

Unaudited Consolidated Financial Results for the quarter and six months period ended December 31, 2014

(Rs. In Lacs)

PART I STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2014							
Sl.No.	Particulars	Consolidated					
		3 months ended			6 months ended		12 months ended
		31.12.2014 (Unaudited)	30.09.2014 (Unaudited)	31.12.2013 (Unaudited)	31.12.2014 (Unaudited)	31.12.2013 (Unaudited)	30.06.2014 (Audited)
1	a. Net Sales/Income from operation	56,996	54,429	56,704	111,425	110,106	211,064
	b. Other Operating Income	30	42	57	72	80	147
	Total	57,026	54,471	56,761	111,497	110,186	211,211
2	Expenditure:						
	a. (Increase) / Decrease in stock in trade	44	(5,191)	836	(5,147)	(4,473)	(621)
	b. Purchase of Finished/Traded Goods	47,152	47,860	44,278	95,012	90,043	165,287
	c. Connectivity and Content Cost	1,507	1,637	1,666	3,144	3,492	6,740
	d. Staff Cost	3,197	3,107	2,876	6,304	5,695	11,242
	e. Depreciation/Amortisation	736	678	977	1,414	1,856	3,497
	f. Branding Expenses	2,285	2,370	1,518	4,655	3,217	7,835
	g. Other expenditure	5,046	5,288	4,605	10,334	9,506	18,932
	Total expenditure	59,967	55,749	56,756	115,716	109,336	212,912
3	Profit/(Loss) from Operations before other income, finance cost, exceptional items and taxes (1-2)	(2,941)	(1,278)	5	(4,219)	850	(1,701)
4	Other Income	397	390	520	787	897	1,523
5	Profit/(Loss) before finance cost, exceptional items and taxes (3+4)	(2,544)	(888)	525	(3,432)	1,747	(178)
6	Finance Cost	31	30	21	61	67	118
7	Profit/(Loss) before exceptional items and taxes (5-6)	(2,575)	(918)	504	(3,493)	1,680	(296)
8	Exceptional Items						
	- Impairment of Goodwill of subsidiary companies (Refer Note No. 5 below)	(19,482)	-	-	(19,482)	-	(1,411)
	- Additional Depreciation due to change of useful life (Refer Note no. 4 below)	(62)	(162)	(16)	(224)	(280)	(297)
	- Reversal of revenue pertaining to earlier periods	-	-	(276)	-	(276)	(276)
	- Provision for diminution in value of Long term investments	-	-	-	-	-	(20)
	- Loss on Liquidation of Investments	-	-	-	-	-	(30)
9	Profit/(Loss) from ordinary activities before taxes (7+8)	(22,119)	(1,080)	212	(23,199)	1,124	(2,330)
10	Provision for Taxation	129	285	104	414	205	431
11	Net Profit/(Loss) for the period (9-10)	(22,248)	(1,365)	108	(23,613)	919	(2,761)
12	Share of (Loss) of associates	(1)	(2)	-	(3)	-	-
13	Minority Interest	94	(35)	6	59	4	54
14	Net Profit/(Loss) after Share of Profit/(Loss) of associates and Minority Interest (11+12-13)	(22,343)	(1,332)	102	(23,675)	915	(2,815)
15	Paid up Equity Share Capital (Face value of Rs.3/- each)	6,836	6,836	6,836	6,836	6,836	6,836
16	Reserves excluding revaluation reserves						61,566
17	Basic and Diluted Earnings Per Share (in Rs.) (Not Annualised)	(9.81)	(0.58)	0.04	(10.39)	0.39	(1.22)
PART II SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2014							
A. PARTICULARS OF SHAREHOLDING							
1	Public Shareholding						
	- No. of Shares	58,416,412	58,416,412	58,418,512	58,416,412	58,418,512	58,416,412
	- Percentage of Shareholding	25.64%	25.64%	25.64%	25.64%	25.64%	25.64%
2	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	169,447,570	169,447,570	169,447,570	169,447,570	169,447,570	169,447,570
	- 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)	74.36%	74.36%	74.36%	74.36%	74.36%	74.36%
B. INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	6					
	Disposed off during the quarter	6					
	Remaining unresolved at the end of the quarter	Nil					

