

Spice Mobility Limited

CIN No. L72900UP1986PLC008448

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December 22, 2017

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400 001

Scrip Code: 517214**National Stock Exchange of India Limited**

Exchange Plaza, Plot no: C/1, G Block

Bandra – Kurla Complex, Bandra (E)

Mumbai – 400 051

Scrip Code: SPICEMOBI**Sub: Outcome of the Board Meeting held on 22nd December, 2017.**

Dear Sir,

This is to inform you that the Board of Directors in its meeting held today i.e. on 22nd December, 2017 has, inter – alia, approved the following:

1. Modification in Comprehensive Scheme of Arrangement:

On the recommendation of the Audit Committee and in view of the business and commercial exigencies and other consideration, the Board of Directors has decided to modify the Comprehensive Scheme of Arrangement approved by it in its meeting held on 3rd November, 2017 (intimated to the Stock Exchanges earlier). Accordingly, the Board has decided not to proceed with the merger of Wall Street Finance Limited and S Global Insurance Advisory Limited with Spice Mobility Limited and matters related thereto.

Consequently, the Board has approved a revised Comprehensive Scheme of Arrangement between Spice Mobility Limited (“SML”), Spice Digital Limited (“SDL”), Spice IOT Solutions Private Limited (“Spice IOT”), Mobisoc Technology Private Limited (“Mobisoc”) and Spice Labs Private Limited (“Spice Labs”) and their respective shareholders and creditors, under Sections 230-232 of the Companies Act, 2013, subject to approval of shareholders, creditors, NCLT and other Statutory Authorities.

As required under Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requisite information is enclosed herewith as Annexure -‘I’.

2. Approval of Employee Stock Option Scheme:

Subject to the approval of members of the Company and such other approval as may be necessary, the Board of Directors of the Company has approved ‘SML Employees Stock Option Plan- 2018’ and issuance of a maximum of 2,53,18,220 Equity shares of Rs. 3/- each of the Company (or such other



adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable for time to time) under the said Scheme.

3. Sale of entire stake in Omniventures Private Limited.

Subject to the approval of members of the Company, the Board of Director of the Company has approved the sale of entire stake i.e. 10,000 equity shares of Rs. 10 /-each in Omniventures Private Limited (OVPL), a wholly owned subsidiary of the Company.

Consequently, 'OVPL' and its subsidiary Companies i.e. Spice Online Pvt. Limited and Hotspot Sales & Solutions Private Limited will also cease to be the subsidiaries of the Company.

As required under Regulation 30 of LODR, the requisite information is enclosed herewith as Annexure -II'.

The Company intends to obtain the approval of the shareholders for Employee Stock Option Scheme and Sale of stake in the aforesaid subsidiary company by way of Postal Ballot.

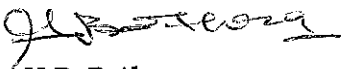
The said Board meeting commenced at 3:30 P.M. and concluded at 6:30 P.M..

You are requested to kindly take the aforesaid information on record.

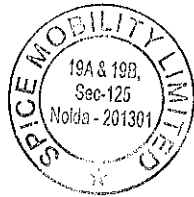
Thanking you.

Yours faithfully,

For **Spice Mobility Limited**



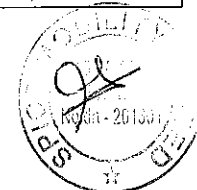
M.R. Bothra
Vice President - Corporate Affairs
& Company Secretary



