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Spice Mobility Limited (Formerly Spice Mobiles Limited)

Registered Office: D-1, Sector-3, Noida – 201 301, District Gautam Budh Nagar, Uttar Pradesh

NOTICE

Notice is hereby given that the Twenty-Second Annual General Meeting of Spice Mobility Limited will be held on Wednesday, 29th day of September 2010 at 'Spice World', I-2, Sector-25A, Noida - 201 301, Uttar Pradesh at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on that date along with the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2010.
3. To consider and appoint a Director in place of Mr. Krishan Lal Chugh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration. M/s S. R. Batliboi & Co., Chartered Accountants, the retiring auditors, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Bhupendra Kumar Modi, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing, along with requisite deposit under Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Kashi Nath Memani, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing, along with requisite deposit under Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Subroto Chattopadhyay, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing, along with requisite deposit under Section 257 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT, subject to the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any notification(s) or re-enactment thereof, for the time being in force) and such other approvals including approval of Central Government, if required, the Company hereby approves the appointment of Mr. Dilip Modi as Managing Director of the Company for a period of 3 (three) years with effect from 24th April 2010 on the terms and at remuneration as specified hereinbelow:

Basic Salary (including Special Allowance)	Such sum as may be decided from time to time by the Board of Directors or any Committee thereof but not exceeding Rs. 2,50,00,000/- per annum.
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Perquisites & other allowances:	Mr. Modi shall be entitled to the following perquisites, benefits and allowances:
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- A) Company leased accommodation (furnished or otherwise) or house rent allowance in lieu thereof, medical reimbursement, leave travel allowance/ concession for self and family including dependants and Medical Insurance will be as per policy of the Company.

- B) Company's car (whether leased or owned by the Company) together with reimbursement of expenses and/or allowances for fuel, car maintenance and driver's wages, and telephone at residence.
- C) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund will be as per policy of the Company.
- D) Other Perquisites including Personal Accident Insurance will be as per rules of the Company.
- E) Participation in the Employee Stock Options Scheme, Employee Stock Purchase Scheme, Employee Benefit Scheme or any other such scheme as may be formulated by the Company or any Employee Benefit Trust will be as per policy of the Company/ Trust.

Bonus: Such sum as may be decided by the Board of Directors or any Committee thereof based on achievement of such performance parameters as may be laid down by the Board of Directors or any Committee thereof.

Reimbursement of expenses: Reimbursement of expenses incurred for traveling, boarding and lodging, provision of car for use on the Company's business, telephone expenses and club membership shall be reimbursed and not considered as perquisites.

All other terms and conditions of employment will be as per the service rules of the Company as applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof be and is hereby authorized to vary the terms and conditions of appointment including the remuneration payable to Mr. Modi provided however that such remuneration shall not exceed the maximum limits specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto, as may be made from time to time.

RESOLVED FURTHER THAT pursuant to paragraphs (B) and (C) of Section II (1) of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company be and is hereby authorized to pay the above-mentioned remuneration as minimum remuneration to Mr. Dilip Modi, Managing Director for that financial year, in which there is inadequacy or absence of profits during the period of three years from the effective date of his appointment, subject to the approval of the Central Government as may be necessary.

RESOLVED FURTHER THAT Mr. Dilip Modi shall continue to hold office of Managing Director if he is reappointed as Director immediately after the retirement by rotation and the retirement by rotation & re-appointment shall not be deemed to constitute a break in his appointment as Managing Director.

RESOLVED FURTHER THAT the Board of Directors or Committee thereof be and is hereby authorized to take all such steps as may be considered necessary, proper or expedient in order to give effect to the above resolution."

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT Ms. Preeti Malhotra, who was appointed as an Additional Director and holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing, along with requisite deposit under Section 257 of the Act, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT, subject to the provisions of Sections 198, 269, 309, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any notification(s) or re-enactment thereof, for the time being in force) and such other approvals including approval of Central Government, if required, the Company hereby approves the appointment of Ms. Preeti Malhotra as Wholetime Director designated as Executive Director of the Company for a period of 3 (three) years with effect from 24th April 2010 on the terms and at remuneration as specified hereinbelow:

Basic Salary (including Special Allowance): Such sum as may be decided from time to time by the Board of Directors or any Committee thereof but not exceeding Rs. 70,00,000/- per annum.

