LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an Equity Shareholder(s) of Spice Mobiles Limited ("SML" or the "Target" or the "Target Company"). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or Manager to the Offer or Registrar to the Offer. In case you have sold your Equity Shares in Spice Mobiles Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Share Transfer Form to the purchaser of the Equity Shares or the member of stock exchange through whom the said sale was effected.

Spice Televentures Private Limited ("STPL" or "Acquirer")

Registered Office: D - 4, Okhla Industrial Area, Phase I, New Delhi - 110 020
Tel: 011 - 3290 3817; Fax: 011 – 2681 7702
Corporate Office: D -1, Sector-3, Noida - 201 301, U.P.
Tel: 0120 - 4363600, 4363800; Fax: 0120 - 4320467, 4363845

Makes a Cash Offer at Rs. 10.90 (Rupees Ten and paise ninety only) per fully paid up Equity Share to acquire
1,49,27,600 Equity Shares of Rs. 3/- each fully paid up representing 20 % of the existing outstanding voting Equity Share Capital of

Spice Mobiles Limited ("SML" or "Target" or "Target Company")

Registered and Head Office: D -1, Sector-3, Noida - 201 301, U.P.
Tel: 0120 - 4363600, 4363800; Fax: 0120 - 4320467, 4363845

ATTENTION:

1. For the purpose of computing the voting percentage, the voting rights as at the expiration of 15 days after the closure of the Offer has been reckoned.
2. The Offer is being made by Spice Televentures Private Limited pursuant to Regulation 11(1), 11(2) and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI (SAST) Regulations" or "Regulations") and subsequent amendments thereto.
3. There are no other statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals as may become applicable even at a later date.
4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 working days (i.e June 25, 2009) prior to the date of the closure of the Offer (i.e. June 30, 2009).
5. The Acquirer is permitted to revise the Offer Price of Equity Shares/No. of Equity Shares upward any time up to 7 working days prior to the date of the closing of the Offer. If there is any upward revision in the Offer Price of Equity Shares/ No. of Equity Shares by the Acquirer till the last date of revision viz. June 19, 2009 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the newspapers mentioned in paragraph 3.12 of this Letter of Offer and the same revised price would be payable by the Acquirer to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer under the Offer.
6. The Offer is not subject to any minimum level of acceptance by the Public Shareholders.
7. There has been no competitive bid to the Offer.
8. The Public Announcement and this Letter of Offer (including Form of Acceptance-cum- Acknowledgement and Form of Withdrawal) are available on SEBI's web-site (www.sebi.gov.in).
9. The Acquirer shall make payment to resident shareholders and non-resident shareholders in respect of whom RBI approval, if any required, has been obtained and not accept Equity Shares from Non-Resident Shareholders in respect of whom prior RBI approval has not been obtained.
10. In case of delay in receipt of other requisite approvals, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the shareholders, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations, provided further that if the Acquirer is diligent in pursuing the approvals to the satisfaction of SEBI, the Acquirer will have an option not to pay such interest, subject to the concurrence of SEBI.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ENAM Securities Pvt. Limited 801/802 Dalamal Towers Nariman Point, Mumbai - 400 021 Tel: 022 - 6638 1800 Fax: 022 - 2284 6824 Email: sml@enam.com Contact Person: Mr. Sachin K. Chandiwal SEBI Registration No.: INM000006856	**MAS Services Limited** T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Tel: 011 - 26387281/82/83 Fax: 011 - 26387384 Email:- spiceoffer@masserv.com Contact Person: Mr. N. C. Pal SEBI Registration No.: INR000000049
OFFER OPENS ON: Thursday, June 11, 2009	**OFFER CLOSES ON: Tuesday, June 30, 2009**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Day and Date
Public Announcement	Monday, April 20, 2009
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)*	Monday, April 20, 2009
Last date for a Competitive Bid, if any	Monday, May 11, 2009
Last date by which Letter of Offer will be posted to shareholders of the Target	Thursday, June 04, 2009
Date of Opening of the Offer	Thursday, June 11, 2009
Last date for revising the Offer Price / Offer Size	Friday, June 19, 2009
Last date of withdrawal of tendered application by the shareholders of the Target	Thursday, June 25, 2009
Date of Closing of the Offer	Tuesday, June 30, 2009
Date by which acceptance/rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares/Share Certificate(s) will be dispatched.	Wednesday, July 15, 2009

**Specified date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the Equity Shares of the Target, except the parties to the SPA, are eligible to participate in the Offer anytime before the closure of the Offer.*

RISK FACTORS

Given below are the risks related to the proposed Offer and association with the Acquirer:

Risk Factors associated with the Acquirer

1. The Acquirer makes no assurance with respect to the market price of the shares of the Target Company during/after the Offer and disclaims any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

2. There is no assurance with respect to the continuation of the past trend in the financial performance of the Target.

Risk Factors associated with the Open Offer

1. Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by the Acquirer, the Acquirer shall accept the offers received from the shareholders on a proportional basis in consultation with the Manager to the Offer. Hence, there is no certainty that all shares tendered by the shareholders in the Offer will be accepted, in case there is oversubscription of the Offer.
2. There are no other statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
3. In the event of regulatory approvals (if any) not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders whose Equity Shares have been accepted in the Offer as well as the return of the Equity Shares not accepted by the Acquirer, may be delayed. Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. June 25, 2009, shareholders who have lodged the Equity Shares will not be able to withdraw them even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered Equity Shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of tenders and the payment of consideration is completed.
4. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the shareholders will not be able to trade such Equity Shares. During such period there may be fluctuations in the market price of the Equity Shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
5. In the event of oversubscription in the Offer, the acceptance of the Equity Shares tendered will be on a proportionate basis and will be contingent on the level of subscription. However, in the event that the RBI approval is refused for one or more shareholders in respect of whom prior RBI approval is required, the basis of acceptance will be revised and additional Equity Shares will be accepted by the Acquirer from resident shareholders and such non-resident shareholders in respect of whom no prior RBI approval is required or non-resident shareholders in respect of whom RBI approval is received and consideration shall be paid for such accepted shares as per the provisions under Regulation 22(12) of the SEBI (SAST) Regulations.

The risk factors set forth above do not relate to the present or future business or operations of Target Company or any other matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of Target Company are advised to consult their stockbrokers or investment consultant, if any, for further risks with respect to their participation in the Offer.

CONTENTS

1. DEFINITIONS

Acquirer / STPL	Spice Televentures Private Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
DP or Depository Participant	Integrated Master Securities Pvt. Ltd.
ECS	Electronic Clearing System
Escrow Agreement	Escrow Agreement dated April 17, 2009 between Acquirer, Escrow Agent and Manager to the Offer.
Escrow Bank / Escrow Agent	HDFC Bank Limited, HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013
FEMA	The Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investors registered with SEBI
Form of Acceptance	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
IFSC	Indian Financial System Code
LOF or Letter of Offer	This Letter of Offer dated May 28, 2009
MICR	Magnetic Ink Character Recognition
Manager to the Offer or ENAM	Enam Securities Pvt. Ltd.
NEFT	National Electronic Fund Transfer
NRI(s)	Non-Resident Indians
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding shares of the Target Company
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Bodies
Offer or Open Offer	Open Offer to acquire 1,49,27,600 Equity Shares ("Target Shares") of the Target Company of face value of Rs.3/- each representing in aggregate 20% of the paid-up Equity Share capital and voting capital of the Target Company at a price of Rs. 10.90/- (Rupees Ten and paise ninety only) per fully paid up Equity Share ("Offer Price") payable in cash
Offer Period	From Wednesday, April 15, 2009 to Wednesday, July 15, 2009
Offer Price	Rs. 10.90/- per fully paid-up Equity Share of Target Company

Offer Size	1,49,27,600 Equity Shares ("Target Shares") of the Target Company of face value of Rs.3/- each representing in aggregate 20% of the paid-up Equity Share capital and voting capital of the Target Company
Public Announcement or PA	Public Announcement for the Open Offer issued on behalf of the Acquirer on April 20, 2009
Person eligible to participate in the Offer	All owners (registered or unregistered) of the Equity Shares of the Target, except the parties to the SPA are eligible to participate in the Offer anytime before the closure of the Offer
RTGS	Real Time Gross Settlement
Registrar or Registrar to the Offer or MAS	MAS Services Limited, an entity registered with SEBI under SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended
RBI	The Reserve Bank of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended
Sellers	Spice Enfotainment Limited and Twenty First Century Capitals Limited
SPA	Share Purchase Agreement dated April 15, 2009
Specified Date	Monday, April 20, 2009
Target or Target Company or SML	Spice Mobiles Limited
SEBI (SAST) Regulations or Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SML TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE EQUITY SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE IT'S RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, ENAM SECURITIES PVT. LTD. HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED APRIL 29, 2009 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

Background to the Offer

3.1 Spice Televentures Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at D - 4, Okhla Industrial Area, Phase I, New Delhi - 110 020 (the "Acquirer") has entered into a Share Purchase Agreement dated April 15, 2009 ("SPA") with Spice Enfotainment Limited and Twenty First Century Capitals Limited (together referred to as "Sellers") for the acquisition of 3,21,33,964 fully paid up Equity Shares ("Sale Shares") of Rs. 3/- each representing 43.05% of the issued Equity Share capital of the Target Company at a price of Rs. 10.70/- (Rupees Ten and Seventy paise only) per Equity Share aggregating to Rs. 34,38,33,415/- payable in cash. The Acquirer and the Sellers together form part of the Promoter and Promoter Group of the Target Company.