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

(Rs. In Lacs)

Sl.No.	Particulars	Consolidated					
		3 months ended			6 months ended		12 months ended
		31.12.2014 (Unaudited)	30.09.2014 (Unaudited)	31.12.2013 (Unaudited)	31.12.2014 (Unaudited)	31.12.2013 (Unaudited)	30.06.2014 (Audited)
1	Segment Revenue (Net):						
a	Mobile Devices	52,436	49,717	51,720	102,153	100,025	191,986
b	Services	4,721	4,905	5,199	9,626	10,494	19,845
	Total	57,157	54,622	56,919	111,779	110,519	211,831
	Less : Inter-Segment Revenue	131	151	158	282	333	620
	Total Revenue	57,026	54,471	56,761	111,497	110,186	211,211
2	Segment Results -Profit/(Loss) before tax and interest:						
a	Mobile Devices	(2,921)	(959)	(147)	(3,880)	536	(1,591)
b	Services	497	174	402	671	953	1,565
	Less: Finance cost	(31)	(30)	(21)	(61)	(67)	(118)
	Add : Other unallocable income net of unallocable expense	(19,664)	(265)	(22)	(19,929)	(298)	(2,186)
	Total Profit/(Loss) Before Tax	(22,119)	(1,080)	212	(23,199)	1,124	(2,330)
3	Capital Employed (Segment Assets- Segment Liabilities):						
a	Mobile Devices	(3,408)	14,374	24,031	(3,408)	24,031	16,150
b	Services	14,440	14,351	15,128	14,440	15,128	14,231
	Unallocated Capital Employed	33,690	38,452	32,674	33,690	32,674	38,021
	Total	44,722	67,177	71,833	44,722	71,833	68,402

Notes :

- The above results were reviewed by the Audit Committee and were approved and taken on record by the Board of Directors in their respective meetings held on February 09, 2015 and February 10, 2015 respectively.
- The Consolidated Financial results for the quarter ended on December 31, 2014 represents consolidated results of the Company, its subsidiaries and an associate.
- The Board of Directors of the Company in its meeting held on 2nd January, 2015 has, subject to the approvals of the members of the Company and such other approvals/sanctions as may be required in this connection, approved the proposal received from Smart Ventures Private Limited, the Promoters of the Company, to voluntarily delist the Equity Shares of the Company from BSE Limited and National Stock Exchange of India Limited i.e. both the recognized stock exchanges where the equity shares of the Company are presently listed. The consent of the shareholders for delisting is being sought through Postal Ballot.
- In accordance with Companies Act, 2013, the Company and its indian subsidiaries have revised the useful life of its fixed assets w.e.f July 01, 2014 to comply with the useful life as mentioned under Schedule II of the Companies Act, 2013. Due to this change depreciation for the six months period ended December 31, 2014 is higher by Rs 224 lacs (including Rs 62 lacs for the current quarter), which has been shown under exceptional items in the results. Had the Company and its indian subsidiaries continued to follow the existing useful life, the depreciation expense and loss before tax for the six months period ended December 31, 2014 would have been lower by Rs 224 lacs (including Rs 62 lacs for the current quarter).
- The consolidated financial statements carried a goodwill of Rs. 19,482 lacs pertaining to retail business of devices segment. In view of the continuing losses by the said retail business, the Board of Directors in its meeting held today has taken a decision to impair the said goodwill. The said amount of impairment has been shown under exceptional items in the consolidated financial results. However, the management continues to focus on growing the retail business and making it profitable on an ongoing basis.
- The Hon'ble Supreme Court of India vide its order dated December 17, 2014 on the judgment in case of State of Punjab Vs. Nokia India Pvt. Ltd. has held that sales tax 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. In the case of the Group, since there was no such dispute pending in any of the states and no demand whatsoever has been raised/received, no effect has been given on the working results on account of above judgment. The Group is currently evaluating the above judgment. This is subject matter of qualification by the auditors in the limited review report on the financial results of the Group for the quarter ended December 31, 2014.
- Subsequent to the quarter ended December 31, 2014, Spice Digital Limited, a subsidiary of the Company has acquired 38.53% stake in Anytime Learning Private Limited.
- Provision for income tax is inclusive of/ net of deferred tax charge/ credit and tax adjustments for earlier years.