Perquisites & other allowances: Ms. Malhotra shall be entitled to the following perquisites, benefits and allowances:

- A) Company leased accommodation (furnished or otherwise) or house rent allowance in lieu thereof, medical reimbursement, leave travel allowance/ concession for self and family including dependants and Medical Insurance will be as per policy of the Company.



- B) Company's car (whether leased or owned by the Company) together with reimbursement of expenses and/or allowances for fuel, car maintenance and driver's wages, and telephone at residence.
- C) Contribution to Provident Fund, Superannuation Fund and Gratuity Fund will be as per policy of the Company.
- D) Other Perquisites including Personal Accident Insurance will be as per rules of the Company.
- E) Participation in the Employee Stock Options Scheme, Employee Stock Purchase Scheme, Employee Benefit Scheme or any other such scheme as may be formulated by the Company or any Employee Benefit Trust will be as per policy of the Company/ Trust.

Bonus: Such sum as may be decided by the Board of Directors or any Committee thereof but not exceeding Rs. 50,00,000/- per annum, based on achievement of such performance parameters as may be laid down by the Board of Directors or any Committee thereof.

Reimbursement of expenses: Reimbursement of expenses incurred for traveling, boarding and lodging, provision of car for use on the Company's business, telephone expenses and club membership shall be reimbursed and not considered as perquisites.

All other terms and conditions of employment will be as per the service rules of the Company as applicable from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof be and is hereby authorized to vary the terms and conditions of appointment including the remuneration payable to Ms. Malhotra provided however that such remuneration shall not exceed the maximum limits specified in Schedule XIII to the Companies Act, 1956, or any amendments thereto, as may be made from time to time.

RESOLVED FURTHER THAT pursuant to paragraphs (B) and (C) of Section II (1) of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company be and is hereby authorized to pay the above-mentioned remuneration as minimum remuneration to Ms. Preeti Malhotra, Executive Director for that financial year, in which there is inadequacy or absence of profits during the period of three years from the effective date of her appointment, subject to the approval of the Central Government as may be necessary.

RESOLVED FURTHER THAT Ms. Preeti Malhotra shall continue to hold office of Executive Director if she is reappointed as Director immediately after the retirement by rotation and the retirement by rotation & re-appointment shall not be deemed to constitute a break in her appointment as Executive Director.

RESOLVED FURTHER THAT the Board of Directors or Committee thereof be and is hereby authorized to take all such steps as may be considered necessary, proper or expedient in order to give effect to the above resolution."

10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals including approval of Central Government, if required, the consent of the Company be and is hereby accorded for the payment of commission upto one percent per annum of the net profits of the Company in the aggregate to the Independent Directors of the Company.

RESOLVED FURTHER THAT the remuneration so computed shall be paid in such proportions to all such Independent Directors as may be decided by the Board of Directors and shall exclude the remuneration by way of sitting fees for attending the meetings of Board and Committee thereof."

**By Order of the Board
For Spice Mobility Limited**

(Preeti Malhotra)

Executive Director & Company Secretary

Date : 3rd August 2010

Place: Noida

NOTES

1. An Explanatory Statement as required pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **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.**
3. Only registered Members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd day of September 2010 to 29th day of September 2010 (both days inclusive).
5. The dividend as recommended by the Board of Directors, if declared at the meeting, will be paid to those members whose names appear in the Register of Members as on 29th September 2010 after giving effect to all valid transfers in physical form lodged on or before 22nd September 2010 with the Company and/or its Registrar & Share Transfer Agent and in respect of shares held in electronic mode on the basis of beneficial ownership of shares as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of business hours on 22nd September 2010.
6. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer Agent, MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, under the signature of the Sole / First joint holder, the following information to be printed on dividend warrants :
 - (i) Name of the Sole / First joint holder and the Folio number
 - (ii) Particulars of Bank Accounts, viz:
 - (a) Name of the Bank
 - (b) Name of the Branch
 - (c) Complete address of the Bank with pin code number
 - (d) Account type, whether Saving Bank (SB) or Current Account (CA)
 - (e) Bank Account Number
- (b) Members who hold shares in dematerialized form 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 deletion of or change in such Bank Account details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in dematerialized form. 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. Members are requested to bring their copy of Annual Report with them at the Annual General Meeting.
8. Members holding shares in physical form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agent, MAS Services Ltd.:
 - i) Changes, if any, in their address with pin code numbers.
 - ii) Quote their ledger Folio No. in all their correspondence.
 - iii) Request for nomination forms for making nominations as per amended provisions of the Companies Act, 1956.Members holding shares in dematerialized (electronic) form are requested to intimate the aforesaid changes directly to their Depository Participant, as applicable.
9. Pursuant to the requirements on Corporate Governance under Clause 49 of the listing agreements entered into with the stock exchanges, the information about the Directors proposed to be appointed /reappointed is given in the Annexure to the Notice.
10. Members desiring any information with regard to Accounts/Reports are requested to submit their queries addressed to the Company Secretary at least 10 days in advance of the meeting so that the information called for can be made available at the meeting.
11. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and holidays, between 11.30 a.m. to 01.30 p.m. upto the date of the Annual General Meeting.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Dr. Bhupendra Kumar Modi, was appointed as an Additional Director of the Company by the Board of Directors on 24th April 2010 and holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 ("the Act"). A notice under Section 257 of the Act, along with the requisite deposit of Rs. 500/- has been received by the Company from a member signifying his intention to propose the name of Dr. Bhupendra Kumar Modi for appointment as a Director of the Company. It will be in the best interest of the Company if he is appointed as a Director liable to retire by rotation.

