

Limited Review Report**Review Report to
The Board of Directors
S Mobility Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of S Mobility Limited Group comprising S Mobility Limited (Formerly Spice Mobility Limited) ('the Company') and its subsidiaries (together, 'the Group'), for the quarter ended December 31, 2011 (the "Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. In respect of unaudited three months period consolidated financial results, we did not review the statement of unaudited financial results of 15 subsidiaries, whose unaudited quarterly financial results reflect total revenue of Rs 153 million for the three months period ended December 31, 2011 and total assets of Rs 3,861 million as at December 31, 2011. The financial information for these subsidiaries has been reviewed by other auditors whose reports have been furnished to us, and our opinion on the quarterly financial results is based solely on the reports of the other auditors.
4. Without qualifying our conclusion, we draw attention to the fact that the group has recognized a goodwill of Rs.2,026 Million in respect of Hindustan Retail India Private Limited, a wholly owned subsidiary of the Company and its three subsidiaries. Based on the financial statements of these subsidiaries, their net worth is substantially lower than the group's investment in these companies. No provision for impairment has been made against the above in view of strategic long term investment of the Group in these subsidiaries, their future profitable projections and/or the fair value of these Companies as at December 31, 2011.
5. Based on our review conducted as above and on consideration of reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of the components, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 Interim Financial Reporting [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.


For S.R. BATLIBOI & CO.

Firm Registration Number: 301003E

Chartered Accountants


per Anil Gupta
Partner
Membership No.: 81921Place New Delhi
Date: February 13, 2012

S MOBILITY LIMITED
(Formerly Spice Mobility Limited)
Regd. Office : 19A & 19B, Sector - 125, Noida 201301, District Gautam Budh Nagar , Uttar Pradesh

Unaudited Consolidated Financial Results for the Quarter & Nine Months Period ended December 31, 2011

(Rs. In Millions)

Sl.No.	Particulars	Consolidated					
		3 months ended			9 months ended		12 months ended
		31.12.2011 (Unaudited)	30.09.2011 (Unaudited)	31.12.2010 (Unaudited)	31.12.2011 (Unaudited)	31.12.2010 (Unaudited)	31.03.2011 (Audited)
1	a. Net Sales/Income from operation	6,148	5,348	5,236	16,722	14,813	20,065
	b. Other Operating Income	36	45	43	111	74	100
	Total	6,184	5,393	5,279	16,833	14,887	20,165
2	Expenditure:						
	a. Decrease/(Increase) in stock in trade	265	(585)	(355)	(378)	496	627
	b. Purchase of Finished/Traded Goods	4,435	4,175	4,159	12,021	10,356	13,934
	c. Consumption of Raw Materials	242	314	112	978	132	359
	d. Connectivity and Content Cost	325	261	228	837	595	784
	e. Staff Cost	422	342	266	1,077	790	1,086
	f. Depreciation/Amortisation	78	79	77	227	263	334
	g. Branding Expenses	230	256	189	693	529	651
	h. Other expenditure	415	424	386	1,203	1,016	1,463
	Total expenditure	6,412	5,266	5,062	16,668	14,177	19,238
3	Profit/(Loss) from Operations before other income, interest and finance expenses, exceptional item and taxes (1-2)	(228)	127	217	175	710	927
4	Other Income	40	50	59	153	227	317
5	Profit/(Loss) before interest and finance expenses, exceptional item and taxes (3+4)	(188)	177	276	328	937	1,244
6	Interest and finance expenses	12	12	10	36	29	68
7	Profit/(Loss) before exceptional items and taxes (5-6)	(200)	165	266	292	908	1,176
8	Exceptional Items						
	- Gain on sale of Investment in a Joint Venture Company	-	-	-	-	239	239
9	Profit/(Loss) from ordinary activities before taxes (7+8)	(200)	165	266	292	1,147	1,415
10	Provision for Taxation	(21)	45	72	92	222	298
11	Net Profit/(Loss) for the period (9-10)	(179)	120	194	200	925	1,117
12	Minority Interest	9	18	21	43	53	77
13	Net Profit/(Loss) after Minority Interest (11-12)	(188)	102	173	167	872	1,040
14	Paid up Equity Share Capital (Face value of Rs.3/- each)	714	714	714	714	714	714
15	Reserves excluding revaluation reserves	-	-	-	-	-	7,491
16	Basic and Diluted Earnings Per Share (in Rs.) (Not Annualised)	(0.79)	0.43	0.73	0.66	3.66	4.37
17	Total Public Shareholding						
	- No. of Shares	7,46,38,000	7,46,38,000	7,46,38,000	7,46,38,000	7,46,38,000	7,46,38,000
	- Percentage of Shares	31.35%	31.35%	31.35%	31.35%	31.35%	31.35%
18	Promoters & promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoters & promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	16,34,48,285	16,34,48,285	16,34,48,285	16,34,48,285	16,34,48,285	16,34,48,285
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	68.65%	68.65%	68.65%	68.65%	68.65%	68.65%