9 Key Standalone Financial Information is given below:

(Rs. In Lacs)

Particulars	3 months ended			6 months ended		12 months ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	30.06.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net Sales / Income from Operation	-	-	6,234	-	6,234	6,834
Profit/(Loss) before tax	193	94	1,488	287	1,107	237
Net Profit/(Loss) after tax	193	94	1,518	287	1,237	454

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

By order of the Board
Spice Mobility Limited (formerly S Mobility Limited)

Dilip Modi
Chairman

Dated : February 10, 2015
Place : Noida

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

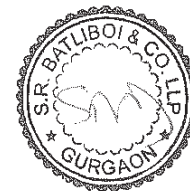
SNo.	Particulars	Consolidated	
		As at	As at
		31.12.2014 (Unaudited)	30.06.2014 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholder's funds		
	(a) Share Capital	6,836	6,836
	(b) Reserves & Surplus	37,886	61,566
	Total Shareholder's funds	44,722	68,402
2	Minority Interest / Non Controlling Interest	3,322	3,260
3	Non-current liabilities		
	(a) Long-term borrowings	22	27
	(b) Other long-term liabilities	573	629
	(c) Trade Payable	5	4
	(d) Long-term provisions	284	263
	(e) Deferred Tax Liabilities (net)	24	81
	Total Non-current liabilities	908	1,004
4	Current Liabilities		
	(a) Short-term borrowings	1,455	1,363
	(b) Trade Payables	32,731	26,335
	(c) Other current liabilities	4,453	4,274
	(d) Short term provisions	3,073	2,682
	Total Current liabilities	41,712	34,654
	TOTAL- EQUITY AND LIABILITIES	90,664	107,320
B	ASSETS		
1	Non- current assets		
	(a) Fixed assets	15,416	15,862
	(b) Goodwill on consolidation	5,304	24,785
	(c) Non- current Investments	4,127	4,015
	(d) Deferred tax assets (net)	13	13
	(e) Long-term loans and advances	4,033	3,330
	(f) Amount recoverable from Employee Benefit Trust	692	732
	(g) Other non-current assets	97	17
	Total Non-current assets	29,682	48,754
2	Current assets		
	(a) Current Investments	3,228	4,253
	(b) Inventories	14,284	9,137
	(c) Trade Receivables	16,917	13,024
	(d) Cash and bank balances	12,479	18,400
	(e) Short term loans and advances	10,508	9,993
	(f) Other Current assets	3,566	3,759
	Total Current Assets	60,982	58,566
	TOTAL ASSETS	90,664	107,320

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Spice Mobility Limited Group comprising Spice Mobility Limited ('the Company') and its subsidiaries (together, 'the Group'), for the quarter ended December 31, 2014 (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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review the statement of unaudited financial results of 21 subsidiaries, whose unaudited financial results reflect total revenue of Rs. 4,399 lacs for the quarter ended December 31, 2014 and total assets of Rs. 10,835 lacs as at December 31, 2014. The financial information for 13 subsidiaries has been taken based on the management certified accounts and for 8 subsidiaries has been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the quarterly financial results is based solely on the reports of the other auditors / management certified accounts.

Basis for qualified conclusion

4. *As detailed in Note 6 to the unaudited financial results, during the quarter, the Hon'ble Supreme Court of India has given a judgment in the case of State of Punjab Vs. Nokia India Pvt. Ltd. that sales tax 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. The Group is currently evaluating impact of the judgment and has not estimated additional sales tax amount in this regard as at December 31, 2014 and accordingly has not recorded a provision for such additional sales tax and upon which we are unable to comment on.*
5. Based on our review conducted as above *except for the possible effects of our observation in para 4 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 specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognized 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.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

For S.R. BATLIBOI & CO. LLP

ICAI Firm registration number: 301003E

Chartered Accountants

Anil Gupta

per Anil Gupta

Partner

Membership No.: 87921



Place: Noida

Date: February 10, 2015

Unaudited Standalone Financial Results for the quarter and six months period ended December 31, 2014