No Director, other than Dr. Bhupendra Kumar Modi and Mr. Dilip Modi, is in any way concerned or interested in this Resolution.

Item No. 6

Mr. Kashi Nath Memani, was appointed as an Additional Director of the Company by the Board of Directors on 24th April 2010 and holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 ("the Act"). A notice under Section 257 of the Act, along with the requisite deposit of Rs. 500/- has been received by the Company from a member signifying his intention to propose the name of Mr. Kashi Nath Memani for appointment as a Director of the Company. It will be in the best interest of the Company if he is appointed as a Director liable to retire by rotation.

No Director, other than Mr. Kashi Nath Memani, is in any way concerned or interested in this Resolution.

Item No. 7

Mr. Subroto Chattopadhyay, was appointed as an Additional Director of the Company by the Board of Directors on 24th April 2010 and holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 ("the Act"). A notice under Section 257 of the Act, along with the requisite deposit of Rs. 500/- has been received by the Company from a member signifying his intention to propose the name of Mr. Subroto Chattopadhyay for appointment as a Director of the Company. It will be in the best interest of the Company if he is appointed as a Director liable to retire by rotation.

No Director, other than Mr. Subroto Chattopadhyay, is in any way concerned or interested in this Resolution.

Item No. 8

Mr. Dilip Modi, Director, was appointed as Managing Director of the Company for a period of 3 years by the Board of Directors on 24th April 2010. The Board of Directors in their meeting held on 15th May 2010, on the recommendation of Remuneration Committee, approved the terms of remuneration of Mr. Modi as specified in the Resolution no. 8 of the Notice.

Being a Managing Director under the provisions of Section 198, 269, 309, 310, 314 read with Schedule XIII of Companies Act, 1956, his appointment and remuneration requires to be approved by the Shareholders of the Company by means of a Special Resolution. It will be in the best interests of the Company if he is appointed as a Managing Director of the Company.

Any further increase or variation in future, in the remuneration payable to Mr. Modi, shall be finalized by the Board or any Committee thereof and shall also be subject to the overall ceilings prescribed under the Companies Act, 1956.

Where in any financial year, during the tenure of Mr. Modi as Managing Director of the Company, the Company has no profits or its profits are inadequate, the aforesaid remuneration including bonus, perquisites, allowances etc. shall be minimum remuneration subject to such approval(s), as may be required. In this regard, Schedule XIII of the Companies Act, 1956 provides that the minimum remuneration payable to such Managing Director is to be approved by the members by way of a special resolution and said resolution is valid for a period of three years.

Although your Company has achieved growth and profit from operations in the previous financial years and is expected to earn profits in the future years also, it is proposed to approve the above in order to enable the Company to pay the remuneration to its Managing Director in the eventuality of loss/inadequacy of profits. However, if the total remuneration to be paid by way of salary, bonus, perquisites or any other allowance exceeds the ceiling specified in Clause 1, Section II of Part II of Schedule XIII of the Companies Act (excluding the perquisites provided in Clause 2, Section II of Part II of Schedule XIII of the said Act or such other amount and perquisites as may be provided in the said Schedule XIII), it shall be payable subject to the approval of Central Government.