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SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

(Rs. In Millions)

Sl.No.	Particulars	Consolidated					
		3 months ended			9 months ended		12 months ended
		31.12.2011 (Unaudited)	30.09.2011 (Unaudited)	31.12.2010 (Unaudited)	31.12.2011 (Unaudited)	31.12.2010 (Unaudited)	31.03.2011 (Audited)
1	Segment Revenue (Net):						
a	Mobile Devices	5,569	4,770	4,728	14,996	13,360	18,050
b	Services	616	623	557	1,839	1,567	2,160
	Total	6,185	5,393	5,285	16,835	14,927	20,210
	Less : Inter-Segment Revenue	1	-	6	2	40	45
	Total Revenue	6,184	5,393	5,279	16,833	14,887	20,165
2	Segment Results -Profit/(Loss) before tax and interest:						
a	Mobile Devices	(269)	21	130	(73)	381	379
b	Services	12	83	114	186	348	517
	Less: Interest expense	(0)	(1)	(11)	(1)	(23)	(26)
	Add : Other unallocable income net of unallocable expense	57	62	33	180	441	545
	Total Profit/(Loss) Before Tax	(200)	165	266	292	1,147	1,415
3	Capital Employed (Segment Assets- Segment Liabilities):						
a	Mobile Devices	3,893	4,311	2,946	3,893	2,946	3,067
b	Services	1,706	1,770	1,534	1,706	1,534	1,392
	Unallocated Capital Employed	2,866	2,558	3,976	2,866	3,976	3,746
	Total	8,465	8,639	8,456	8,465	8,456	8,205

Notes :

- 1 The above results were reviewed by the Audit Committee in their meeting held on 8th February, 2012 and were approved and taken on record by the Board of Directors in their meeting held on 13th February, 2012 and have undergone "Limited Review" by the Statutory Auditors of the Company.
- 2a The results of the current quarter are impacted due to rupee depreciation resulting in higher cost of goods sold.
- 2b With a vision to switch as a leader in Mobile Internet space, the Company has begun investing in people and market, reflected in the higher manpower, branding and administrative cost.
- 3 Mr. Rajiv Makhni has been appointed as additional director and Mr. Thomas Henrik Zilliacus has ceased to be a director w.e.f. 9th February, 2012.
- 4 The number of investor complaints received during the quarter were 14 and all of them have been resolved / disposed off and there were Nil investor complaints pending either at the beginning or at the end of the quarter ended December 31, 2011.
- 5 The Board of Directors of Spice Retail Limited and Spice Distribution Limited (Subsidiaries of the Company) at their respective Board Meetings held on 10th November, 2011 have, subject to approvals of Shareholders, Creditors, Hon'ble High Court and other approvals as may be necessary, approved the scheme of amalgamation of Spice Distribution Limited with Spice Retail Limited w.e.f. 1st April, 2011 (the appointed date). The said proposed amalgamation does not have any effect on the financial results of the Company and necessary accounting adjustments, which would not be significant, would be carried out once the amalgamation becomes effective.
- 6 The Consolidated Financial results for the quarter ended December 31, 2011 represents consolidated results of the Company and its subsidiaries.
- 7 During the quarter ended December 31, 2011, a subsidiary of the Company has acquired 65% equity in Spice VAS Tanzania Ltd & 100% equity in Spice Digital South Africa (PTY) Ltd. Accordingly, these Companies have been Consolidated from the date of acquisition. Further, the Company has also subscribed for 100% equity in S Mobility Pte. Ltd. As there was no operation in the said company, the same has not been Consolidated.
- 8 The holding company of the Company, Spice Global Investments Pvt Ltd has transferred its 100% shareholding in the Company to its Wholly Owned Subsidiary company, i.e. S i2i Mobility Pvt Ltd. Accordingly, S i2i Mobility Pvt Ltd has become the Holding company of the Company.
- 9 Provision for tax is inclusive of/ net of deferred tax charge/ credit, fringe benefit tax and tax adjustments for earlier years.