3.2 This mandatory offer (the "Offer" or "Open Offer") is being made by the Acquirer in compliance with Regulation 11(1), 11(2) and 12 and other applicable provisions of SEBI (SAST) Regulations.

3.3 The Acquirer hereby makes this Offer to shareholders of the Target Company (other than the parties to the SPA) to acquire up to 1,49,27,600 Equity Shares ("Target Shares") of the Target Company of face value of Rs. 3/- each representing in aggregate 20% of the paid-up Equity Share capital and voting capital of the Target Company at a price of Rs. 10.90/- (Rupees Ten and paise ninety only) per fully paid up Equity Share ("Offer Price") payable in cash subject to the terms and conditions mentioned in the PA and in the Letter of Offer in accordance with the SEBI (SAST) Regulations. This Offer is not subject to any minimum level of acceptance.

3.4 The details of the shareholding of the Sellers as on the date of the PA and details of number of shares being sold by them to the Acquirer are given as below:

Name of the Seller	Number of shares held as on the date of PA	% of outstanding Equity Share capital held as on the date of PA	Number of shares being sold to the Acquirer as per SPA	% of outstanding Equity Share capital being sold to the Acquirer as per the SPA
Spice Enfotainment Limited	2,90,60,270	38.93%	2,90,60,270	38.93%
Twenty First Century Capitals Limited	30,73,694	4.12%	30,73,694	4.12%
Total	3,21,33,964	43.05%	3,21,33,964	43.05%

The table below gives details of Sellers:

Name of authorized Seller/ Name of Shareholder	Number of Shares held as on the date of PA	% of outstanding Equity share capital held as on the date of PA	Number of shares being sold to the Acquirer as per SPA	% of outstanding Equity share capital being sold to the Acquirer as per the SPA	Address and Phone / Fax number
Spice Enfotainment Limited	2,90,60,270	38.93%	2,90,60,270	38.93%	Registered office: D-1, Sector-3, Noida-201301, U.P. Tel: 0120 - 4363600, 4363800; Fax: 0120 - 4320467, 4363845
Twenty First Century Capitals Limited	30,73,694	4.12%	30,73,694	4.12%	Corporate office: D-1, Sector-3, Noida-201301, U.P. Tel: 0120 - 4363600, 4363800; Fax: 0120 - 4320467, 4363845

3.5 The salient features of SPA are as follows:

a) Pursuant to the terms of the SPA, the Acquirer has agreed to purchase (i) 2,90,60,270 shares from Spice Enfotainment Limited at a price of Rs. 10.70 per share aggregating to a total sale consideration of Rs. 31,09,44,889/- to be paid to Spice Enfotainment Limited and (ii) 30,73,694 shares from Twenty First Century Capitals Limited at a price of Rs. 10.70 per share aggregating to a total sale consideration of Rs. 3,28,88,526/- to be paid to Twenty First Century Capitals Limited.

b) Each of the Sellers and the Acquirer has agreed to cause Target Company to do or procure the doing of such further acts, and prepare, file, register, execute and deliver, or procure the preparation, filing, registration, execution and delivery of, such further deeds, agreements, instruments and documents as may be necessary to give effect to the terms of the SPA and the transactions contemplated thereby.

c) The SPA provides that unless otherwise agreed between the Acquirer and the Sellers, the closing of the sale and purchase of the Sale Shares shall occur on the date of completion of the Offer.

d) If so permitted by applicable law and the relevant stock exchange rules and considered appropriate by the Acquirer and the Sellers, then, on the closing date under the SPA, or as soon as practicable thereafter, the Sellers and the Acquirer have agreed that they may transact the sale and purchase of the Sale Shares on the floor of the stock exchange. If such market transaction is not permissible or considered appropriate by the parties, then, the proposed sale of the Sale Shares will be completed in an off market transaction.(*)

e) The Acquirer and the Sellers have agreed in the SPA that in case of non-compliance of any provision of the SEBI (SAST) Regulations, the SPA shall not be acted upon by either the Acquirer or the Sellers.

f) Each party to the SPA has agreed to bear its own legal and other costs and expenses in connection with the preparation, execution and completion of the SPA and other related documentation.

(*)Notwithstanding the enabling clause in the SPA permitting the Parties to transact on the stock exchange, the Acquirer and the Sellers have agreed to undertake the sale and purchase of Sale Shares pursuant to SPA only in an 'off' market transaction and not on the floor of a stock exchange.

3.6 Being parties to SPA, Sellers will not participate in this Offer being made by the Acquirer.

3.7 The Acquirer, the Target and Sellers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

3.8 As per stock exchange filings made with NSE and BSE by the Target Company, the Acquirer and Sellers belong to the Promoter and Promoter Group of the Target Company.

The Offer

3.9 Spice Televentures Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at D - 4, Okhla Industrial Area, Phase I, New Delhi - 110 020 (the "Acquirer") has entered into a Share Purchase Agreement dated April 15, 2009 ("SPA") with Spice Enfotainment Limited and Twenty First Century Capitals Limited (together referred to as "Sellers") for the acquisition of 3,21,33,964 fully paid up Equity Shares ("Sale Shares") of Rs. 3/- each representing 43.05% of the issued Equity Share capital of the Target Company at a price of Rs. 10.70/- (Rupees Ten and Seventy paise only) per Equity Share aggregating to Rs. 34,38,33,415/- payable in cash. The Acquirer and the Sellers together form part of the Promoter and Promoter Group of the Target Company.

For the purpose of computing the voting percentage, the voting rights as at the expiration of fifteen days after the closure of the Offer has been reckoned.

3.10 The Offer is not conditional on any minimum level of acceptance.

3.11 This is not a competitive bid.

3.12 The Public Announcement, as per Regulation 15(1) of the Regulations, was made in the following newspapers on April 20, 2009:

Newspaper	Language	Editions
The Economic Times	English	All
Navbharat Times *	Hindi	Delhi
Maharashtra Times	Marathi	Mumbai

**circulated in Noida, Uttar Pradesh*

A copy of the Public Announcement is also available at SEBI's website (www.sebi.gov.in).

If there is any upward revision in the Offer Price of Equity Shares/ Offer Size by the Acquirer till the last date of revision viz. June 19, 2009 or in case of withdrawal of the Offer, it would be informed by way of a public announcement in the newspapers in which the PA was published on April 20, 2009 and accordingly the revised offer price would be payable by the Acquirer to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer under the Offer.

3.13 The Offer is subject to the terms and conditions set out in this Letter of Offer.

3.14 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 10 of the LOF.

3.15 As of the date of the Public Announcement, the Acquirer holds 1,50,60,270 Equity Shares constituting 20.18% of the Equity Share capital of the Target Company. In addition, the directors of the Acquirer Mr. Dilip Modi and Mr. Ashok Kumar Goyal hold 10,00,000 (constituting 1.34%) and 810 (constituting 0.001%) Equity Shares respectively, in the Target Company.

3.16 Neither the Acquirer nor its directors (as on the date of the PA), have acquired any shares of Target during the 12 months period prior to the date of the PA. The Acquirer has, however, agreed to acquire Equity Shares in the Target Company from the Sellers under the SPA, as stated in paragraph 3.5 above.

3.17 The Acquirer and its directors have not acquired any Shares of the Target after the date of the PA.

3.18 There are no partly paid up shares in the Target Company.

3.19 The Equity Shares will be acquired by the Acquirer free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.20 As on date of the LOF, the Manager to the Offer does not hold any shares in the Target.

3.21 There has been no competitive bid to this Offer.

3.22 For the purpose of this Offer, there is no Person Acting in Concert ("PAC") with the Acquirer within the meaning of Regulation 2(1) (e) of the Regulations.

3.23 Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of Sale Shares under the SPA, the Acquirer will hold 6,21,21,834 shares constituting 83.23% of the Equity Share capital of the Target Company. As per Clause 40A of the Listing Agreement with the BSE and NSE, the Target Company is required to maintain at least 25% public shareholding on a continuous basis. In the event that the acquisition made in pursuance to the Offer results in the public shareholding of the Target Company falling below such minimum level, the Acquirer undertakes to take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement, within the time period mentioned therein or in accordance with such other directions as may be provided by the relevant stock exchanges, in accordance with the provisions of Regulation 21(2) of the SEBI (SAST) Regulations. Also, the Acquirer does not have any intention to delist the Target Company in the next 3 years.

4. RATIONALE FOR THE ACQUISITION AND OFFER

4.1 The Offer is being made pursuant to the SPA between the Acquirer and the Sellers as described in paragraph 3.5 above, whereby the Acquirer intends to acquire 43.05% of the issued share capital of the Target Company from the Sellers. This shall result in substantial acquisition of Sale Shares in terms of the SEBI (SAST) Regulations. In the facts and circumstances of the case, the acquisition of shares could also be construed as change in control in the Target Company in terms of the SEBI (SAST) Regulations. In terms of proviso to Regulation 3 (1) (e) of the Regulations, the Acquirer has not held the Equity Shares of the Target Company for a period of three years prior to the proposed acquisition under SPA. Therefore, exemption provided in Regulation 3(1)(e)(iii)(b) of the Regulations is not available to the Acquirer. Hence, this Open Offer is being made in compliance with Regulation 11(1), 11(2) and 12 read with other applicable provisions of the SEBI (SAST) Regulations. The Target will continue to be part of the Spice Group.