The information as required under Schedule XIII Part II Section II (1)(B)(iv) and (C)(iv) is given for item no 8 and 9 together after explanatory statement for item no. 10.

This explanatory statement together with the accompanying Notice should be treated as an abstract of the terms and Memorandum of concern or interest under section 302 of the Companies Act, 1956.

No Director, other than Dr. Bhupendra Kumar Modi and Mr. Dilip Modi, is in any way concerned or interested in this Resolution.

The Board recommends the resolution for your approval.

Item No. 9

Ms. Preeti Malhotra, was appointed as an Additional Director and designated as Executive Director of the Company by the Board of Directors on 24th April 2010. Pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act"), Ms. Preeti Malhotra holds office upto the date of this Annual General Meeting. A notice under Section 257 of the Act, along with the requisite deposit has been received by the Company from a member signifying his intention to propose the name of Ms. Malhotra for appointment as a Whole Time Director, designated as Executive Director, of the Company.

The Board of Directors in their meeting held on 15th May 2010, on the recommendation of Remuneration Committee, approved the terms of remuneration of Ms. Malhotra for a period of 3 years effective from 24th April 2010 as specified in the Resolution no. 9 of the Notice.

Being a Whole Time Director under the provisions of Section 198, 269, 309, 310, 314 read with Schedule XIII of Companies Act, 1956, her appointment and remuneration requires to be approved by the Shareholders of the Company by means of a Special Resolution. It will be in the best interests of the Company if she is appointed as a Whole Time Director, designated as Executive Director of the Company.

Any further increase or variation in future, in the remuneration payable to Ms. Malhotra, shall be finalized by the Board or any Committee thereof and shall also be subject to the overall ceilings prescribed under the Companies Act, 1956.

Where in any financial year, during the tenure of Ms. Malhotra as Whole Time Director of the Company, the Company has no profits or its profits are inadequate, the aforesaid remuneration including bonus, perquisites, allowances etc. shall be minimum remuneration subject to such approval(s), as may be required. In this regard, Schedule XIII of the Companies Act, 1956 provides that the minimum remuneration payable to such Whole Time Director is to be approved by the members by way of a special resolution and said resolution is valid for a period of three years.

Although your Company has achieved growth and profit from operations in the previous financial years and is expected to earn profits in the future years also, it is proposed to approve the above in order to enable the Company to pay the remuneration to its Whole Time Director in the eventuality of loss/inadequacy of profits. However, if the total remuneration to be paid by way of salary, bonus, perquisites or any other allowance exceeds the ceiling specified in Clause 1, Section II of Part II of Schedule XIII of the Companies Act (excluding the perquisites provided in Clause 2, Section II of Part II of Schedule XIII of the said Act or such other amount and perquisites as may be provided in the said Schedule XIII), it shall be payable subject to the approval of Central Government.

The information as required under Schedule XIII Part II Section II (1)(B)(iv) and (C)(iv) is given for item no 8 and 9 together after explanatory statement for item no. 10.

This explanatory statement together with the accompanying Notice should be treated as an abstract of the terms and Memorandum of concern or interest under section 302 of the Companies Act, 1956.

No Director, other than Ms. Preeti Malhotra, is in any way concerned or interested in this Resolution.

The Board recommends the resolution for your approval.

Item No. 10

As the roles and responsibilities of independent directors have undergone significant changes under the corporate governance norms and it demands their greater involvement in the supervision of the Company including their roles in various committees, the Board of Directors in its meeting held on 30th June 2010 recommended to pay commission upto 1% per annum of the net profits of Company in aggregate to Independent Directors.

Hence approval of the shareholders is sought to enable the Company to make payment of commission to independent directors, commensurate with their enhanced role and involvement, subject to a maximum of 1% of the net profits of the Company for each financial year. The actual quantum of remuneration payable within the aforesaid limit will be decided by the Board of Directors from year to year.

The Board recommends the resolution for your approval.

None of the directors, other than Mr. Kashi Nath Memani, Mr. Krishan Lal Chugh and Mr. Subroto Chattopadhyay (Independent Directors), is in any way concerned or interested in this Resolution.