(Rs. In Lacs)

PART I STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2014							
Sl.No.	Particulars	Standalone					
		3 months ended			6 months ended		12 months ended
		31.12.2014 (Unaudited)	30.9.2014 (Unaudited)	31.12.2013 (Unaudited)	31.12.2014 (Unaudited)	31.12.2013 (Unaudited)	30.6.2014 (Audited)
1	a. Net Sales/Income from operation	-	-	6,234	-	6,234	6,816
	b. Other Operating Income	-	-	-	-	-	18
	Total	-	-	6,234	-	6,234	6,834
2	Expenditure:						
	a. Purchase of Finished/Traded Goods	-	-	6,089	-	6,089	6,643
	b. Staff Cost	264	348	247	612	468	972
	c. Depreciation/Amortisation	130	130	131	260	262	510
	d. Branding Expenses	1	-	56	1	57	55
	e. Rent expenditure	90	84	120	174	171	339
	f. Legal and professional fees	56	55	111	111	166	293
	g. Other expenditure	213	196	168	409	428	979
	Total expenditure	754	813	6,923	1,567	7,641	9,791
3	(Loss) from Operations before other income, finance cost and taxes (1-2)	(754)	(813)	(689)	(1,567)	(1,407)	(2,957)
4	Other Income	1,004	976	2,296	1,980	2,633	3,345
5	Profit before finance cost and taxes (3+4)	250	163	1,607	413	1,226	388
6	Finance Cost	1	1	-	2	-	13
7	Profit from ordinary activities before taxes (5-6)	249	162	1,607	411	1,226	375
8	Exceptional Items						
	- Provision for diminution in the value of investments	-	-	(119)	-	(119)	(139)
	- Additional Depreciation due to change of useful life (Refer Note 3 below)	(56)	(68)	-	(124)	-	-
9	Profit/(Loss) from ordinary activities before taxes (7+8)	193	94	1,488	287	1,107	237
10	Provision for Taxation	-	-	(30)	-	(130)	(217)
11	Net Profit/(Loss) for the period (9-10)	193	94	1,518	287	1,237	454
12	Paid up Equity Share Capital (Face value of Rs.3/- each)	6,836	6,836	6,836	6,836	6,836	6,836
13	Reserves excluding revaluation reserves						53,411
14	Basic and Diluted Earnings Per Share (in Rs.) (Not Annualised)	0.08	0.04	0.66	0.13	0.53	0.20
PART II SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2014							
A. PARTICULARS OF SHAREHOLDING							
1	Public Shareholding						
	- No. of Shares	58,416,412	58,416,412	58,418,512	58,416,412	58,418,512	58,416,412
	- Percentage of Shareholding	25.64%	25.64%	25.64%	25.64%	25.64%	25.64%
2	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	169,447,570	169,447,570	169,447,570	169,447,570	169,447,570	169,447,570
	- 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)	74.36%	74.36%	74.36%	74.36%	74.36%	74.36%
B. INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	6					
	Disposed off during the quarter	6					
	Remaining unresolved at the end of the quarter	Nil					


Notes :

