further instructions, if any, already given by them in respect of shares held in physical mode will not be automatically applicable to shares held in dematerialized mode. Members who wish to change such Bank Account details are, therefore, requested to advise their Depository Participant about such change, with complete details of Bank Account.

7. 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 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, if any.

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).

8. 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.

9. 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.

10. Members holding shares in physical mode are requested to quote their Ledger Folio Number 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.

11. In accordance with the Securities and Exchange Board of India Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 read with Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with a depository. However, it doesn't prevent the investors from holding the shares in physical form. SEBI further clarified that transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 1, 2019.

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.

12. 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 2010-11 have been transferred to IEPF.

Unclaimed dividends for the financial year 2011-12 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 Share Transfer Agent, M/s. MAS Services Limited, for any unclaimed dividend lying with Company. 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.digispice.com.

13. 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.

14. 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.

15. In terms of the relevant provisions of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, a company can send 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, containing the Balance Sheet, Statement of Profit & Loss, Board's Report, Auditors' Reports etc., Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner

of remote e – voting along with Attendance slip and Proxy Form, 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. 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.

16. The Notice of Annual General Meeting and Annual Report of the Company for the year 2018-19 being circulated to the members of the Company are available on the Company's website, viz. www.digispice.com.

17. The Route map of the Venue of the 31st Annual General Meeting is attached.

18. **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 **24th September, 2019 at 9:00 A.M. and ends on 26th September, 2019 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 **20th September, 2019** 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. **20th September, 2019**.
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. 20th September, 2019 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@masserv.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. 20th September, 2019 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@masserv.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. 20th September, 2019 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, failing him, Mr. Devesh Kumar Vashisht, Partner of M/s. Sanjay Grover & Associates, Company Secretaries, 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. 27th September, 2019.

12. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.digispice.com 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. 4

Pursuant to provisions of Sections 149, 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (Act) and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 2nd November, 2018, appointed Dr. (Ms.) Rashmi Aggarwal (DIN: 07181938) as an Additional Director in the category of Non – Executive Independent Director of the Company.

In terms of Section 149 and other applicable provisions of the Act and Rules made thereunder, the proposed resolution seeks the approval of shareholders for the appointment of Dr. Rashmi Aggarwal as an Independent Director for a term of 5 (five) consecutive years from November 2, 2018 to November 1, 2023, not liable to retire by rotation.

The Company has received consent from Dr. Rashmi Aggarwal to act as a Director and declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and also a declaration under Section 164 of the Act that she is not disqualified from being appointed as a Director.

In the opinion of the Board and on the basis of the recommendation of Nomination and Remuneration Committee, the Board believes that she is a person of integrity and possesses the relevant expertise and experience and fulfills the conditions specified in the Act and the Rules made thereunder and she is independent of the management and her appointment as an Independent Director would be beneficial to the Company and this will enable the Board to discharge its functions and duties effectively.

A Copy of the letter of appointment of Dr. Rashmi Aggarwal as an Independent Director setting out the terms and conditions of her appointment would be available for inspection without any fee by the shareholders at the Registered Office of the Company on all working days, except Saturdays, Sundays and holidays, during normal business hours.

The Board recommends the resolution set forth in the Item No. 4 of the Notice for approval by the shareholders.

No Director (other than Dr. Rashmi Aggarwal, herself) and Key Managerial Personnel and their relatives, is in any way concerned or interested in this resolution.

Item No. 5

Mr. Shrenik Mahendra Khasgiwala (DIN: 08136159) was appointed as a Non-Executive Non-Independent Director, liable to retire by rotation, by the Board w.e.f. May 17, 2018, which was approved by the shareholders in the 30th Annual General Meeting of the Company held on November 14, 2018.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, after assessing and evaluating the qualification and nature of professional services to be rendered by him, had approved to pay him a consultancy fees for availing the professional services at a rate 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. Subsequent to year end, Mr. Shrenik has resigned from the Board w.e.f. 7th August, 2019.

A new Regulation 17(6)(ca) has been inserted w.e.f. 1st April, 2019 in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) providing that the approval of shareholders by special resolution shall be obtained every year in which the annual remuneration payable to a single non-executive director exceeds fifty percent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

The annual remuneration payable to Mr. Shrenik Mahendra Khasgiwala, as a Non-Executive Non-Independent Director, for the financial year may exceed 50% of the total remuneration payable to all the Non-Executive Directors of the Company during the year.

Therefore, the approval of the shareholders is being sought by way of a special resolution for making payment of remuneration to him.

The Board recommends the special resolution set forth in the Item No. 5 of the Notice for approval by the shareholders.

