S Mobility Limited

S Global Knowledge Park

19 A & 19 B, Sector 125,

Noida - 201301

Tel.: +91 - 120 - 3355131

www.spice-mobile.com

July 18, 2012

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: SMOBILITY

Sub: Notice of Postal Ballot for sale/ transfer of mobile handset business of the Company to S Mobile Devices Limited, a Wholly Owned Subsidiary

Dear Sir,

Pursuant to Clause 31 of the Listing Agreement, please find enclosed herewith 3 copies of Postal Ballot Notice and the Resolution proposed to be passed through Postal Ballot for sale/ transfer of mobile handset business of the Company to S Mobile Devices Limited, a Wholly Owned Subsidiary of the Company, along with the Postal Ballot Form as being sent to the members for seeking their approval on the captioned subject.

You are requested to kindly take the above on record and acknowledge the receipt of the same.

Thanking you.

Yours faithfully,
For **S Mobility Limited**

M.R. Bothra
General Manager- Corporate Affairs

Encl:
1. Postal Ballot Notice
2. Postal Ballot Form

S MOBILITY LIMITED

Regd. Office: S Global Knowledge Park, 19A & 19B, Sector-125, Noida, District Gautam Budh Nagar, U.P.
Tel.No. :+91 120 3355131, Email: complianceofficer@smobility.in

POSTAL BALLOT NOTICE
(Pursuant to Section 192A of the Companies Act, 1956)

Dear Member(s),

Notice is hereby given that pursuant to the provisions of Section 192A of the Companies Act, 1956 (hereinafter referred to as "the Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 the Company hereby seeks your approval under Section 293 (1) (a) of the Act. The Resolution and the relevant Explanatory Statement pursuant to Section 173(2) of the Act setting out the material facts and the reasons for the proposed Resolution are appended herewith along with a Postal Ballot Form for your consideration.

The Company has, in compliance with Rule 6(b) of the aforesaid Rules, appointed Mr. Sanjay Grover, FCA, FCS, Company Secretary in whole time practice, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form sent herewith and return the Form duly completed in the attached self addressed postage prepaid envelope so as to reach the Scrutinizer on or before close of the working hours i.e. by 6 P.M. on Monday, 20th August, 2012. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny. The result of the Postal Ballot will be announced by the Chairman or in his absence by any Director of the Company on Friday, 24th August, 2012 at 4.00 P.M. at the Registered Office of the Company and the Resolution will be taken as passed effectively on the date of announcement of result by the Chairman. The result of the Postal Ballot will also be posted on the website of the Company (www.spice-mobile.com) besides communication to National Stock Exchange of India Limited and BSE Limited where the shares of the Company are listed.

All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the company between 11:00 A.M. and 1:00 P.M. on all working days except Saturdays, Sundays and public holidays up to the date of declaration of result of the Postal Ballot.

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

"**RESOLVED THAT** pursuant to the provisions of Sections 293(1)(a) and Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force) and the Memorandum and Articles of Association and subject to the approvals, consents, permissions and sanctions as may be necessary from concerned statutory authorities and such terms and conditions as may be imposed by them, consent of the Company be is hereby accorded to the Board of Directors of the Company (hereinafter referred as "Board", which shall be deemed to include any Committee constituted by the Board or any Person (s) for the time being authorized by the Board to exercise the powers conferred on the Board by this resolution) to transfer, sell, assign, deliver or otherwise dispose of the Company's whole or part of the undertaking(s) pertaining to mobile handset business of the Company, along with all the employees, assets and liabilities of this business including all licenses, permits as may be required and all consents and approvals etc. as a going concern or otherwise to S Mobile Devices Limited, a wholly owned subsidiary of the Company, at such consideration, to be paid either in cash and/or by issue of its Equity and/or Preference shares at par or at a premium, being not lower than the book value and with effect from such date as the Board may decide and on such terms and conditions as may be decided and agreed to by the Board in the best interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual or otherwise, in relation to the above resolution and to negotiate, finalize, settle all questions and matters arising out of and/or incidental thereto and to enter into and sign and execute, file, submit and withdraw, any or all such deeds, applications, forms, documents, agreements, indemnities, warranties, undertakings and writings that may be required on behalf of the Company for the purpose of implementation of this Resolution."

By Order of the Board of Directors
For S MOBILITY LIMITED

Sd/-
(Preeti Malhotra)
Executive Director & Company Secretary

Place: Noida
Date: July 6, 2012

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

The Board of Directors of the Company ("Board") has resolved subject to approval of members and other approvals as may be necessary to sell or transfer the whole or part of the undertaking(s) pertaining to mobile handset business of the Company, as a going concern or otherwise to S Mobile Devices Limited, a wholly owned subsidiary of the Company.