4.2 The proposed acquisition pursuant to the SPA will result in Target Company becoming a subsidiary of the Acquirer. The Acquirer believes that the consolidation of the Spice Group's shareholding held in the Target Company will be in the interest of all stakeholders of Target Company. The consolidated shareholding will enable the Acquirer to exercise effective control over Target Company which will result in maintaining its competitive edge, continued growth and performance. The Acquirer also believes that consolidated shareholding will enable Target Company to leverage the Spice Group's brand, market reach and goodwill, leading to growth and value addition for all stakeholders.

4.3 The Acquirer does not proposes to dispose off or otherwise encumber any assets of Target Company, in the succeeding two years except in the ordinary course of the business of the Target Company. The Acquirer shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company.

5. INFORMATION ON SPICE TELEVENTURES PRIVATE LIMITED, THE ACQUIRER

5.1 The Acquirer, Spice Televentures Private Limited, a Spice Group Company, was incorporated under the Companies Act, 1956 on November 27, 1980. The Acquirer, Spice Televentures Private Limited was originally incorporated as T R Metal Industries Pvt. Ltd. on November 27, 1980. The name of the company was changed to Spicesoft Solutions Pvt. Ltd. w.e.f. April 21, 2003. The name of the company was changed from Spicesoft Solutions Pvt. Ltd. to Omnia Investments Pvt. Ltd. w.e.f. January 20, 2005. Further, the name of the company was changed to Spice Televentures Pvt. Ltd. with effect from September 11, 2008. The registered office of the Acquirer is located at D - 4, Okhla Industrial Area, Phase I, New Delhi - 110 020.

5.2 The Acquirer is engaged in Information Technology and Communication businesses of Spice Group, having investments in companies engaged in the business of Mobile devices, multi-brand mobile distribution, BPO & Back end services and Mobile Value Added Services. The securities of the Acquirer are not listed on any Stock Exchange.

5.3 The Promoters of Spice Televentures Private Limited (‘**STPL’**) are Dr. Bhupendra Kumar Modi, Mr. Dilip Modi and Ms. Divya Modi. The Equity Shares of STPL are held by Indian Televentures Private Limited and MCorp Communication Pte. Ltd., which are directly or indirectly controlled by the above mentioned Promoters.

5.4 The Shareholding pattern of the Acquirer as on date of PA, i.e., April 20, 2009 is as under:

Sr. No	Name of the Shareholder	No. of shares held	% of shares
1	Indian Televentures Private Limited	141,421	68.44
2	MCorp Communication Pte. Ltd.	65,214	31.56
	Total paid up capital	**206,635**	**100.00**

5.5 Details of the Board of Directors of the Acquirer, as on April 20, 2009, are as below:

Name and Designation	Residential Address	Qualification	Nature of Experience	Date of Joining
Dr. Bhupendra Kumar Modi Chairman	36, Amrita Shergil Marg, New Delhi – 110 003	Master in Business Administration from the University of Southern California; Ph. D. in Financial Management; D. Litt. in Industrial Management	Industrialist, experience in establishing joint ventures in Information, Communication and Entertainment (ICE) business and financial management, mergers & acquisitions	August 2, 2006
Mr. Dilip Modi Managing Director	36, Amrita Shergil Marg, New Delhi – 110 003	Honors Graduate in Management & Technology from Brunel University, London; MBA (Finance) from Management School, Imperial College, London	Experience in the telecom sector, business administration & finance functions	July 28, 2008
Ms. Divya Modi Director	36, Amrita Shergil Marg, New Delhi – 110 003	CFA (Chartered Financial Analyst) Charterholder, Masters of Accounting from the University of Southern California, Bachelor of Science in Economics and Business Finance (Honors) from Brunel University, London; Certificate in Business Accounting from the Chartered Institute of Management Accountants, London	Experience in the Entertainment industry and Corporate Finance	July 28, 2008
Mr. Kashi Nath Memani Director	177C, Western Avenue, Lane No. 7, Sainik Farms, New Delhi – 110 062	Fellow member of the Institute of Chartered Accountants of India	Experience in business and corporate advisory, foreign taxation, financial consultancy among other things. He has also assisted several multi-national companies in setting up businesses in India and is also consulted on the corporate matters by several domestic and foreign companies	July 28, 2008
Mr. Ashok Kumar Goyal	C-19, Sector 33, Noida – 201301	Fellow member (FCA) of the Institute of Chartered Accountants of India	Experience of working in companies engaged in Textiles, Telecom and office	April 15, 2009

Name and Designation	Residential Address	Qualification	Nature of Experience	Date of Joining
Director		(ICAI), Fellow member (FCS) of the Institute of Company Secretaries of India (ICSI), Fellow Member (FCWA) of the Institute of Cost and Works Accountants of India (ICWAI), MBA Finance from Brunel University, London; and Law Graduate	automation sectors and having skills in the field of finance, taxation, legal and secretarial functions	

As on the date of the Public Announcement, none of the directors of the Acquirer is on the Board of Directors of the Target except for Mr. Dilip Modi, who is Chairman of the Target Company.

In accordance with Regulation 22(7) of the Regulations, the Acquirer will not be appointing any representative as director on Board of the Target Company during the Offer Period.

Further, in accordance with Regulation 22 (9) of the Regulations, except Mr. Dilip Modi (including his relatives who are on the Board of the Acquirer namely Dr. Bhupendra Kumar Modi and Ms. Divya Modi), none of the persons representing or having interest in the Acquirer is an "insider" within the meaning of Securities and Exchange Board of India (Insider Trading) Regulations, 1992. The above named persons have not participated in any matter (s) concerning or relating to the Offer including any preparatory steps leading to the Offer.

5.6 The Authorized Capital of Spice Televentures Private Limited is Rs.12,00,00,000/- (Rupees Twelve Crores only) divided into 12,00,000 Equity Shares of Rs. 100/- each. Subscribed and Paid up capital is Rs.2,06,63,500/- divided into 2,06,635 Equity Shares of Rs. 100/- each.

STPL Capital Structure as on date is as follows:

Paid up Equity Capital	No. of Shares (Face value Rs.100/-) /voting rights	% of shares/voting rights
Fully paid up equity capital	2,06,635	100%
Partly paid up equity capital	NIL	NIL
Total paid up capital	2,06,635	100%
Total voting rights	2,06,635	100%

5.7 The standalone audited financial highlights (as required under point no. 12 of Annexure I of 'Standard Letter of Offer for an Open Offer' in terms of Regulations) of the Acquirer for the last three years ending March 31, 2006, 2007, 2008 and for the nine months period ended December 31, 2008 as certified by M/s. B S R & Co., Chartered Accountants, [Mr. Akhil Bansal – Partner, Membership No.: 090906], vide their certificate dated April 29, 2009 are as below:

Profit and Loss Statement and Balance Sheet Statement

(A) Profit and Loss Statement *(Amount in Rupees lakhs)*

	For the period 1 April 08 to 31 Dec 08	For the year ended 31 Mar 08	For the year ended 31 Mar 07	For the year ended 31 Mar 06
Income from operations	1,997.02	45.18	4,001.82	-
Other Income	40.54	3.67	103.20	2.18
Total Income	**2,037.56**	**48.86**	**4,105.03**	**2.18**
Total Expenditure.	370.89	1.01	46.08	0.89
Profit before depreciation Interest ,tax and exceptional items	1,666.66	47.84	4,058.95	1.29
Depreciation	0.40	0.19	0.17	0.04
Interest	13.12	13.79	97.22	14.56
Profit/(loss) before tax and exceptional item	**1,653.15**	**33.86**	**3,961.56**	**(13.31)**
Exceptional Item	756.00			
Profit/(loss) before tax	**897.15**	**33.86**	**3,961.56**	**(13.31)**
Tax Expense	6.19	(0.05)	18.70	-
Profit/(loss) after tax (A)	**890.96**	**33.92**	**3,942.86**	**(13.31)**

(B) Balance Sheet Statement *(Amount in Rupees lakhs)*

		As at 31 December 2008	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006
Sources of funds					
Paid up share capital	(I)	206.64	163.04	163.04	97.82
Share Premium	(II)	42,828.16	2,868.76	2,868.76	-
Reserves and Surplus (excluding revaluation reserves and share premium)	(III)	4,851.86	3,960.90	3,926.98	(15.88)
Net worth	(B)=I+ II+III	47,886.66	6,992.70	6,958.78	81.94
Deferred Tax Liability		-	0.01	0.06	-
Secured loans		-	-	1,609.84	-
Unsecured loans		9,608.54	-	-	825.00
Total		**57,495.21**	**6,992.70**	**8,568.68**	**906.94**
Uses of funds					
Net fixed assets		2.82	0.43	0.61	0.26
Investments		56,075.90	2,474.20	2,098.58	421.59
Net current assets		1,416.48	4,518.07	6,469.48	485.09
Total		**57,495.21**	**6,992.70**	**8,568.68**	**906.94**

(C) Other Financial Data

Other Financial Data		For the period 1 April 08 - 31 Dec 08	For the year ended 31 March 2008	For the year ended 31 March 2007	For the year ended 31 March 2006
Dividend (%)		-	-	-	-
Earning Per Share (in absolute value)	(A)/(C)	489.80	20.80	2867.84	(13.60)
Return on Net worth	(A)/(B)	1.86%	0.49%	56.66%	-16.24%
Book Value Per Share (Rs.)	(B)/(C)	26,325.54	4,289.08	5,061.47	83.77
No of Share issued	(C)	181,902	163,035	137,485	97,821

Significant Accounting policies

a) Revenues recognition

Dividend Income: Dividend income is recognized when the Company’s right to receive payment is established.