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 and fixation of Director's Remuneration in the forthcoming Annual General Meeting, is given hereunder:

Name of the Director	**Mr. Subramanian Murali**	**Dr. (Ms.) Rashmi Aggarwal**	**Mr. Shrenik Mahendra Khasgiwala**
Date of Birth	30.07.1959	16.10.1974	10.08.1975
Date of First Appointment on the Board	07.05.2015	02.11.2018	17.05.2018
No. of shares held as on 31st March, 2019	2,03,489	Nil	Nil
Qualifications	1. Chartered Accountant 2. Bachelor of Science (Maths)	1. Bachelor of Science 2. Law Graduate 3. Masters' in Law 4. PhD (Patents Law)	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. Subramanian Murali is given in the Annual Report.	A brief resume and nature of expertise in specific functional areas of Dr. Rashmi Aggarwal is given in the Annual Report.	A brief resume and nature of expertise in specific functional areas of Mr. Shrenik Mahendra Khasgiwala is given below.*
Terms and Conditions of his appointment	He has been appointed as an Non -Executive Director of the Company w.e.f. 07.05.2015 and is liable to retire by rotation.	Appointed as an Independent Director of the Company for a period of 5 years w.e.f. 2nd November, 2018.	Appointed as Non – Executive Non – Independent Director liable to retire by rotation.
No. of Board Meetings attended during the year	All the six Board Meetings held during the year were attended by him.	All the three Board Meetings (One was attended through Tele – conferencing) held during the year after her appointment were attended by her.	Out of Six Board Meeting held during the year, Five Board Meetings (One was attended through Tele – conferencing) were attended by him.
Detail of Remuneration sought to be paid and the remuneration last drawn	Nil	Nil	Rs. 2,50,000/- (Rupees two lakh fifty thousand only) per month for the consultancy services to the Company.

Name of the Director	Mr. Subramanian Murali	Dr. (Ms.) Rashmi Aggarwal	Mr. Shrenik Mahendra Khasgiwala
List of Directorship in Companies (Other than DiGiSPICE Technologies Limited)	1. Spice Connect Private Limited 2. Spice Digital Limited	1. Dish TV India Limited 2. Zee Media Corporation Limited 3. Today Merchandise Private Limited 4. Dish Infra Services Private Limited 5. Essel Finance AMC Limited	Nil
Chairman / Member of the Committees of the Board of Directors of Companies (Other than DiGiSPICE Technologies Limited) on which she/he is a Director	**Audit Committee** 1. Spice Digital Limited - Member **Stakeholders Relationship Committee** 1. Spice Digital Limited – Chairman **Nomination & Remuneration Committee** 1. Spice Digital Limited - Member **Corporate Social Responsibility Committee** 1. Spice Digital Limited - Member **Finance Committee** 1. Spice Digital Limited – Member	**Audit Committee** 1. Today Merchandise Private Limited – Chairperson 2. Zee Media Corporation Limited– Member 3. Dish TV India Limited – Member 4. Essel Finance AMC Limited – Member **Nomination & Remuneration Committee** 1. Zee Media Corporation Limited – Chairperson 2. Essel Finance AMC Limited – Chairperson 3. Dish TV India Limited – Member 4. Today Merchandise Private Limited - Member **Corporate Social Responsibility Committee** 1. Zee Media Corporation Limited – Member 2. Dish TV India Limited – Member **Risk Management Committee** 1. Essel Finance AMC Limited – Chairperson 2. Dish TV India Limited – Member **ESOP Allotment Committee** 1. Dish TV India limited - Member	Nil

*Mr. Shrenik Mahendra Khasgiwala 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. He was the youngest Business Director at Bennett Coleman and Company. 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.

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 DiGiSPICE Technologies Limited
(Formerly Spice Mobility Limited)

