

INDEPENDENT AUDITOR'S REPORT

To,

The Members of S Mobile Devices Limited

Report on the Financial Statements

We have audited the accompanying financial statements of S Mobile Devices Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, and the statement of profit and loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its losses for the year ended on that date.

Report on Other Legal and Regulatory Requirements

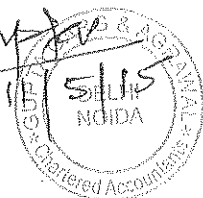
This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, as the said Order is not applicable to the company because it does not satisfy any of the conditions mentioned in the said Order.

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, and the statement of profit dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the company does not have any pending litigations which would impact its financial position.
 - ii) the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) there has been no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.

For GUPTA GARG & AGRAWAL
CHARTERED ACCOUNTANTS
FRN 505762C

(B.B.GUPTA)
PARTNER
M. No. 012399



Place: New Delhi

Date: 11.05.2015

S MOBILE DEVICES LIMITED

CIN: U32204U2012PLC051324

Regd Office: S Global Knowledge Park, 19A and 19B, Sector 125, Noida, District Gautam Budh Nagar, Uttar Pradesh-201301
Balance Sheet as at March 31, 2015

Particulars	Notes	Figures as at	Figures as at
		31-03-2015	30-06-2014
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserves and surplus	3	(97,338)	(74,481)
		<u>402,662</u>	<u>425,519</u>
Non-current liabilities			
		-	-
Current liabilities			
Other current liabilities	4	33,692	11,236
TOTAL		<u><u>436,355</u></u>	<u><u>436,755</u></u>
Assets			
Non-current assets			
		-	-
Current assets			
Cash and cash equivalents	5	436,355	436,755
TOTAL		<u><u>436,355</u></u>	<u><u>436,755</u></u>
Summary of significant accounting policies	1		

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

As per our attached report of even date
For Gupta Garg & Agrawal
Chartered Accountants(B.B.Gupta)
Partner
M. No. 012399

For and on behalf of the Board of Directors

Director
(Amandeep Singh)
DIN: 05356101Director
(Subramanian Murali)
DIN: 00041261

Place : New Delhi

Date : 11.05.2015

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S MOBILE DEVICES LIMITED

CIN: U32204U2012PLC051324

Regd Office: S Global Knowledge Park, 19A and 19B, Sector 125, Noida, District Gautam Budh Nagar, Uttar Pradesh-201301
Statement of Profit & Loss for the nine months period ended March 31, 2015

Particulars	Notes	Figures for 9 months ended	Figures for the year ended
		31-03-2015	30-06-2014
		Rs.	Rs.
Income		NIL	NIL
Total		-	-
Expenses			
Other Expenses	6	17,238	18,059
Total		<u>17,238</u>	<u>18,059</u>
Profit/(Loss) before exceptional and extraordinary items and tax		(17,238)	(18,059)
Exceptional items		-	-
(i) Prior period Incomes		-	-
(ii) Prior period expenses		(5,618)	(2,361)
Profit/(Loss) before extraordinary items and tax		(22,856)	(20,420)
Extra ordinary items		-	-
Profit / (Loss) before tax		(22,856)	(20,420)
Tax Expenses			
(i) Current Tax		-	-
(ii) Deferred Tax		-	-
Profit / (Loss) for the period		(22,856)	(20,420)
Earnings per equity share [nominal value of share Rs. 10]	7		
1) Basic		(0.46)	(0.41)

Summary of significant accounting policies

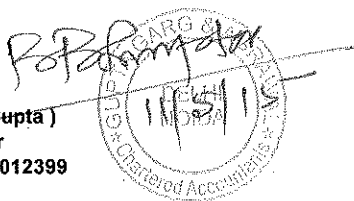
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The accompanying notes are an integral part of the financial statements.

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

For and on behalf of the Board of Directors

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



Director
(Amandeep Singh)
DIN: 05356101

Director
(Subramanian Murali)
DIN: 00041261

Place : New Delhi

Date : 11.05.2015

S MOBILE DEVICES LIMITED

CIN: U32204U2012PLC051324

Regd Office: S Global Knowledge Park, 19A and 19B, Sector 125, Noida, District Gautam Budh Nagar, Uttar Pradesh-201301

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i **Basis of Accounting**

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

All assets and liabilities have been classified as current or non-current as per the criteria set out in the 'General Instructions for preparation of Balance Sheet' of the Revised Schedule III of the Companies Act, 2013.

ii **Recognition of Income**

Income is recognised and accounted for on accrual basis unless otherwise stated.

iii **Use of estimates**

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

iv **Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The Deferred Tax Assets are recognised only to the extent that there is reasonable certainty of sufficient future profits against which such deferred tax assets could be realised.

v **Contingent Liabilities**

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

vi **Events occurring after the balance sheet date**

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

vii **Earnings Per Share**

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



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

Particulars	Figures as at	Figures as at
	31-03-2015	30-06-2014
	Rs.	Rs.
2. Share Capital		
Authorized shares		
50,000 (Previous period 50,000) Equity Shares of Rs. 10/- each	500,000	500,000
Issued, subscribed and fully paid-up shares		
50,000 (Previous period 50,000) Equity Shares of Rs. 10/- each	500,000	500,000
Total issued, subscribed and fully paid-up share capital	500,000	500,000

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

	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
At the beginning of the period	50,000	500,000	50,000	500,000
Issued during the period	-	-	-	-
Issued during the period – ESOP	-	-	-	-
Outstanding at the end of the period	50,000	500,000	50,000	500,000