Interest Income: Interest income is recognized on accrual basis at applicable interest rates and time period.

b) Use of estimates

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

c) Fixed Assets and Depreciation

Fixed assets are stated at cost less depreciation. The depreciation is provided in the manner and at the rates given in schedule XIV of the Companies Act, 1956 on Written Down Value method. The assets costing Rs 5000/- or less are fully depreciated in the year of purchase. In the opinion of the management these rates represent the useful life of such assets.

d) Investments

Current investments are stated at lower of cost and fair value. Long term investments are valued at cost. Any decline other than temporary, in the value of long term investments, is charged to Profit and Loss Account.

e) Taxation

Income tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the Income Tax Act, 1961), fringe benefit tax and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

f) Employee benefits

(i) Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the profit and loss account in the period in which the employee renders the related service

(ii) Post employment employee benefits

Defined contribution plan

In respect of retirement benefit in the form of provident fund, the Company's contribution paid/payable towards provident fund are deposited with the Regional Provident Fund Commissioner of the Company and are charged to profit and loss account

Defined Benefit Plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried at the year end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. Actuarial gains and losses are recognised immediately in the profit and loss account.

(iii) Other Long term benefits

Benefit under the Company's leave encashment scheme constitutes other employee benefit. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the profit and loss Account.

g) Events occurring after the balance sheet date

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

h) Exceptional items include the exgratia paid to employees during the period.

i) The company has allocated total expenses amounting to Rs. 61,560,366/- during the nine month period ended 31 December 2008 to other group companies on account of common expenses incurred on behalf of these companies.

Reasons for rise and fall in income of the Acquirer are as follows:

- In the year 2006-07, the total income has increased to Rs. 4,105 lacs as against Rs. 2 lacs in the year 2005-06. This increase is mainly due to the dividend income received during the year by the Acquirer amounting to Rs. 4,002 lacs and increase in the interest income from Rs. 2 lacs to Rs. 102 lacs.

- In the year 2007-08, the total income decreased to Rs. 49 lacs as against Rs. 4,105 lacs in 2006-07 as the Acquirer has received the dividend income of Rs. 45 lacs as against Rs. 4,002 lacs in 2006-07. Further, interest income decreased to Rs. 4 lacs as against Rs. 102 lacs in 2006-07.

5.8 Following are the details of subsidiaries (direct and indirect) of the Acquirer as on date of PA. Except as mentioned below, currently, there are no other companies which have been promoted by the Acquirer.

1. **Spice Distribution Limited**

Spice Distribution Limited was incorporated on March 20, 2007 as Hot Spot Distribution Private Limited, which was later converted into a limited company on November 26, 2008 and the name was consequently changed to Hot Spot Distribution Limited on December 2, 2008. The name was further changed to Spice Distribution Limited on April 9, 2009. Its registered office is at Village Billanwali Labana, Post Office Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh – 173205. The main object of the company is wholesalers, distributors of telecommunication, information technology, hardware products and their components.

Financial Performance:

The audited operating results of Spice Distribution Limited for the period March 20, 2007 to March 31, 2008 is as under:

(Rs. in lacs, except per share data)

Particulars	As at and for the period ended March 31, 2008#	As at and for the year ended March 31, 2007	As at and for the year ended March 31, 2006
Equity Share Capital	1,000.00	NA	**NA**
Reserves & Surplus*	8,991.00	NA	NA
Total Income	18,240.55	NA	NA
Profit / (Loss) After Tax (PAT)	(136.78)	NA	NA
EPS	(3.21)	NA	NA
NAV (Per Share)	98.54	NA	NA

* Excluding Revaluation Reserve
# The financials are from the date of incorporation i.e. March 20, 2007 till 31st March 2008.

It has not become a sick company under the meaning of SICA.

2. **Spice Digital Limited (formerly known as Cellebrum Technologies Limited)**

Spice Digital Limited was incorporated on April 4, 2000 as Cellebrum.Com Private Limited, which was later converted into a limited company on December 13, 2007 and consequently the name was changed to Cellebrum.Com Limited. Further, the name of the Company was changed to Cellebrum Technologies Limited on April 22, 2008. The name was further changed to Spice Digital Limited on May 21, 2009. Its registered office is at D-4, Okhla Industrial Area, Phase-1, New Delhi – 110020. The main object of the company is to provide value added services, platforms, products and solutions to telecommunication carrier customers and subscribers of such carriers.

Financial Performance:

The audited operating results of Cellebrum Technologies Limited for fiscal 2006, 2007 & for the nine months period ended December 31, 2007 are as under:

(Rs. in lacs, except per share data)

Particulars	As at and for the period ended December 31, 2007	As at and for the year ended March 31, 2007	As at and for the year ended March 31, 2006
Equity Share Capital	1,457.16	1,457.16	1,200.01
Reserves & Surplus*	9,506.90	8,952.12	2,903.61
Total Income	7,708.74	6,855.73	3,322.54
Profit After Tax (PAT)	3,346.83	4,237.02	2,182.76
EPS	22.97	32.91	18.19
NAV (Per Share)	75.24	71.43	34.19

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

3. **Spice BPO Services Limited**

Spice BPO Services Limited was incorporated on June 23, 2004 as Stracon Back Office Solutions Limited, which was later changed to Omnia BPO Services Limited on January 4, 2007. Further, the name of the Company was changed to Spice BPO Services Limited on March 23, 2009. Its registered office is at Flat No. 417, 4th Floor, Vishal Tower, 10, District Centre, Janakpuri, New Delhi - 110058. The main object of the company is to carry out the business of operating, managing, running and developing call centers, voice call centers and providing all kinds of telemarketing, teleservices, IT based and ITES, business process outsourcing, e-services in India and internationally.

Financial Performance:

The audited operating results of Spice BPO Services Limited for fiscal 2006, 2007 & 2008 are as under:

(Rs. in lacs, except per share data)

Particulars	As at and for the year ended March 31, 2008	As at and for the year ended March 31, 2007	As at and for the year ended March 31, 2006
Equity Share Capital	703.25	703.25	525.02
Reserves & Surplus*	129.46	9.82	2.43
Total Income	7,204.02	2,831.89	1,816.17
Profit After Tax (PAT)	119.63	7.39	0.28
EPS	1.70	0.11	0.01
NAV (Per Share)	11.84	10.14	10.05

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

4. **Mobisoc Technology Private Limited**

Mobisoc Technology Private Limited was incorporated on August 12, 2006. Its registered office is at D-60, Street No. C-5, Sainik Farm, New Delhi – 110062. The main object of the company is to develop, sell and provide software solutions in the field of telecommunication.

Financial Performance:

The audited operating results of Mobisoc Technology Private Limited for the period August 12, 2006 to March 31, 2007 & for the nine months period ended December 31, 2007 are as under:

(Rs. in lacs, except per share data)

Particulars	As at and for the period ended December 31, 2007	As at and for the period ended March 31, 2007#	As at and for the year ended March 31, 2006
Equity Share Capital	1,001.00	1,001.00	NA
Reserves & Surplus*	Nil	7.55	NA
Profit and loss account – debit balance	(132.72)	-	NA
Total Income	244.94	12.24	NA
Profit / (Loss) After Tax (PAT)	(140.28)	7.55	NA
EPS	(1.40)	0.08	NA
NAV (Per Share)	8.67	10.08	NA

* Excluding Revaluation Reserve
# The financials are from the date of incorporation i.e. August 12, 2006 till March 31, 2007.

It has not become a sick company under the meaning of SICA.

5. Spice Mobile VAS Pte. Ltd.

Spice Mobile VAS Pte. Ltd. was incorporated on February 28, 2008. Its registered office is at 1, North Bridge Road, #19-04/05, High Street Centre, Singapore - 179094. The principal activities of the Company is to provide information and consultancy services.

This Company has been recently incorporated, and as such audited financials are not available. Since the Company is incorporated in Singapore, the provisions of SICA are not applicable.

5.9 Future plans/strategies of the Acquirer with regard to the Target Company.

After the Acquirer consolidates its shareholding in the Target Company, the Acquirer will facilitate further development and expansion of the business and operations of the Target Company.

5.10 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

5.11 Disclosures in terms of Regulation 16(ix)

The proposed acquisition pursuant to the SPA will result in Target Company becoming a subsidiary of the Acquirer. The Acquirer believes that the consolidation of the Spice Group's shareholding held in the Target Company will be in the interest of all stakeholders of Target Company. The consolidated shareholding will enable the Acquirer to exercise effective control over Target Company which will result in maintaining its competitive edge, continued growth and performance. The Acquirer also believes that consolidated shareholding will enable Target Company to leverage the Spice Group's brand, market reach and goodwill, leading to growth and value addition for all stakeholders.