Pursuant to Item No. 8 and 9 above, the information as required under Schedule XIII Part II Section II (1)(B)(iv) and (C)(iv) is given below:

I. GENERAL INFORMATION

(1)	Nature of industry :	Mobile Devices		
(2)	Date or expected date of commencement of commercial production:	Not Applicable (The Company is an existing Company)		
(3)	In case of new Companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable		
(4)	Financial performance based on given indicators :	Rs. in lacs		
	Particulars	For the year ended 31st March 2010	For the fifteen months ended 31st March 2009	For the nine months ended 31st December 2008
	Total Income	104,829.30	67,782.32	29,128.58
	Profit before Tax	10,719.94	156.66	1,876.96
	Profit after Tax	7,050.82	102.60	1,467.33
(5)	Export performance and net foreign exchange collaborations/earnings:	The Company had foreign exchange earnings of Rs.622.64 lacs during the financial year April 1 2009 to March 31 2010.		
(6)	Foreign investments or collaborators, if any.	There is no foreign collaboration in the Company. The total foreign holding in the share capital of the Company as on 30 th June 2010 was as under: Foreign Holders No. of Equity Shares (%) 120 4089226 (5.48%)		

II. INFORMATION ABOUT THE APPOINTEE:

		Mr. Dilip Modi	Ms. Preeti Malhotra
1.	Background details	The background details of Mr. Dilip Modi and Ms. Preeti Malhotra are given in Directors' Profile below in this notice.	
2.	Past remuneration	Rs. 337 lacs p.a.	Rs. 65 lacs p.a.
3.	Recognition or awards	The recognition or awards are specified in the respective Director's Profile below.	
4.	Job profile and its suitability	Mr. Modi being the Managing Director of the Company is responsible for leading Spice Mobility's business, strategic alliance initiative and leveraging growth opportunities. Given the profile of Mr. Modi, it is imperative that he draws the remuneration as proposed.	Ms. Malhotra, Executive Director & Company Secretary, has over 20 years of varied experience in the fields of Secretarial, Legal, Taxation and Corporate Affairs. Given her qualification, profile and experience, Ms. Malhotra is best suited for such remuneration.
5.	Remuneration proposed	As per details in the Resolution no. 8	As per details in the Resolution no. 9
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar positions in the companies of comparable size in the industry and has been approved by the Remuneration Committee and Board of Directors of the Company.	
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Modi is one of the promoters of the Company. There is no other pecuniary relationship directly or indirectly with the Company except to the extent of his shareholding in the Company and as a relative of the Chairman of the Company.	Ms. Malhotra has no pecuniary relationship directly or indirectly with the Company except to the extent of her shareholding in the Company

III. OTHER INFORMATION

(1) Reasons of loss or inadequate profits (2) Steps taken or proposed to be taken for improvement (3) Expected increase in productivity and profits in measurable terms.	The Company has achieved profits from its operation during the year and it is expected to earn profits in the future years also. This is an enabling provision for payment of remuneration in the scenario of loss/ inadequacy of profits.
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IV. DISCLOSURE

- (1) The shareholders of the Company shall be informed of the remuneration package of the Managerial Person: This information has been furnished above.
- (2) The following disclosures shall be mentioned in the Board of Directors' report under the heading 'Corporate Governance' if any, attached to the Annual Report:
 - i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors: This has been fully covered under the Corporate Governance Report.
 - ii) Details of fixed component and performance linked incentives along with the performance criteria: Performance criteria are based on the net profits as specified under the Companies Act, 1956 and Schedule XIII of the said Act and the performance of the WTDs is as may be determined by the Board from time to time.
 - iii) Service Contracts, notice period, severance fees: There is no severance fee and the employment may be terminated by either side on three months notice or on payment of three months salary in lieu thereof. All other terms and conditions of employment will be as per the service rules of the Company as applicable from time to time.
 - iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: Not applicable

Details of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49 IV(G) of the Listing Agreement)

DIRECTORS' PROFILE:

A brief resume of all Directors seeking appointment/re-appointment in the Annual General Meeting required as per Clause 49 IV(G) of the Listing Agreement are specified hereinbelow. These Directors have been appointed on 24th April 2010 except Mr. Dilip Modi & Mr. Krishan Lal Chugh who were appointed on 21st August 2006 and 27th October 2007, respectively:

Dr. Bhupendra Kumar Modi, Chairman

Dr. Modi, born on 2nd January 1949, holds a Bachelors' degree in chemical engineering from Banaras Hindu University. He did MBA from the University of South California, he also holds a Ph. D in Financial Management from Meerut University, and has been conferred with D. Litt. in Industrial Management by Bundelkhand University, Jhansi. Dr. Modi, Global Chairman - Spice Group, has set up joint ventures in partnership with global companies such as Xerox Ltd, Alcatel Network Systems Ltd, Telstra Corporation, Telekom Malaysia and ING. C. Olivetti & C. S.p.A. in the field of information technology, document processing, telecommunications and cellular telephony. He engineered the Spice brand which is driving business involving technology-innovations, communication and entertainment. He has also written several books on management including "Performance – A Managers' Challenge". He heads the Asia Crime Prevention Foundation and has been recognized for his humanitarian efforts worldwide. Dr. Modi was conferred with a proclamation by the 108th Congress, in New York, USA and is a Member of the International Advisory Board, Global Corp Governance Research Center of the Conference Board, New York, USA. He was appointed by United Nations as a coordinator for the Indian sub-continent for the Millennium World Peace Summit, New York, USA. Dr. Modi is a Founder Member of the Asian Business Council, Hong Kong, Chairman, Asia Crime Prevention Foundation, India Chapter Tokyo Japan. He was also the President of Maha Bodhi Society of India and Chairman of World Council of Spiritual & Religious Leaders. Dr. Modi did not hold any shares of the Company as on 30th June 2010.

Mr. Dilip Modi, Managing Director

Mr. Modi, born on 12th March 1974, is an alumni of the Brunel University, London, UK, having graduated with First Class Honours in Bachelor of Science (Management & Technology) in 1995. He has also done his Master's in Business Administration from the Management School, Imperial College, London, UK, with specialisation in Finance. Mr. Modi started his professional career in 1996, working closely with McKinsey & Company to help restructure the B.K Modi group businesses. Mr. Modi has worked with Spice Corp taking on different roles and responsibilities and playing an instrumental role in its growth. In addition to providing executive and management oversight, he is directly responsible for overseeing the Spice Group entry into emerging businesses of retailing, onshore business, process outsourcing and telecom value added services. Mr. Modi was the Chairman and Managing Director of Spice Communications Limited, a one of the leading service provider in the states of Punjab & Karnataka for a period of 3 (three)



years. He led the task of building 'Spice Telecom' into one of the most valuable and enduring brands. He has also worked actively from 1998 in building Modi Telstra Limited [India's first cellular service provider in partnership with Telstra] in the city of Kolkata. He held various positions in Modi Telestra Limited and became its Chairman in July 1999. Mr. Modi is Sr. Vice President (precedent designate) of Associated Chamber of Commerce (ASSOCHAM). Mr. Modi has held the positions of Chairman, Cellular Operators Association of India ("COAI") for the year 2004-2005, the industry organization of mobile telephony operators of the country; Chairman, Retail Committee of Associated Chamber of Commerce ("ASSOCHAM") and has also been actively involved with the GSM World Congress. He held 10 lacs shares of the Company as on 30th June 2010.

Ms. Preeti Malhotra, Executive Director

Ms. Malhotra, born on 9th April 1964, holds a Bachelor's (Hons.) Degree Commerce from Delhi University and is also a law graduate from Law Faculty, Delhi University. She is a fellow member of the Institute of Company Secretaries of India ("ICSI"). She has over 20 years of varied experience in the fields of secretarial, legal, taxation and corporate affairs. Previously she was Group President, Corporate Affairs, and held leadership positions in Spice Communications Limited, Xerox Modicorp Limited, Modi Telstra Limited and Spice Corp Limited etc., where she undertook restructuring initiatives including mergers, takeovers, joint venture collaborations and initial public offerings etc. Ms. Malhotra was the President of the ICSI and was the first woman to be elected as President amongst the premier national professional bodies in India. She is presently a Council Member of the ICSI and was elected as a Central Council Member for two (2) successive terms for the period from 2004-2010. Ms. Malhotra was a member of the Dr. JJ Irani Expert Committee constituted by the Ministry of Corporate Affairs, GoI and was also a member of Indo-UK task force constituted by the Ministry of Company Affairs, GoI. She is presently the Chairperson of the National Committee of Corporate Governance and CSR of Associated Chambers of Commerce ("ASSOCHAM") and Chairperson of Corporate Law and Governance Committee of ICSI. Ms. Malhotra was awarded the prestigious Bharat Nirman Talented Ladies Award in the field of Profession in the year 2003 and Vocational Service Excellence Award by Rotary Club of New Delhi in the year 2009. She held 2,16,243 shares of the Company as on 30th June 2010.