10 Key Standalone Financial Information is given below:

(Rs. In Millions)

Particulars	3 months ended			9 months ended		12 months ended
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.3.2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net Sales / Income from Operations	1,973	2,286	2,411	6,659	6,898	9,458
Profit/(Loss) before tax	(290)	6	167	(116)	747	935
Net Profit/(Loss) after tax	(249)	7	120	(123)	615	782

- 11 The standalone financials results have been filed with the Stock Exchanges where the equity shares of the Company are listed and are also available at the Company's website www.spice-mobile.com.
- 12 Previous period / year figures have been regrouped and/or recasted wherever considered necessary to conform to the current period presentation..

 By order of the Board
S Mobility Limited



 Preeti Malhotra
Executive Director

Dated : 13th February, 2012

Limited Review Report**Review Report to
The Board of Directors
S Mobility Limited**

1. We have reviewed the accompanying statement of unaudited financial results of S Mobility Limited (Formerly Spice Mobility Limited) ('the Company') for the quarter ended December 31, 2011 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Without qualifying our conclusion, we draw attention to the fact that the Company has made investments of Rs.1,358 million (including share application money of Rs.133 million) and, given unsecured interest free loans of Rs.2,411 million to and has outstanding receivable of Rs. 262 million from, its subsidiary companies (including two subsidiaries of a subsidiary company) whose net worth as per books is lower than the carrying value of the Company's investments in these companies. No provision has been made against the above in view of strategic long term investment of the Company in these subsidiaries and their future profitable projections and/or the fair value of these Companies as at December 31, 2011.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



For S.R. BATLIBOI & CO.

Firm Registration Number: 301003E

Chartered Accountants


per Anil Gupta
Partner

Membership No. 87921

Place: New Delhi

Date: February 13, 2012

S MOBILITY LIMITED
(Formerly Spice Mobility Limited)
Regd. Office : 19A & 19B, Sector - 125, Noida 201301, District Gautam Budh Nagar , Uttar Pradesh

Unaudited Financial Results for the Quarter & Nine Months period ended December 31, 2011

(Rs. In Millions)