The Acquirer does not proposes to dispose off or otherwise encumber any assets of the Target Company in the succeeding two years except in the ordinary course of the business of the Target Company. The Acquirer shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company.

5.12 The Acquirer does not have any pending litigation as on the date of this Offer.

6. DISCLOSURE UNDER REGULATION 21(2)

As per the Listing Agreement with the Stock Exchanges and in terms of Clause 40A of the Listing Agreement, the Target is required to maintain at least 25% public shareholding for listing on a continuous basis.

In the event the public shareholding falls below the minimum level required as per Clause 40A of the Listing Agreement as a result of the acquisition of the shares tendered in this Offer (such acquisition being a supervening extraordinary event), the Acquirer will take the necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement and other applicable laws.

The Acquirer does not have any intention to delist the Target Company in the next 3 years.

7. INFORMATION ON SPICE MOBILES LIMITED, THE TARGET

7.1 The Target Company, Spice Mobiles Limited was originally incorporated as Modi Olivetti Limited on December 23, 1986. The name of the company was changed to MOL India Limited w.e.f. August 23, 1999. The name of the company was changed to Spice Net Limited w.e.f. December 5, 2000. Further, the name of the company was changed to Spice Limited with effect from July 4, 2005 and further on April 26, 2007 name was changed to Spice Mobiles Limited. The registered office of the Target Company is located at D -1, Sector-3, Noida - 201 301, U.P.

7.2 The Target Company is primarily engaged in mobile handset business having a Pan-India distribution network through regional distributors, specifically focusing on the rural and upcountry markets and also has company owned /franchised after sales service centers.

7.3 The Promoter / Promoter Group of the Target Company consist of Spice Televentures Private Limited, Spice Enfotainment Limited and Twenty First Century Capitals Limited who collectively holds 4,71,94,234 fully paid up Equity Shares in the Target Company constituting 63.23% of the fully paid up capital.

7.4 The issued and paid up share capital of the Target Company consist of 7,46,38,000 Equity Shares of Rs. 3/- each aggregating to Rs. 22,39,14,000/-. There are no partly paid up shares of the Target Company as on the date of the Public Announcement. The shares of the Target Company are listed on BSE and NSE.

7.5 The share capital structure of the Target as on the date of the Public Announcement was as follows:

Issued and paid-up Equity Share Capital	No. of Equity Shares (Face Value - Rs. 3/-) / Voting Rights	% of Equity Shares/ Voting Rights
Fully paid-up Equity Shares (a)	7,46,38,000	100%
Partly paid-up Equity Shares (b)	0	0
Total Issued and paid-up Equity Shares (a+b)	7,46,38,000	100%
Total Voting Rights	7,46,38,000	**100%**

As on the date of the Public Announcement, there are no outstanding convertible instruments of the Target.

7.6 The capital build-up of the Target since its inception is as follows:

Date of Allotment	No. of Shares issued	% of shares issued*	Cumulative Paid Up Capital (Rs.)	Mode of Allotment	Remark	Identity of allottees (Promoters/ex-Promoters/others)	Status of compliance
January 6, 1987	700	0.00	7,000	Cash	Subscribers to the Memorandum	Subscribers to the Memorandum	Complied with
December 27,1989	12499300	16.75	12,50,00,000	Cash	Public Issue	Promoters: 9999440 / Others:2499860	Complied with
January 10,1992	5000000	6.70	17,50,00,000	Cash	Rights Issue	Then existing shareholders	Complied with
July 28,1992	159500	0.21	17,65,95,000	Cash	Employee quota	Employees	Complied with
August 30,1994	1000000	1.34	18,65,95,000	Other than Cash	Conversion of Term Loan into Equity	LIC, UTI, IFCI, IDBI and ICICI	Complied with
The face value of the equity share of Rs. 10/- each of the Company was reduced to Rs. 3/- each subsequent to a capital reduction vide Allahabad High Court order dated August 2, 2002 from Rs.18,65,95,000/- divided into 18659500 Equity Shares of Rs. 10/- each to Rs. 5,59,78,500/- divided into 18659500 Equity Shares of Rs. 3/- each							
March 24,2004	18659500	25.00	11,19,57,000	Cash	Rights Issue	Then existing shareholders	Complied with
February 9, 2007	37319000	50.00	22,39,14,000	Cash	Rights Issue	Then existing shareholders	Complied with
Grand Total	**74638000**	**100.00**					

*Percentage of Issued share capital is based on 7,46,38,000 issued and paid up Equity Shares of the Target Company.

7.7 As on the date of PA there are no outstanding convertible instruments (warrants / FCDs / PCDs) etc.

7.8 The shares of the Target are currently listed on BSE and NSE. The Equity Shares of the Target have been listed on the BSE since 1990, and on NSE since May 23, 2008.

Apart from the aforesaid stock exchanges, the Equity Shares of the Company were also listed at the Delhi Stock Exchange Association Limited, The Madras Stock Exchange Limited, The Uttar Pradesh Stock Exchange Association Limited, The Stock Exchange Ahmedabad and the Calcutta Stock Exchange Association Limited. However, the Target applied for Voluntary Delisting of Equity Shares from the aforesaid Stock Exchanges under the SEBI (Delisting of Securities) Guidelines, 2003 and the delisting approvals were accorded by the Delhi Stock Exchange Association Limited vide letter no. DSE/LIST//NR/244 dated January 20, 2004; The Madras Stock Exchange Limited vide letter no. MSE/LD/PSK/731/433/04 dated April 21, 2004; The Uttar Pradesh Stock Exchange Association Limited vide letter no. UPSE/LC/2004-2005/2412 dated August 27, 2004; The Stock Exchange Ahmedabad vide letter no. ASE/2004/3758 dated February 3, 2004; and the Calcutta Stock Exchange Association Limited vide letter no. CSEA/LD/033/2005 dated January 18, 2005.

7.9 There has been no suspension of trading of the shares of Target Company by any stock exchange(s), as applicable, during the last three years. However, the trading of Equity Shares of Target Company was suspended in the BSE from October 6, 1997 to September 2, 2003 and was subsequently revoked w.e.f. September 3, 2003. The trading of Equity Shares was suspended due to non compliance of Clause 16 of the Listing Agreement i.e. on account of shorter advance notice given by the Target to BSE with regard to dates of closure of register of members and transfer books. Upon completion of all the necessary formalities by the Target Company, the Listing Committee of BSE considered and permitted the revocation of suspension of trading in the Target Company, after payment of reinstatement fee of Rs. 2,40,000/- (Rupees Two lacs forty thousand only).Trading of the Equity Shares on BSE resumed w.e.f. September 3, 2003.

7.10 Except as disclosed in paragraph 7.9 above, in the last three years, the Target Company has duly complied with all the provisions of the Listing Agreement entered into with BSE and NSE.

7.11 The Acquirer, the Target Company and the Sellers have duly complied with the provisions of Chapter II of the SEBI (SAST) Regulations from time to time.

7.12 As on date of the Public Announcement, the Board of Directors of the Target was as below:

Name and Designation	Residential Address	Qualification	Nature of Experience	Date of Joining
Mr. Dilip Modi Chairman	36, Amrita Shergil Marg, New Delhi – 110 003	Honors Graduate in Management & Technology from Brunel University, London; MBA (Finance) from Management School, Imperial College, London	Experience in the telecom sector, business administration & finance functions	August 21, 2008
Mr. Ram Nath Bansal Director	B-365, New Friends Colony, New Delhi – 110 025	B.Com., M.A., ACS, FCA, Associate Member of ICSA, London	Experience in the field of Finance, Accounts and Legal	August 11, 1992
Mr. Radha Krishna Pandey Director	L-277, Sarita Vihar, New Delhi – 110 044	M.Com., Law Graduate, Fellow member of ICSI	Experience in the field of Legal, Finance & Administration	January 21, 2005
Mr. Krishan Lal Chugh Director	N-79, Panchsheel Park, New Delhi – 110 017	Mechanical Engineer	Experience in the field of Corporate Management	October 27, 2007
Mr. Vivek Bali Director	C-66, Defence Colony, New Delhi – 110024	Masters of Business Management degree from Faculties of Management Studies, Delhi University	Experience in marketing, brand management and new product launch in FMCG and telecom services in India and International market.	July 31, 2008
Mr. Parikshit Bhasin Director	61 Grange Road,#18-30, Beverly Hill, Singapore 249570	Honours School in Economics, Punjab University	Experience in the Telecom Sector	July 31, 2008
Mr. Hanif Mohamed Dahya Director	5 Beechwood Road, Allendale, New Jersey, 07401, USA	Masters in Business Administration from Harvard Business School, Cambridge; Bachelor's Degree in Technology from Loughborough University of Technology, UK	Experience in security related business including investment and restructuring of companies	September 30, 2008

Name and Designation	Residential Address	Qualification	Nature of Experience	Date of Joining
Mr. Kunal Ahooja Whole Time Director	503A, Court Greens, The Laburnum Condominium, Sector-28, Sushant Lok, Gurgaon, Haryana- 122002	Arts Graduate (Economics Hons.)	Experience in the Telecom Sector	September 30, 2008

As on the date of the Public Announcement, none of the directors of the Target is on the Board of Directors of the Acquirer except for Mr. Dilip Modi, who is Managing Director of the Acquirer. Further Mr. Dilip Modi is also related to Dr. Bhupendra Kumar Modi and Ms. Divya Modi, who are also directors on the Board of Directors of the Acquirer.