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

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

Spice Mobility Limited, the Holding Company		
50,000 (Previous period 50,000) Equity Shares of Rs. 10/- each	500,000	500,000

(Out of above, Ms. Preeti Malhotra, Mr. Atul prakash, Mr. Meghraj Bothra , Mr. S.K Jain, Mr. S.K Gupta and Mr. Lalit Khanna each held one share in his/her name as beneficial owner on behalf of the company)

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

NIL

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

Name of the shareholder	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10/- each fully paid				
Spice Mobility Limited, the Holding Company	50,000	100.00%	50,000	100.00%

(Out of above, Ms. Preeti Malhotra, Mr. Atul prakash, Mr. Meghraj Bothra , Mr. S.K Jain, Mr. S.K Gupta and Mr. Lalit Khanna each held one share in his/her name as beneficial owner on behalf of the company)

(e) The above information (from (a) to (d)) is as per records of the company, including its register of shareholders/ members.

3. Reserves and Surplus

Surplus/ (deficit) in the statement of profit and loss

Balance as per last financial statements	(74,481)	(54,061)
Profit/(Loss) for the period	(22,856)	(20,420)



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Regd Office: S Global Knowledge Park, 19A and 19B, Sector 125, Noida, District Gautam Budh Nagar, Uttar Pradesh-201301

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

Particulars	Figures as at	Figures as at
	31-03-2015	30-06-2014
	Rs.	Rs.
Net surplus/(deficit) in the statement of profit and loss	(97,338)	(74,481)
Total Reserves and Surplus	(97,338)	(74,481)

4. Other current liabilities

Audit Fee Payable	22,636	11,236
Expenses Payable	11,056	-
	33,692	11,236

5. Cash and cash equivalents

Balance with Indusind Bank Ltd in Current A/c	436,355	436,755
	436,355	436,755

Contingent liabilities and commitments**(1) Contingent Liabilities**

a) Claims against the company not acknowledged as debts	NIL	NIL
b) Guarantees	NIL	NIL
c) other money for which company is contingently liable	NIL	NIL

(2) Commitments

a) Estimated amounts of contracts to be executed on capital account not provided for	NIL	NIL
b) Uncalled liability on partly paid shares	NIL	NIL
c) Other commitments	NIL	NIL



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CIN: U32204U2012PLC051324

Regd Office: S Global Knowledge Park, 19A and 19B, Sector 125, Noida, District Gautam Budh Nagar, Uttar Pradesh-201301

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

Particulars	Figures for 9	Figures for the
	months ended	year ended
	31-03-2015	30-06-2014
	Rs.	Rs.
6. Other expenses		
Legal and professional fees	5,838	1,149
Payment to Auditors (Refer details below)	11,400	16,910
	<u>17,238</u>	<u>18,059</u>
Payment to auditors		
Statutory Audit fee	5,700	5,674
Tax Account Fees	5,700	5,618
Other Services	-	5,618
	<u>11,400</u>	<u>16,910</u>
7. Earnings per share (EPS)		
The following reflects the profit and share data used in the basic EPS computations:		
Profit/ (loss) after tax	(22,856)	(20,420)
Number of ordinary equity shares	50,000	50,000
Weighted average number of ordinary equity shares	50,000	50,000
Nominal Value of ordinary shares	10	10
Basic earning per share	<u>(0.46)</u>	<u>(0.41)</u>



S MOBILE DEVICES LIMITED


CIN: U32204U2012PLC051324

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

- 8 The Schedule III notified under the Companies Act, 2013 would be applicable for the financial year beginning on or after 01.04.2014.
- 9 The Company is Non-Small and Medium Sized Company (Non SMC) by virtue of being subsidiary of Non SMC Holding Company and as such has complied with all the Accounting Standards notified under the above rules.
- 10 As per the guidance note issued by ICAI on Accounting Standard (AS) - 22 " Taxes on Income" , the company has been incorporated on 4th July, 2012. and the commercial activities are yet to start therefore, the Deferred Tax Assets/Deferred Tax Liability (DTA/DTL) has not been recognised in the books of account.
- 11 Previous year's figures were for twelve months period ended June 30, 2014, whereas current period's figures are for nine months period ended March 31, 2015. Hence, the current period's figures are not strictly comparable with those of the previous year's. Previous year figures have been regrouped / reclassified, where necessary, to conform to this period's classification.
- 12 Information required to be given by way of note regarding foreign currency income/outgo Nil
- 13 (a) **Related Party Disclosure**
- i) Name of the Related Parties**
- | | |
|---------------------------------|--|
| Ultimate Holding Company | Smart Global Corporate Holding Pvt. Ltd. (Formerly known as Spice Global Investment Pvt. Ltd) (Holding company of Smart Ventures Pvt. Ltd.) |
| Holding Company | 1. Spice Mobility Limited (formerly known as S Mobility Limited)
2. Smart Ventures Pvt. Ltd. (Formerly known as Smart Venture Ltd.) (Holding company of Spice Mobility Limited) |
- Related parties with whom transactions have taken place during the period**
- | | |
|---------------------------------|-----|
| Subsidiary Companies | Nil |
| Key Management Personnel | Nil |
- (b) Related Party Transactions :** Nil

As per our attached report of even date

**For Gupta Garg & Agrawal
Chartered Accountants**

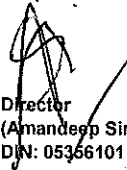

(B.B. Gupta)
Partner
M. No. 012399

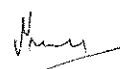
Place : New Delhi

Date :

11.05.2015

For and on behalf of the Board of Directors


Director
(Amandeep Singh)
DIN: 05356101


Director
(Subramanian Murali)
DIN: 00041261