The Company has major growth plans for expanding its product range and presence in both domestic and global markets, including through strategic alliances and acquisition opportunities. In order to explore the potential of the mobile handset business to the fullest extent and provide focused leadership and management attention, it is intended to sell or transfer the said business to the aforesaid wholly owned subsidiary of the Company. It is believed that such sale/ transfer of the aforesaid business to a separate Company will allow the Company to provide this business with focused strategy to meet the challenges in the current market scenario and would help in enhancing shareholders' value. Also, this step would allow the Company to seek strategic partnerships with other investors and technology providers who may be interested only in this business segment of the Company. Since the business is proposed to be transferred to a wholly owned subsidiary of the Company, the value creation by this step will continue to accrue to the Company through its shareholding in the wholly owned subsidiary.

For the transfer/sale/disposing off the said Business Undertaking(s), Section 293(1)(a) of the Companies Act, 1956, requires approval from the shareholders which is required to be obtained under the provisions of Section 192A of the Companies Act, 1956, read with provisions of Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, through Postal Ballot as set out in the accompanying Notice.

The Board of Directors is of the opinion that the aforesaid Resolution is in the best interest of the Company and hence recommends the Resolution for your approval.

Except Mr. Subroto Chattopadhyay and Ms. Preeti Malhotra who are also on the Board of S Mobile Devices Limited, none of the Directors is any way, concerned or interested, in the said Resolution.

By Order of the Board of Directors
For S MOBILITY LIMITED

Sd/-
(Preeti Malhotra)
Executive Director & Company Secretary

Place: Noida
Date: July 6, 2012

S MOBILITY LIMITED

Regd. Office: S Global Knowledge Park, 19A & 19B, Sector-125, Noida, District Gautam Budh Nagar, U.P.
Tel.No. :+91 120 3355131, Email: complianceofficer@smobility.in

POSTAL BALLOT FORM

Sr. No. .....

(1) Name & Registered Address of the Sole/ First named Member

(2) Name(s) of the Joint Member(s), if any

(3) Registered Folio No./ DP ID No. & Client ID No.*
*(Applicable to members holding shares in Dematerialized form)

(4) No. of Shares held

(5) I/We hereby exercise my / our vote in respect of the Ordinary Resolution to be passed through postal ballot for the business stated in the Notice dated 6th July, 2012 of the Company by recording my / our assent or dissent to the said Resolution, by placing the tick (✓) mark at the appropriate box below: -

Description of the Resolution	No. of Shares for which vote cast	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956			

Place :
Date :

(Signature of the Member)

Note: Please read carefully the instructions printed overleaf before exercising the vote.

INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope which shall be properly sealed with adhesive or adhesive tape. The Members residing outside India should stamp the envelope appropriately. The envelope containing Postal Ballot Form, if sent by courier or by Registered Post at the expense of the Member will also be accepted. The Postal Ballot Forms may also be deposited personally at the address provided on the envelope.

2. The self-addressed postage pre-paid envelope bears the postal address of the Scrutinizer appointed by the Board of Directors of the Company.

3. The Postal Ballot Form duly completed and signed (as per specimen signature registered with the Company) should be sent to the Scrutinizer appointed by the Company at the registered office of the Company on or before the close of the working hours i.e by 6 P.M. on Monday, 20th August, 2012.

4. Postal Ballot(s) received after this date will be treated as if the reply from the Member has not been received and the same will not be considered.

5. In case shares are jointly held, this form should be completed and signed by the first named Member and in his/her absence, by the next named Member.

6. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority together with attested specimen signature(s) of the duly authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form.

7. The voting rights shall be reckoned on the paid up value of Equity Shares registered in the name of Shareholders as on 13th July, 2012.

8. Members are requested not to send any paper (other than the resolution/authority/copy of nomination/power of attorney as mentioned in instruction No. 6 above) along with the Postal Ballot Form in the enclosed business reply self-addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelopes would be destroyed by the Scrutinizer.

9. A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Postal Ballot Form.

10. A Member may request for duplicate Postal Ballot Form, if so required. However the duly filled in and signed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified at instruction No. 3.

11. The vote in this Postal Ballot cannot be exercised through proxy.

12. There will be only one Postal Ballot Form for every Folio/ Client ID.

13. Incomplete, unsigned, improperly or incorrectly tick marked Postal Ballot Form will be rejected.

14. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.