7.13 No mergers/ demergers/ spin offs has taken place in the Target during the period of last three years.

7.14 As on date of the Public Announcement the trading of Equity Shares of the Target has not been suspended either on BSE or NSE.

7.15 The brief audited financial results for financial year ended 31st March 2006 (9 months), 31st March 2007 (12 months), 31st December 2007 (9 months) and Limited Review Accounts for the period ended 31st December 2008 (12 months) as certified by the Statutory Auditors of the Target, M/s. S. R. Batliboi & Co., Chartered Accountants (Mr. Anil Gupta - Partner, Membership no. 87921), vide their certificate dated April 18, 2009, are as below:

		(Rs. in lacs except ratio & share data)		
Profit & Loss Statement	**Jul'05 to Mar'06 (9 Months)**	**Apr'06 to Mar'07 (12 Months)**	**Apr'07 to Dec'07 (9 Months)**	**Jan'08 to Dec'08 (12 Months)**
Income from operations (Net)	11,687	19,083	28,468	50,098
Other Income	119	1,361	661	452
Total Income	11,806	20,444	29,129	50,550
Total Expenditure	11,300	19,784	27,177	50,853
Profit/(Loss) Before Depreciation, Interest and Taxes	506	660	1,952	(303)
Depreciation	33	48	28	55
Interest	83	168	47	192
Profit/(Loss) before taxes (before extraordinary item)	390	444	1,877	(550)
Extra ordinary item	-	-	-	-
Profit/(Loss) before taxes (after extraordinary item)	390	444	1,877	(550)
Provision/(Credit) for taxes	(27)	206	410	82
Profit/(Loss) after taxes	417	238	1,467	(632)

Balance Sheet Statement	Jul'05 to Mar'06 (9 Months)	Apr'06 to Mar'07 (12 Months)	Apr'07 to Dec'07 (9 Months)	Jan'08 to Dec'08 (12 Months)
Sources of funds				
Paid up share capital	1,120	2,239	2,239	2,239
Reserves and Surplus (excluding revaluation reserves)	1,973	4,489	5,564	4,932
Networth	3,093	6,728	7,803	7,171
Secured loans	215	642	205	562
Unsecured loans	500	-	-	806
Deferred tax liabilities (net)	-	-	17	-
Total	3,808	7,370	8,025	8,539
Applications of funds				
Net fixed assets	517	412	382	486
Investments	1	1	1,008	1,008
Deferred tax assets (net)	99	-	-	-
Net current assets	3,191	6,957	6,635	7,045
Total miscellaneous expenditure not written off	-	-	-	-
Total	3,808	7,370	8,025	8,539
Other Financial Data	**Jul'05 to Mar'06 (9 Months)**	**Apr'06 to Mar'07 (12 Months)**	**Apr'07 to Dec'07 (9 Months)**	**Jan'08 to Dec'08 (12 Months)**
Dividend (%)	10%	10%	15%	-
Earning Per Share (Rs.)	1.12	0.56	1.97	(0.85)
Return on Networth (%)	13.48%	3.54%	18.80%	-8.81%
Book Value Per Share (Rs.)	4.14	15.82	10.45	9.61

The ratios have been computed as below:

Earning Per Share -	Net Profit/(Loss) after tax attributable to equity shareholders
	Weighted average number of equity shares outstanding during the period
Return on Networth -	Net Profit/(Loss) after tax as per profit and loss account
	Net worth at the end of the period
Book Value Per Share -	Net worth at the end of the period
	Weighted average number of equity shares outstanding during the period

Note:

1) Earning per share calculations are done in accordance with Accounting Standard 20- Earnings per Share issued by the Institute of Chartered Accountants of India.

7.16 Details of the major contingent liability and the reasons for fall / rise in total income and PAT in the relevant years / periods, as applicable, is as under:

Contingent Liabilities:

Rs. in lacs

Sr. No.	Particulars	Year ended December 31, 2007 (9 Months)	Year ended March 31, 2007 (12 Months)	Period ended March 31, 2006 (9 Months)
(i)	Guarantees given by the Target Company.	Nil	Nil	467.05
(ii)	Pending Sales Tax forms to be deposited against demand raised by the Uttar Pradesh Sales Tax Authority vide its order dated June 15, 2005 for the assessment period 2003-04.	Nil	Nil	15.93
(iii)	Various Sales Tax Demands for the various assessment periods being disputed by the Target Company.	213.12	201.32	95.48
(iv)	Demand raised by Commissioner of Customs (Import & General) in respect of short levy of special additional duty.	1.29	1.29	1.29
(v)	Various other claims against the Target Company not acknowledged as debts.	28.10	28.10	29.52

Reasons for fall /rise in total income and PAT:

The figures for the 9 months period ended March 31, 2006 and for the 12 months period ended March 31, 2007 cannot be directly compared due to change in financial year of the Target Company. Similarly, figures for the 12 months period ended March 31, 2007 and for the 9 months period ended December 31, 2007 cannot be directly compared due to change in financial year of the Target Company.

7.17 Pre and Post- Offer share holding pattern of the Target is as follows:

Shareholders' Category	Shareholding & voting rights prior to the SPA and Open Offer.		Shares /voting rights agreed to be acquired pursuant to SPA, which triggered off the Regulations.		Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Share holding / voting rights after the SPA and Open Offer.	
	(A)		**(B)**		**(C)**		**(D) = (A) + (B) + (C)**	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter / Promoter Group (Sellers)								
Spice Enfotainment Ltd.	29060270	38.93	(29060270)	(38.93)	0	0	0	0
Twenty First Century Capitals Ltd.	3073694	4.12	(3073694)	(4.12)	0	0	0	0
Total 1	**32133964**	**43.05**	**(32133964)**	**(43.05)**	**0**	**0**	**0**	**0**
(2) Acquirers								
Spice Televentures Pvt. Ltd. (Promoter)	15060270	20.18	32133964	43.05	14927600	20.00	62121834	83.23
(3) Parties to SPA other than (1) & (2)	0	0	0	0	0	0	0	0
(4) Public								
a. FIs/MFs/FIIs/ Banks, SFIs	3394615	4.55	0	0	0	0	0	0
b. Others								
Bodies Corporate	13496986	18.08	0	0	0	0	0	0
Individuals	8718053	11.68	0	0	0	0	0	0
NRIs / OCBs	1378645	1.85	0	0	0	0	0	0
Clearing members	455467	0.61	0	0	0	0	0	0
Total (4) (a+b)	**27443766**	**36.77**	**0**	**0**	(14927600)	(20.00)	**12516166**	**16.77**
GRAND TOTAL (1+2+3+4)	**74638000**	**100.00**	**32133964**	**43.05**	**14927600**	**20.00**	**74638000**	**100.00**

For the purpose of computing the voting percentage, the voting rights as at the expiration of fifteen days after the closure of the Offer has been reckoned.

7.18 Spice Mobiles Limited was originally incorporated as Modi Olivetti Limited on December 23, 1986. It was set up as a Joint Venture between Ing. C. Olivetti & C., S.p.A. of Italy (hereinafter referred to as "Olivetti") and Modi Industries Limited to engage primarily in the manufacture of computer systems, trading and packaging of computer products in India. Olivetti subsequently withdrew from personal computer business worldwide and as a result of this, Joint Venture was terminated by mutual consent on April 23, 1999. Olivetti divested its entire holding in Target Company to one of the Spice Group Company namely, Modifin Private Limited* (erstwhile Indian Reprographic Systems Private Limited, whose name was changed to Indian Management Advisors and Leasing Private Limited, which was subsequently merged into Modifin Private Limited). Modifin Pvt. Ltd. was later on amalgamated with Modicorp Pvt. Ltd. [name changed from Modicorp Pvt. Ltd. to SpiceCorp Ltd., and then to SpiceCorp Pvt. Ltd.) SpiceCorp Pvt. Ltd. was then amalgamated with MCorp Pvt. Ltd.

The name of MCorp Pvt. Ltd. was changed to MCorpGlobal Pvt. Ltd. on February 23, 2004. Subsequently MCorpGlobal Pvt. Ltd. was converted into limited Company w.e.f. September 5, 2007 as MCorpGlobal Ltd. Further, on October 8, 2007, the name of the Company was changed to SpiceCorp Limited, which was subsequently changed to SpiceCorp Entertainment Ltd. on August 7, 2008. Further, the name of SpiceCorp Entertainment Ltd. was changed to Spice Enfotainment Ltd. on October 24, 2008.

*[In compliance with SEBI Takeover Code Modifin Pvt. Ltd. filed disclosures with SEBI and accordingly vide its letter No. FITTC/TO/SP/99/ 22077 dated 7th December 1999, SEBI gave its directions with specific note on shareholding remaining with the Indian Promoter Group and further compliance of SEBI Takeover Code as and when applicable.]