- 1 The above results were reviewed by the Audit Committee and were approved and taken on record by the Board of Directors in their respective meetings held on February 09, 2015 and February 10, 2015 respectively.
- 2 The Company has total investments of Rs.33,784 lacs in the equity share capital and loans (including accrued interest thereon) given to various companies operating in retail business of device segment. As per the latest consolidated financial investments of these companies, their accumulated losses have resulted in erosion of net worth fully. These being long term strategic investment and also in view of projected profitable operations of these subsidiaries in the near future, in the opinion of management, no provision for diminution in the value of investments /loans is required to be made. However, in view of the continuing losses incurred by said companies, the Company is in the process of reviewing/evaluating the above diminution in the value of investments and loans given. Necessary adjustment, if any, would be made once the said evaluation /review is complete. This is subject matter of qualification by the auditors in the limited review report on the financial results of the Company for the quarter ended December 31, 2014.
- 3 In accordance with Companies Act, 2013, the Company has revised the useful life of its fixed assets w.e.f July 01,2014 to comply with the useful life as mentioned under Schedule II of Companies Act, 2013. Due to this change, depreciation for the six months period ended December 31, 2014 is higher by Rs. 124 lacs (including Rs. 56 lacs in the current quarter), which has been shown under exceptional items in the results. Had the Company continued to follow the earlier useful life, the depreciation expense for the six months period would have been lower by Rs.124 lacs (including Rs. 56 lacs in the current quarter) and profits would have been higher by Rs.124 lacs (including Rs. 56 lacs in the current quarter).
- 4 The Board of Directors of the Company in its meeting held on 2nd January, 2015 has, subject to the approvals of the members of the Company and such other approvals/sanctions as may be required in this connection, approved the proposal received from Smart Ventures Private Limited, the Promoters of the Company, to voluntarily delist the Equity Shares of the Company from BSE Limited and National Stock Exchange of India Limited i.e. both the recognized stock exchanges where the equity shares of the Company are presently listed. The consent of the shareholders for delisting is being sought through Postal Ballot.
- 5 Provision for income tax is inclusive of/ net of deferred tax charge/ credit and tax adjustments for earlier years.
- 6 Previous period's figures have been regrouped and/or recast wherever considered necessary to conform to the current period presentation.
- 7 As the Company's business activities fall within a single primary business segment viz. "Mobile Devices Business", the disclosure requirement of Accounting Standard (AS-17) 'Segment Reporting' issued by the Chartered Accountants of India is not applicable.

By order of the Board
Spice Mobility Limited (formerly S Mobility Limited)


Dilip Modi
Chairman

Dated : February 10, 2015
Place : Noida



STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

SNo.	Particulars	Standalone	
		As at	As at
		31.12.2014 (Unaudited)	30.06.2014 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholder's funds		
	(a) Share Capital	6,836	6,836
	(b) Reserves & Surplus	53,698	53,411
	Total Shareholder's funds	60,534	60,247
2	Non-current liabilities		
	(a) Long-term borrowings	22	27
	(b) Long-term liabilities	127	116
	(c) Long-term provisions	-	-
	Total Non-current liabilities	149	143
3	Current Liabilities		
	(a) Trade Payables	186	649
	(b) Other current liabilities	241	240
	(c) Short term provisions	139	129
	Total Current liabilities	566	1,018
	TOTAL- EQUITY AND LIABILITIES	61,249	61,408
B	ASSETS		
1	Non- current assets		
	(a) Fixed assets(including intangible assets and capital work in progress)	7,591	7,955
	(b) Non- current Investments	18,261	18,261
	(c) Long-term loans and advances	345	281
	(d) Amount recoverable from Employee Benefit Trust	692	732
	(e) Other non-current assets	-	-
	Total Non-current assets	26,889	27,229
2	Current assets		
	(a) Current Investments	-	-
	(b) Inventories	-	-
	(c) Trade Receivables	877	1,546
	(d) Cash and bank balances	6,208	6,267
	(e) Short term loans and advances	25,244	25,732
	(f) Other Current assets	2,031	634
	Total Current Assets	34,360	34,179
	TOTAL ASSETS	61,249	61,408



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

1. We have reviewed the accompanying statement of unaudited financial results of Spice Mobility Limited ('the Company') for the quarter ended December 31, 2014 (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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for qualified conclusion

3. *As detailed in Note 2 to the unaudited financial results, the Company has not made any provision for diminution in the value of investment in equity shares of Rs.8,784 lacs and unsecured interest free loans (including interest accrued thereon) of Rs.25,000 lacs given to Hindustan Retail Private Limited, a wholly owned subsidiary of the Company and its subsidiary, whose net worth has been fully eroded on consolidated basis. We are informed that the Company is in the process of evaluating /reviewing the said diminution in the value of investments and loans given. In our opinion, these have to be fully provided for and had the same been considered the loss would be higher by Rs.33,784 lacs with corresponding impact on the reserves.*
4. Based on our review conducted as above, *except for the effects of our observation in Para 3 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", [specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014)] 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. LLP
ICAI Firm registration number: 301003E
Chartered Accountants


per Anil Gupta
Partner
Membership No.: 87921



Place : Noida
Date : February 10, 2015