Sl.No.	Particulars	Standalone					
		3 months ended		9 months ended		12 months ended	
		31.12.2011 (Unaudited)	30.09.2011 (Unaudited)	31.12.2010 (Unaudited)	31.12.2011 (Unaudited)	31.12.2010 (Unaudited)	31.03.2011 (Audited)
1	a. Net Sales/Income from operation	1,971	2,281	2,405	6,648	6,879	9,431
	b. Other Operating Income	2	5	6	11	19	27
	Total	1,973	2,286	2,411	6,659	6,898	9,458
2	Expenditure:						
	a. Decrease/(Increase) in stock in trade	356	(587)	(341)	(380)	562	779
	b. Purchase of Finished/Traded Goods	1,141	2,060	2,115	4,775	4,530	6,135
	c. Consumption of Raw Materials	242	313	112	978	132	359
	d. Staff Cost	140	107	63	335	191	282
	e. Depreciation/Amortisation	21	17	4	49	12	17
	f. Branding Expenses	204	226	143	605	428	546
	g. Other expenditure	182	176	187	505	465	712
	Total expenditure	2,286	2,312	2,283	6,867	6,320	8,830
3	Profit/(Loss) from Operations before other income, interest and finance expenses, exceptional item and taxes (1-2)	(313)	(26)	128	(208)	578	628
4	Other Income	26	35	43	100	178	225
5	Profit/(Loss) before interest and finance expenses, exceptional item and taxes (3+4)	(287)	9	171	(108)	756	853
6	Interest and finance expenses	3	3	4	8	9	13
7	Profit/(Loss) before exceptional items and taxes (5-6)	(290)	6	167	(116)	747	840
8	Exceptional Items						
	- Gain on sale of Investment in a Subsidiary Company	-	-	-	-	-	95
9	Profit/(Loss) from ordinary activities before taxes (7+8)	(290)	6	167	(116)	747	935
10	Provision for Taxation	(41)	(1)	47	7	132	163
11	Net Profit/(Loss) for the period (9-10)	(249)	7	120	(123)	615	782
12	Paid up Equity Share Capital (Face value of Rs.3/- each)	714	714	714	714	714	714
13	Reserves excluding revaluation reserves	-	-	-	-	-	6,088
14	Basic and Diluted Earnings Per Share (in Rs.) (Not Annualised)	(1.05)	0.03	0.50	(0.52)	2.58	3.28
15	Total Public Shareholding						
	- No. of Shares	7,46,38,000	7,46,38,000	7,46,38,000	7,46,38,000	7,46,38,000	7,46,38,000
	- Percentage of Shares	31.35%	31.35%	31.35%	31.35%	31.35%	31.35%
16	Promoters & promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoters & promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	16,34,48,285	16,34,48,285	16,34,48,285	16,34,48,285	16,34,48,285	16,34,48,285
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	68.65%	68.65%	68.65%	68.65%	68.65%	68.65%

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Notes:

- 1 The above results were reviewed by the Audit Committee in their meeting held on 8th February, 2012 and were approved and taken on record by the Board of Directors in their meeting held on 13th February, 2012 and have undergone "Limited Review" by the Statutory Auditors of the Company.
- 2a The results of the current quarter are impacted due to rupee depreciation resulting in higher cost of goods sold.
- 2b With a vision to switch as a leader in Mobile Internet space, the Company has begun investing in people and market, reflected in the higher manpower, branding and administrative cost.
- 3 Mr. Rajiv Makhni has been appointed as additional director and Mr. Thomas Henrik Zilliacus has ceased to be a director w.e.f. 9th February, 2012.
- 4 The number of investor complaints received during the quarter were 14 and all of them have been resolved / disposed off and there were nil investor complaints pending either at the beginning or at the end of the quarter ended December 31, 2011.
- 5 The Board of Directors of Spice Retail Limited and Spice Distribution Limited (Subsidiaries of the Company) at their respective Board Meetings held on 10th November, 2011 have, subject to approvals of Shareholders, Creditors, Hon'ble High Court and other approvals as may be necessary, approved the scheme of amalgamation of Spice Distribution Limited with Spice Retail Limited w.e.f 1st April, 2011 (the appointed date). The said proposed amalgamation does not have any effect on the financial results of the Company and necessary accounting adjustments, which would not be significant, would be carried out once the amalgamation becomes effective.
- 6 During the quarter ended December 31, 2011, a subsidiary of the Company has acquired 65% equity in Spice VAS Tanzania Ltd & 100% equity in Spice Digital South Africa (PTY) Ltd. Further, the Company has also subscribed for 100% equity in S Mobility Pte. Ltd., whose operations are yet to be started.
- 7 The holding company of the Company, Spice Global Investments Pvt Ltd has transferred its 100% shareholding in the Company to its Wholly Owned Subsidiary company, i.e. S i2i Mobility Pvt Ltd. Accordingly, S i2i Mobility Pvt Ltd has become the Holding company of the Company.
- 8 Provision for tax is inclusive of/ net of deferred tax charge/ credit, fringe benefit tax and tax adjustments for earlier years.
- 9 Previous period / year figures have been regrouped and/or recasted wherever considered necessary to conform to the current period presentation..

By order of the Board
S Mobility Limited

Preeti Malhotra
Executive Director

Dated : 13th February, 2012