7.19 Twenty First Century Capitals Limited (**"TFCCL"**), one of the Sellers and Promoter Group Company, was incorporated on January 25, 1985 under the Companies Act, 1956 in the name of Progressive Automobiles Limited. The name of the Company was changed to Twenty First Century Capitals Limited w.e.f. June 27, 1994. TFCCL is identified as Promoter Group Company of the Target Company in Rights Issue Offer document of 2004. Currently TFCCL holds 30,73,694 Equity Shares constituting 4.12% of the equity and voting capital of the Target Company.

7.20 Spice Televentures Private Limited was originally incorporated as 'T.R.Metal Industries Pvt. Ltd.' on November 27, 1980. The name of the Company was changed to 'SpiceSoft Solutions Pvt. Ltd.' on April 21, 2003 and to 'Omnia Investments Pvt. Ltd.' on January 20, 2005. Subsequently the name of the Company was changed to Spice Televentures Private Limited on September 11, 2008. The Acquirer is identified as Promoter of the Target Company in Rights Issue Offer document of 2006. On February 9, 2007, pursuant to the Rights Issue of Target Company, 1,50,60,270 Equity Shares were allotted to the Acquirer.

7.21 Except as disclosed in paragraph 7.18, 7.19, and 7.20 above and as per the undertaking from the Target, there has been no change in the Promoters' Holding in the Target since the date of the Public Issue requiring compliance with the provisions of the SEBI (SAST) Regulations/other applicable regulations under the SEBI Act and other statutory requirements.

7.22 The Target Company has complied with all the provisions under Clause 49 of the Listing Agreement relating to Corporate Governance.

7.23 Details of Pending Litigations are as follows:

Litigation against Spice Mobiles Limited

1. A suit has been filed against the Target Company before the High Court of Delhi (1681/2005) by Super Cassettes Industries Limited for permanent injunction restraining infringement of copyright in respect of embedded ring tone in the handset marketed by the Target Company. The plaintiff

has also preferred an application under Order 39 Rules 1 and 2 read with section 151 of the Code of Civil Procedure, 1980 for seeking stay/interim injunction restraining the Target Company, its directors, officers, servants, agents, and representatives, group companies, subsidiaries and all others acting for or on its behalf from producing, reproducing or making available to the public ring tones/song clippings produced from the plaintiff's copyrighted sound recordings in the movies Dus, Maine Pyar Kyun Kiya and Mujhse Shaadi Karogee for a claim of Rs. 21 lacs. The High Court of Delhi passed an ex-parte order dated December 9, 2005 in favour of the plaintiff. Being aggrieved by the order of the Court, the Target Company filed an application for setting aside of ex-parte ad-interim order on the ground that plaintiff failed to disclose to the Court about the memorandum of understanding executed between the parties, under the terms of which the plaintiff allowed the Target Company to use the ring tones for minimum 90,000 mobile handsets. The matter is now pending before the Joint Registrar of the Delhi High Court for completion of pleadings and admission/denial of documents. The Target Company is in the process of settling the case outside the court. The next date of hearing is August 10, 2009.

2. Dinesh Singh Bisht filed a writ petition against the Target Company (8297/2006). The plaintiff's name was struck off from the muster rolls of the Target Company on June 12, 1996 and Rs. 4,802/- was deposited in his account as full and final payment for his services as a technician in Target Company. The plaintiff raised an industrial dispute and on March 7, 2005 the Presiding Officer, Labour Court, Delhi passed an award in favour of the petitioner granting the relief of lump-sum compensation of Rs. 50,000/- and rejected his claim of reinstatement. Being aggrieved by the order of the Labour Court, the Target Company filed a writ petition on April 21, 2006 before the High Court of Delhi praying for the quashing/setting aside the award dated March 7, 2005 and the Court granted unconditional stay against the operation of the award. The matter has not yet come up for hearing till date.

3. Redington India Limited has filed a suit against the Target Company in the High Court of Delhi (1438/1999) for recovery of Rs. 2,804,626.50/- together with future interest at the rate of 24% p.a. for which a letter of credit was issued by the Target Company and the same was not submitted by the plaintiff before the bank. The Target Company has filed its reply. The High Court has fixed the matter for final arguments. The next date of hearing is July 29, 2009 for considering the change in cause title filed by Redington India Limited.

4. Calicut Engineering Works Limited has filed a suit before the Civil Court at Calcutta (2731/1993) against the Target Company for the appointment of an arbitrator. The petitioner's contention is that the Target Company committed a breach of its contractual obligations under the agreement for sale entered between the parties for sale in favour of the petitioner of a M-250 computer and an Olivetti DOT Matrix Printer for a price of Rs. 50,420/- and Rs. 20,000/-, respectively, with a warranty of 365 days from the date of installation and 375 days from the date of dispatch, whichever is earlier. The petitioner, however, failed to produce original documents before the Court and hence the arbitrator could not be appointed till date.

5. Mr. Ravinder Kumar Jain preferred an appeal in the Court of District Judge Civil, Rampur, Uttar Pradesh (47/2004), against the judgement and decree dated April 29, 2004 passed by Civil Judge (Senior Division), Rampur in O.S. 3 of 2000, under which the Civil Judge partly allowed his claim upto the amount of Rs. 16,000/- in lieu of Rs. 34,228/-. The appellant has prayed for the setting aside of the findings of the Civil Judge, Rampur and claimed the entire amount. Mr. Ravinder Kumar Jain also filed an execution application (9/2004) before the Civil Judge (I), Rampur for the execution of the decree dated April 29, 2004 passed by the Civil Judge (Senior Division), Rampur for the total amount of Rs.35,200/-. The matter has been stayed by the Court vide its order dated August 23, 2004 till the final disposal of the appeal pending in the Civil Judge (I), Rampur (Uttar Pradesh). The next date of hearing in the matter is yet to be fixed.

6. There are approx. 138 consumer cases filed against the Target Company at various Consumer Dispute Redressal Forums for deficiency in the mobile handsets, *interalia*, technical problem, key pad not working, charging, ringer speaker, network problem, manufacturing defect, auto switch

off, memory card socket not working, low battery backup, joystick problem, etc. The amount claimed is approx. Rs.52.28 lacs which includes the cost of handset, cost of mental agony/harassment, cost of litigation.

7. The Target Company has received a notice from M/s. Saptak Distributors Pvt. Ltd. (formerly Suyog Distributors Pvt. Ltd.) and M/s. Suyog Sales and Marketing, a partnership firm, with base in Ahmedabad, alleging that the Target Company is acting in concert with Konka Group Co. Ltd. and aiding them in violating the ex-parte interim order dated 25th November 2004 of Delhi High Court as confirmed vide order dated 24th November 2005; and calling upon the Target Company to comply with the Delhi High Court order and cease to import any further products from Konka Group Co., Ltd./ its subsidiaries/ sister concerns/ affiliates, failing which action will be taken against the Target Company. The Target Company has sent the reply to the Notice stating that they are not violating the Delhi High Court order as aforesaid and have no dealings with Konka Group Co., Ltd.

8. Mr.S.Ram Kumar ('Individual') was granted Patent (no.214388 dated 11.2.2008) for invention entitled 'Mobile Phone with a plurality of SIM cards allocated to different communication networks'. The Individual has also obtained registration of his Patent with the Customs authorities under IPR (Imported Goods) Enforcement Rules, 2007 and has been allotted registration no. UPRNo.A0167INMAA4PR on January 27, 2009. In view of the said registration, the Office of the Commissioner of Customs (Imports and General), New Delhi pursuant to the IPR (Imported Goods) Enforcement Rules, 2007 and related Customs Notification and Circular issued by the Central Board of Excise and Customs, has suspended the clearance of Dual mode SIM phones imported in India (including that of the Target Company), pending verification of IPR violation/production of NOC from the Patent holder. The matter is pending before Customs Authority.

   Further the Individual has also filed a Civil Suit (No.221 of 2009) before the Madras High Court against the Target Company and (12 other parties) seeking permanent injunction restraining the Target Company and (12 other parties) from infringing upon the Individual's patent - by manufacturing, marketing, selling and distributing mobile phones having simultaneous use of more than one SIM thereby infringing the Individual's patented product and process. In the Original Application (No.193 of 2009) filed in Civil Suit (No.221 of 2009) for urgent hearing seeking interim injunction, which was heard on March 23, 2009 wherein certain other parties mentioned in the Application were directed not to engage in manufacturing dual or plural SIM card phones in India till April 13, 2009. The next date of hearing in the Civil Suit is fixed for June 9, 2009 before the Madras High Court.

Litigation by Spice Mobiles Limited

1. One civil case is pending in the Delhi High Court. Amount involved - Rs.20 lacs.
2. One appeal in consumer case is pending before the State Commission, Lucknow. Amount involved - Rs.0.27 lacs.
3. Eight civil cases relating to recoveries etc. are pending at various forums. Amount involved - Rs. 162.35 lacs excluding interest.
4. Thirteen criminal complaint cases relating to dishonor of cheques are pending at various forums. Amount involved - Rs. 15.94 lacs.
5. Three Income Tax cases pending against the assessment orders passed by the Assessing Officers for disallowances of amount aggregating to approximately Rs. 161.54 lacs involving various assessment years.
6. One appeal pending before Customs, Excise and Service Tax Appellate Tribunal ("CESTAT") against the order passed by Commissioner of Central Excise, Noida against a demand of Rs. 382.63 lacs and penalty of Rs. 280.00 lacs.
7. Twenty one Sales Tax cases pending before various Sales Tax Authorities, Tribunal and High Courts. Amount involved - Rs. 101.90 lacs.