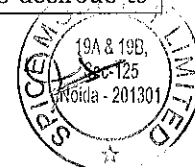
Encl: a/a

Details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

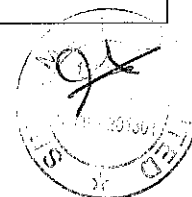
Sr. No.	Particulars	Details																		
a)	name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p>Name of entities forming part of Comprehensive Scheme of Arrangement</p> <p>Spice Mobility Limited ("SML") and Spice Digital Limited ("SDL") and Spice IOT Solutions Private Limited ("Spice IOT") and Mobisoc Technology Private Limited ("Mobisoc") and Spice Labs Private Limited ("Spice Labs")</p> <p>Details of Size, Turnover as on 31.03.2017:</p> <p style="text-align: right;">(Rs. In Crores)</p> <table border="1" data-bbox="580 638 1321 875"> <thead> <tr> <th data-bbox="580 638 778 703">Name of Entity</th> <th data-bbox="783 638 954 703">Net Worth</th> <th data-bbox="959 638 1321 703">Turnover / Revenue for the Financial Year 2016-17</th> </tr> </thead> <tbody> <tr> <td data-bbox="580 710 778 736">SML</td> <td data-bbox="783 710 954 736">119.79*</td> <td data-bbox="959 710 1321 736">170.90</td> </tr> <tr> <td data-bbox="580 743 778 770">SDL</td> <td data-bbox="783 743 954 770">296.08**</td> <td data-bbox="959 743 1321 770">195.67</td> </tr> <tr> <td data-bbox="580 777 778 804">Spice IOT</td> <td data-bbox="783 777 954 804">0.0082</td> <td data-bbox="959 777 1321 804">NIL</td> </tr> <tr> <td data-bbox="580 810 778 837">Mobisoc</td> <td data-bbox="783 810 954 837">9.51</td> <td data-bbox="959 810 1321 837">14.76</td> </tr> <tr> <td data-bbox="580 844 778 871">Spice Labs</td> <td data-bbox="783 844 954 871">6.09</td> <td data-bbox="959 844 1321 871">2.44</td> </tr> </tbody> </table> <p>* including the shares held by Independent Non-Promoter Trust and Independent Non Promoter (Spice Employee Benefit) Trust and excluding the capital redemption reserves</p> <p>** excluding the share buy-back reserve</p>	Name of Entity	Net Worth	Turnover / Revenue for the Financial Year 2016-17	SML	119.79*	170.90	SDL	296.08**	195.67	Spice IOT	0.0082	NIL	Mobisoc	9.51	14.76	Spice Labs	6.09	2.44
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b)	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	Yes. A valuation report from an independent Chartered Accountant and confirmation by way of fairness opinion by a Category I Merchant Banker has been obtained. It is further clarified that the proposed transactions do not fall within the purview of related party transaction in view of General circular No. 30 / 2014 dated 17 th July, 2014 issued by Ministry of Corporate Affairs and it would be subject to approval of National Company law Tribunal.																		
c)	area of business of the entity(ies);	<p>SML through its subsidiaries is primarily engaged in the business of digital technology services, Financial Technology Services, value added telecom services and retail of mobile handsets and related products.</p> <p>SDL is presently engaged in the business of providing:</p> <p>a) Digital Technology services, Value added services including mobile content services to the customers of domestic and international telecom operators, development & sale of telecom related software, (hereinafter collectively referred to as 'DTS Business'); and</p> <p>b) Financial Technology Services such as domestic money transfer services, Aadhar enabled payment services, bill payments through Bharat Bill Payment System ,and Ticketing services ('FinTech Business').</p> <p>DTS Business (including investments in various Indian and Overseas companies engaged in the similar business) is being transferred by SDL to SML by way of Demerger as a Part of the proposed Scheme.</p> <p>Spice IOT was incorporated with the main object of carrying on the business of manufacturing, trading, export, import, service, solution of</p>																		



		<p>hardware and software accelerator, product of internet of things, e-commerce, internet, media, allied items, computer personnel etc, developing and maintaining hardware, software and communication infrastructure, softwares, packages and applications etc.</p> <p>Mobisoc is engaged in software development activities and providing management and support services in the field of telecommunication technology. The Company is also in the business of digital marketing in which it is providing services to the clients to enhance their business via mobile marketing, lead generation, app download and website.</p> <p>Spice Labs is primarily engaged in the business of developing, and providing digital software solutions as offshore service provider to business enterprises.</p>
d)	rationale amalgamation/ merger; for	<p>The proposed comprehensive restructuring scheme is in the interest of shareholders and creditors on account of the following reasons:</p>
		<ol style="list-style-type: none"> 1. SML through its subsidiaries is primarily engaged in the Business of digital technology services, Financial Technology Services, value added telecom services and retail of mobile handsets and related products. Over the last few years, digital technology and apps have gained prominence in terms of business potential and growth and mobile handsets have become only a mode to access these digital technology services. Therefore, to keep pace with these changing business dynamics, SML intends to focus predominantly on digital platforms and services. 2. The services business has been at the forefront of technological innovations and has evolved as a key digital transformation player in terms of technological advancements as well as development of digital products & solutions. 3. SML, along-with its subsidiaries, aspires to become a leader in digital technologies in India and other emerging markets which are witnessing similar technology adoption trends and continue to invest into new products and service areas which will provide significant growth opportunities going forward. SML is focusing on building solutions in the mobile governance, mobile money and mobile entertainment domains. 4. The service business of SML, being carried out through SDL, can be broadly classified into two categories (a) Digital Technology Services Business (DTS) - Telco Support Solutions, Mobility Software Solutions, Mobile Advertising, Social Networking, USSD Service and other related services and (b) FinTech Business - Under the brand name "Spice Money", Cash Deposit, Cash Withdrawals, Bill Payments etc. as per the licenses issued under the Pre-paid Instrument, Bharat Bill Payment System, Aadhaar Enabled Payment Systems etc. <p>In order to streamline the business structure and aligning it with the future growth prospects, the flagship listed company of the group i.e. SML is proposed to directly carry out the DTS Business going forward.</p> <ol style="list-style-type: none"> 5. Further, the FinTech Business is at a nascent stage and has tremendous scope to grow in the future. Hence, it is desirous to