Mr. Kashi Nath Memani, Independent Director

Mr. Memani, born on 1st January 1939, holds Bachelors' degree in Commerce from Calcutta University and is fellow member of the Institute of Chartered Accountants of India ("ICAI") and was Chairman and Country Managing Partner, Ernst and Young, India until March 31, 2004. He was also member of Ernst and Young Global Council for 10 years. Mr. Memani specializes in business and corporate advisory, foreign taxation, financial consultancy etc. and is consulted on the corporate matters by several domestic and foreign companies. He was also member of various committees of ICAI. For two (2) consecutive years, Mr. Memani was on the External Audit Committee ("EAC") of the International Monetary Fund and was appointed the Chairman of EAC for the year 1999-2000, the first Indian to be appointed in the committee. Previously, Mr. Memani has been the Chairman of American Chamber of Commerce in India and former President of Indo American Chamber of Commerce and PHD Chamber of Commerce and Industry. Presently, he is also member of managing committees of Federation of Indian Chambers of Commerce and Industry, ASSOCHAM, PHD Chamber of Commerce and Industry. Mr. Memani was co-chairman of New Company Law Drafting Committee i.e. the Dr. J.J. Irani Committee and first chairman of Quality Review Board, both set-up by GoI. He did not hold any shares of the Company as on 30th June 2010.

Mr. Krishan Lal Chugh, Independent Director

Mr. Chugh, born on 13th September 1937, holds a Bachelor's Degree in Mechanical Engineer from Delhi University. Mr. Chugh was Chairman of ITC Group from November 1991 to December 1995. On retirement from the ITC Group, he was honored with the title of Chairman Emeritus – ITC. Mr. Chugh is credited with the creation of ITC Bhadrachalam Paperboards, a paperboard mill, set up in the remote tribal area of Andhra Pradesh. Prior to joining ITC Group, Mr. Chugh worked for 10 years in the public sector, with Heavy Engineering Corporation. Mr. Chugh was elected by Business Week as CEO Asia for the year 1994 and was elected amongst the top two (2) Indian CEOs in 1993 by Business World. He was elected one of the five (5) "Tobacco Men" of the year by World Tobacco International. Mr. Chugh was a director on the Central Board of the Reserve Bank of India. He was also the Chairman, ASSOCHAM Knowledge Millennium Council. He holds 80,944 shares of the Company as on 30th June 2010.

Mr. Subroto Chattopadhyay, Independent Director

Mr. Chattopadhyay, born on 4th September 1958, holds a Bachelor's (Hons.) degree in Economics from St. Xavier College, University of Kolkata. He has also completed a course in Finance for Senior Management BAT from University of Michigan. He is Chairman of the Peninsula Foundation and Audit Bureau of Circulations and Trustee of Techno Serve of India. He is a member of Indian Polo Association and is associated with Sri Arbindo Society in Pondicherry. He has worked for 28 years at management positions in Brooke Bond Limited (Unilever), British American Tobacco Industries (ITC Limited), PepsiCo Inc. and RPG Enterprise. His experience covers food and beverage industry. He taught in ASCI and ISB in Hyderabad and Indian Institute of Management, Bangalore. He has produced "The Japanese Wife" and published music albums with the likes of Ustad Amjad Ali Khan. He did not hold any shares of the Company as on 30th June 2010.