(M R Bothra)
Vice President-Corporate Affairs &
Company Secretary

Date: 24th August, 2019
Place: Noida

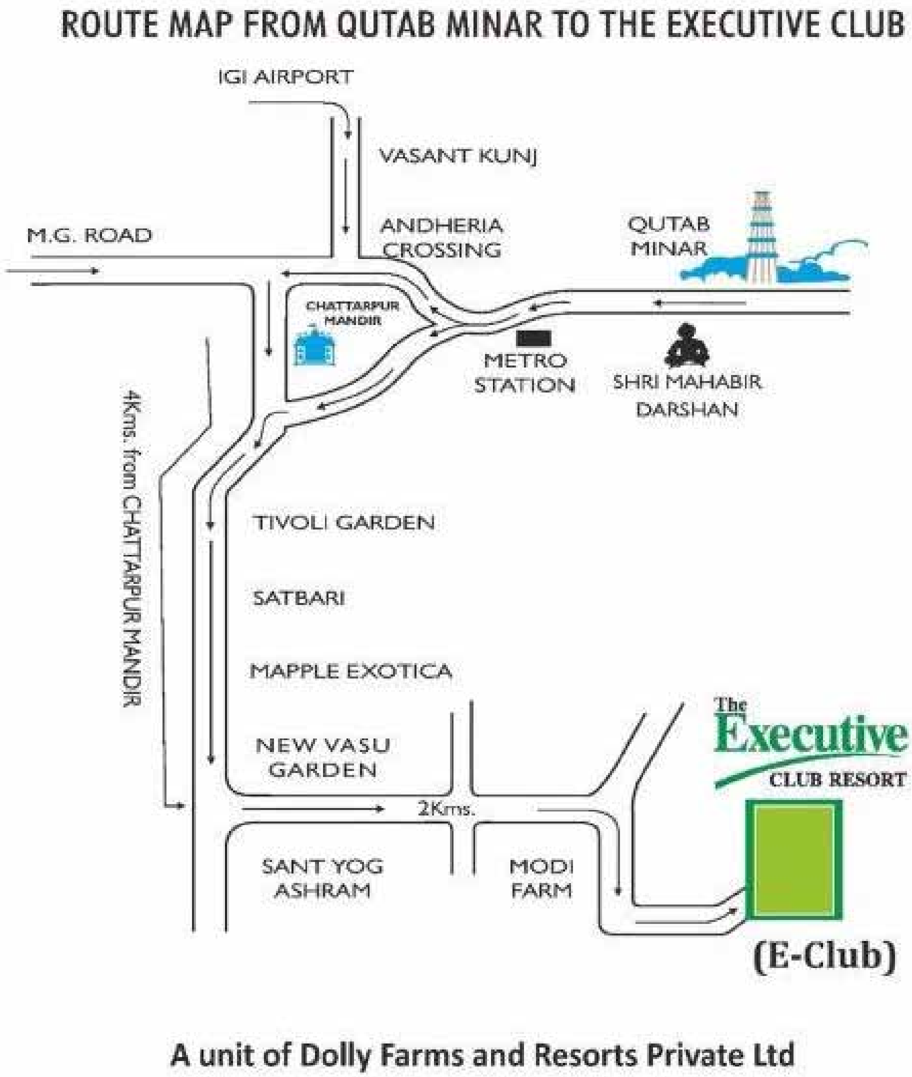
DiGiSPICE Technologies Limited

(Formerly 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.digispice.com

Route map of the Venue of the 31st Annual General Meeting-
27th September, 2019

The Executive Club Resort, Dolly Farms and Resorts Pvt. Ltd,
439, Shahoorpur, Fatehpurberi, New Delhi –110074



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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 31st Annual General Meeting of the Company, to be held on Friday, the 27th day of September, 2019 at 3:15 P.M. at The Executive Club Resort, Dolly Farms and Resorts Pvt. Ltd, 439, Shahoorpur, Fatehpurberi, New Delhi –110074 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	No. of shares held	For	Against
1. Adoption of: i. Standalone Audited Financial Statements for the year ended 31st March, 2019 along with Reports of Board of Directors and Auditors thereon; ii. Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2019 along with Auditors Report thereon.			
2. Declaration of Dividend on Equity shares for the financial year ended 31st March, 2019.			
3. Re-appointment of Mr. Subramanian Murali (DIN: 00041261), Director retiring by rotation.			
4. Appointment of Dr. (Ms.) Rashmi Aggarwal (DIN: 07181938) as an Independent Director of the Company.			
5 Approval of the remuneration payable to Mr. Shrenik Mahendra Khasgiwala (DIN: 08136159), Non-Executive Non-Independent Director.			

Signed this ________ Day of _____________ 2019

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.

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Website: www.digispice.com

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 24th September, 2019**
End of e-voting	**Upto 5 P.M. on 26th September, 2019**

- The cut-off date for the purpose of e-voting is 20th September, 2019.
- Please refer to the attached AGM Notice for instructions on e-voting.

DiGiSPICE

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Website: www.digispice.com

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 31st Annual General Meeting of DiGiSPICE Technologies Limited held on Friday, the 27th day of September, 2019 at 3:15 P.M. at The Executive Club Resort, Dolly Farms and Resorts Pvt. Ltd, 439, Shahoorpur, Fatehpurberi, New Delhi –110074.

Member's/Proxy's Signature
(to be signed at the time of handing over this slip)

*Applicable for members holding shares in electronic form.