		<p>grow the FinTech Business through organic & inorganic expansion including acquisition / consolidation of similar businesses. It would require investments into the operational and functional aspects of the business and substantial investment into marketing and brand building including strategic partnership with an investor for fund raising and / or acquisition of technology.</p> <p>6. The proposed restructuring will be synergistic and optimal as there exists certain commonality in the operational infrastructure that may be needed for running the respective businesses.</p> <p>7. The restructuring proposed under this Scheme when made effective will build a stronger and sustainable business and it would be desirous, among other, for the following reasons:</p> <p>(a) consolidation of similar businesses into one entity;</p> <p>(b) achieve more focused business and management control;</p>
		<p>(c) provide greater efficiency and optimal utilisation of resources;</p> <p>(d) optimization of overheads, administrative, managerial and other expenditure through consolidation of companies / businesses resulting into simplification of group structure and streamlining for growth, capital raising in specific business and / or securing strategic partnerships;</p> <p>(e) reduce legal and regulatory compliances; and</p> <p>(f) create enhanced value for all stakeholders of the respective companies.</p>
e)	in case of cash consideration - amount or otherwise share exchange ratio;	<p>(a) Demerger of DTS Business Undertaking from SDL to SML -</p> <p>Consideration: 2.682 fully paid up equity shares of face value of Rs. 3/- (Rupees Three) each of SML to be issued and allotted to the equity shareholders of SDL against 1 fully paid up equity shares of face value of Rs. 10/- (Rupees Ten) each held in SDL. No shares shall be issued to SML in lieu of shares held by it in SDL.</p> <p>(b) Amalgamation of Spice IOT, Mobisoc and Spice Labs in to SML -</p> <p>Consideration: Since the entire paid-up equity share capital of Spice IOT & Mobisoc is held directly or indirectly by SML, no shares of SML will be issued or allotted to the shareholders of the Spice IOT & Mobisoc in consideration for amalgamation.</p> <p>1.299 fully paid up equity shares of face value of Rs. 3/- (Rupees Three) each of SML to be issued and allotted to the equity shareholders of Spice Labs against 1 fully paid up equity shares of face value of Rs. 10/- (Rupees Ten) each held in Spice Labs.</p>
f)	brief details of change in shareholding pattern (if any) of listed entity.	Upon the Scheme become effective SML will issue the equity shares in the aforesaid manner as mentioned (e) above to the shareholders of SDL and Spice Labs as on the record date to be fixed in accordance with the Scheme. The pre and post (estimated) shareholding pattern of SML would form part of application to be filed with the Stock Exchange in due course.



Annexure-II

Details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr.No.	Particulars	Details
a)	the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;	Omniventures Private Limited and its subsidiary companies has a total income of approx. Rs. 514.73 Crore and total Losses of Rs. 16.17 Crore for the financial year ended 31 st March, 2017. It has a negative Net Worth of Rs.87.80 Crore as on 31.03.2017. The total income is 57.75% of total income of the Company at consolidated level for the year ended on that date.
b)	date on which the agreement for sale has been entered into;	Proposed to be entered into within 7 days.
c)	the expected date of completion of sale/disposal;	Within 60 days from the date of agreement.
d)	consideration received from such sale/disposal;	Rs. 1,00,000 (Rupees One Lakhs Only).
e)	brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;	Emma Innovation & Technology Private Limited. The Company has been incorporated to pursue, inter-alia, the business of trading and online/e-commerce business whether wholesale or retail. The buyer doesn't belong to the promoter/ promoter group/group companies
f)	whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	No Not Applicable
g)	additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	Not Applicable