List of Directorship in other Companies as on 30th June 2010

Dr.Bhupendra Kumar Modi	Mr. Dilip Modi	Ms. Preeti Malhotra	Mr. Kashi Nath Memani	Mr. Krishan Lal Chugh	Mr. Subroto Chattopadhyay
<ul style="list-style-type: none"> • Spice Digital Ltd. • Spice Televentures Pvt. Ltd. • Spice Impex Pvt. Ltd. • Spice Innovative Technologies Pvt.Ltd. • Spice Investments & Finance Advisors Pvt. Ltd. • G.M. Modi Hospitals Corporation Pvt. Ltd. • Spice Internet Service Provider Pvt. Ltd. • Buddha Films Ltd. • Shenzhan Spice Indian Food Management Ltd. • Mcorp (Europe) Ltd. • Spice Global Holding Pte. Ltd. • Spice i2i Ltd. (Formerly MediaRing Ltd.) • Mcorp Investments Pte. Ltd. • Spice Global Pte. Ltd. • Spice Circle Pte. Ltd. • Spice-CSL Pte. Ltd. • Spice Bulls Pte. Ltd. • Spice Studios Pte. Ltd. • Spice Mobile VAS Pte. Ltd. 	<ul style="list-style-type: none"> • Spice Televentures Pvt. Ltd. • Spice Global Investments Pvt. Ltd. • Mobisoc Technology Pvt. Ltd. • Spice Retail Ltd. • Spice Distribution Ltd. • Spice Digital Ltd. • Bharat BPO Services Ltd. • Spice Global Holdings Pte. Ltd. • Hindustan Retail Pvt. Ltd. • Spice Investments & Finance Advisors Pvt. Ltd. • Spice Labs Pvt. Ltd. • Spice Infrastructure Ltd. • G. M. Modi Hospitals Corporation Pvt. Ltd. • Spice VAS (Africa) Pte. Ltd. • Spice Global Holding Pte. Ltd. • Spice i2i Ltd. • Spice-CSL Pte. Ltd. 	<ul style="list-style-type: none"> • Spice Digital Ltd. • Spice Investments & Finance Advisors Pvt. Ltd. • Spicebulls Investments Ltd. 	<ul style="list-style-type: none"> • Aegon Religare Life Insurance Company Limited • DLF Limited • Great Eastern Energy Corporation Limited • ICICI Venture Funds Management Company Limited • National Engineering Industries Limited • HT Media Ltd. • Chambal Fertilisers & Chemicals Ltd. • Spice Digital Ltd. 	<ul style="list-style-type: none"> • Gati Ltd. • Sandhar Technologies Ltd. • Bharat BPO Services Ltd. • Fozal Power Pvt. Ltd. • Kullu Valley Power Pvt. Ltd. • Solaryan Technologies Pvt. Ltd. • Spice Digital Ltd. 	<ul style="list-style-type: none"> • Audit Bureau of Circulations Ltd. • Plus Paper Foodpac Ltd. • Spice Digital Ltd.



Chairman/Member of the Committees of the Boards of other Companies on which he/she is a Director as on 30 th June 2010					
Dr. Bhupendra Kumar Modi	Mr. Dilip Modi	Ms. Preeti Malhotra	Mr. Kashi Nath Memani	Mr. Krishan Lal Chugh	Mr. Subroto Chattopadhyay
Investor's Grievance Committee Chairman • Spice Digital Ltd. Remuneration Committee Chairman • Spice Digital Ltd. Executive Committee Chairman • Spice i2i Ltd. Shareholders Value Enhancement Committee Chairman • Spice i2i Ltd.	Audit Committee Chairman • Mobisoc Technology Pvt. Ltd. Member • Spice Digital Ltd.	Audit Committee Member • Spicebulls Investments Ltd. Investors' Grievances Committee Member • Spicebulls Investments Ltd. • Spice Digital Ltd. Remuneration Committee Chairman • Spicebulls Investments Ltd	Audit Committee Chairman • HT Media Ltd. • DLF Ltd. • ICICI Venture Funds Management Co. Ltd. • Aegon Religare Life Insurance Company Ltd. Member • National Engineering Industries Ltd. • Chambal Fertilisers & Chemicals Ltd. • Great Eastern Energy Corp. Ltd. • Spice Digital Ltd. Investors' Grievances Committee Member • Great Eastern Energy Corp. Ltd. Nomination/Remuneration/ Compensation Committee Chairman • Aegon Religare Life Insurance Company Ltd. Member • Great Eastern Energy Corp. Ltd. • HT Media Ltd. • ICICI Venture Funds Management Co. Ltd. • Chambal Fertilisers & Chemicals Ltd. • Spice Digital Ltd. IPO Committee Member • Great Eastern Energy Corp. Ltd. Clause 41 Committee Member • HT Media Ltd. Corporate Governance Comm. Member • DLF Ltd. • ICICI Venture Funds Management Co. Ltd. Special Committee Member • DLF Ltd. Policy Holder Protection Committee Member • Aegon Religare Life Insurance Company Ltd. Ethics & Compliance Comm. Member • Aegon Religare Life Insurance Company Ltd.	Compensation Committee Chairman • Gati Ltd. Remuneration Committee Member • Spice Digital Ltd.	Audit Committee Member • Spice Digital Ltd. Remuneration Committee Member • Spice Digital Ltd.