7.24 Details of the compliance officer are as follows:

Ms. Renu Gupta, Company Secretary
D -1, Sector-3,
Noida - 201 301, U.P.
Tel.: 0120 - 4363600, 4363800
Fax: 0120 - 4320467, 4363845

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification for the Offer Price

The shares of the Target Company are frequently traded on BSE and NSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.

The annualized trading turnover in the shares of Target Company on BSE and NSE based on trading volume during September 2008 to March 2009 (six calendar months preceding the month in which the PA is made) is as given below:

Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month in which the PA is made	Total No. of Listed shares	Annualized Trading Turnover (as % of Total Shares Listed)
BSE	2942392	74638000	7.88
NSE	4170749	74638000	11.18

(Source: www.bseindia.com; www.nseindia.com)

The Offer Price of Rs. 10.90/- (Rupees Ten and paise ninety only) (rounded off) per fully paid up Equity Share is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations being the highest of the following:

(a)	the negotiated price under SPA	Rs. 10.70/- per Equity Share
(b)	Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of Public Announcement.	Not Applicable
(c)	the average of the weekly high and low of closing prices of the shares on NSE of the Target Company for the 26 weeks preceding the date of the Public Announcement.	Rs. 10.88/- per Equity Share
(d)	The average of the daily high and low prices of the shares on NSE of the Target Company for the two weeks preceding the date of the Public Announcement.	Rs. 10.68/- per Equity Share

Calculation of average price as per Regulation 20 (4) (c) is as follows:

26 Weeks weekly high/low

Week No	Week ending on	High (Rs)	Low (Rs)	Average (Rs)	Volume
1	Friday, April 17, 2009	11.85	10.70	11. 27	135739
2	Thursday, April 09, 2009	10.70	10.10	10.40	50474
3	Thursday, April 02, 2009	10.10	9.90	10.00	37562
4	Friday, March 27, 2009	10.25	10.05	10.15	29313
5	Friday, March 20, 2009	10.20	10.00	10.10	7196
6	Friday, March 13, 2009	10.35	9.75	10.05	24095
7	Friday, March 06, 2009	10.25	9.15	9.70	9944
8	Friday, February 27, 2009	11.00	10.60	10.80	14080
9	Friday, February 20, 2009	12.35	11.50	11.92	7196
10	Friday, February 13, 2009	12.50	11.75	12.12	151743
11	Friday, February 06, 2009	13.65	11.20	12.42	125433
12	Friday, January 30, 2009	10.15	9.20	9.67	96048
13	Friday, January 23, 2009	10.10	9.05	9.57	25346
14	Friday, January 16, 2009	10.15	9.65	9.90	33346
15	Friday, January 09, 2009	12.40	10.50	11.45	44477
16	Friday, January 02, 2009	12.25	10.85	11.55	30103
17	Friday, December 26, 2008	12.15	11.10	11.62	12076
18	Friday, December 19, 2008	12.00	11.45	11.72	22329
19	Friday, December 12, 2008	10.90	10.30	10.60	26269
20	Friday, December 05, 2008	10.35	10.00	10.17	11860
21	Friday, November 28, 2008	10.90	10.20	10.55	5374
22	Friday, November 21, 2008	12.80	10.50	11.65	18340
23	Friday, November 14, 2008	13.50	12.95	13.22	20132
24	Friday, November 07, 2008	12.30	9.85	11.07	71116
25	Friday, October 31, 2008	10.10	9.40	9.75	31165
26	Friday, October 24, 2008	12.30	10.60	11.45	19840

(Source: NSE data from www.nseindia.com)

2 Weeks daily high/low

Day No.	Date	High (Rs)	Low (Rs)	Average (Rs)	Volume
1	Friday, April 17, 2009	11.85	11.85	11.85	135739
2	Thursday, April 16, 2009	11.25	10.55	11.10	146780
3	Wednesday, April 15, 2009	11.00	10.20	10.68	56121
4	Monday, April 13, 2009	11.00	10.30	10.69	23353
5	Thursday, April 09, 2009	10.95	10.40	10.78	50474
6	Wednesday, April 08, 2009	10.60	10.10	10.34	60681
7	Monday, April 06, 2009	10.35	9.80	10.08	34664

(Source: NSE data from www.nseindia.com)

8.2 There are no partly paid up shares of the Target Company as on the date of the Public Announcement.

8.3 In the opinion of the Manager to the Offer, the Offer Price of Rs. 10.90/- per fully paid-up Equity Share of Target Company is justified in terms of Regulation 20(11).

8.4 The Acquirer has not acquired any Equity Shares of the Target from the date of the PA up to the date of the Letter of Offer. The Offer Price shall not be less than the highest price paid by the Acquirer for any acquisition of Equity Shares of Target Company from the date of the Public Announcement up to 7 working days prior to the date of closing of the Offer. Upon any such acquisition by the Acquirer, the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.

8.5 No separate consideration or non-compete fee will be paid to the Sellers.

8.6 Funding Arrangement for the Offer

1. The Acquirer has made firm financial arrangement for financing the acquisition of Target Shares under the Open Offer, in terms of Regulation 16 (xiv) of the Regulations. The Acquirer will fund the Offer out of internal accruals and investments.

2. The total fund requirement for implementation of the Offer at Rs. 10.90/- (Rupees Ten and paise ninety only) per fully paid up Equity Share is Rs. 16,27,10,840/- assuming that full acceptance for the Offer is received ("Offer Consideration").

3. In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirer has caused a lien (the **"Lien"**) marked by the HDFC Bank Limited, a banking company incorporated under the provisions of the Companies Act, 1956 and carrying on banking activities in India including Mumbai through its branch at Fort and having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013 (**"HDFC"**) against the fixed deposit of Rs. 4,10,00,000/- (**"Fixed Deposit"**) with HDFC standing in the name of the Acquirer for an amount of Rs. 4,10,00,000/- (the **"Lien Amount"**), in favour of ENAM, the Manager to the Offer. The Lien Amount represents more than 25% of the Offer Consideration. ENAM has been duly authorized to realize the value of the aforesaid Lien. Further, ENAM is also empowered to instruct HDFC to issue banker's cheque or demand draft for the amount lying to the credit of the escrow account.

4. M/s. Gupta Garg and Agrawal, Chartered Accountants, [Mr. B. B. Gupta – Membership No.: 012399] located at G – 55, Royal Place, II nd Floor, Laxmi Nagar, Vikas Marg, Delhi – 110 092, Tel No: 011 – 4301 6663 Fax: 011 – 4248 7574 have in their letter dated April 17, 2009 certified that Spice Televentures Private Limited has firm and adequate financial resources to meet the financial obligations under the Open Offer to be made to the shareholders of the Target Company.

5. The Manager to the Offer is satisfied about the ability of Acquirer to implement the Offer in accordance with the Regulations as firm financial arrangements are in place to fulfill the obligations under the Regulations.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 The Acquirer made a Public Announcement on April 20, 2009 for the Offer. This Offer is being made to all the Equity Shareholders of Target Company (other than the parties to the SPA) and the Letter of Offer together with the Form of Acceptance, Form of Withdrawal and Share Transfer Form (for shareholders holding Equity Shares in the physical form) is being mailed to those shareholders of Target Company whose names appear on the register of members of Target Company and to the beneficial owners of the Equity Shares of Target Company whose names appear as beneficiaries on the beneficial record of the respective Depositories, at the close of business on the Specified Date (i.e. April 20, 2009). Owners of Equity Shares but not registered as shareholder(s) are also eligible to participate in the Offer at any time prior to the date of closing of the Offer. No Letter of Offer together with a Form of Acceptance, Form of Withdrawal and Share Transfer Form will be mailed to the parties to the SPA.

9.2 The Offer is subject to the terms and condition set out herein in the Letter of Offer, the Form of Acceptance, the Form of Withdrawal, the PA and any other public announcements that may be issued about the Offer.

9.3 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 10 of this LOF. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

9.4 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

9.5 The Offer will open on June 11, 2009 and close on June 30, 2009.

9.6 The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the Equity Shareholders of the Target. Each shareholder of the Target to whom the Offer is being made, is free to offer his shareholding in the Target, in whole or in part while accepting the Offer.

9.7 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

9.8 Equity Shares that are subject to any charge, lien or encumbrance or court order / any other attachment / dispute are liable to be rejected. Equity Shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such Equity Shares are received together with the Equity Shares tendered under the Offer prior to the date of closing of the Offer.

9.9 The Acquirer will not be responsible in any manner for any loss of Equity Share certificate(s) and other documents during transit. The Equity Shareholders of the Target are therefore advised to adequately safeguard their interest in this regard.

9.10 The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

10. STATUTORY/OTHER APPROVALS REQUIRED FOR THE OFFER

10.1 Any transfer by Non-Resident Shareholders to the Acquirer of the Equity Shares pursuant to the Offer will require prior approval of the Reserve Bank of India under the Foreign Exchange Management Act,1999, as amended. As on the date of the Public Announcement, there are no other statutory approvals required to implement the Offer. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals.

10.2 In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the shareholders of the Target Company, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

10.3 No consents are required from banks and financial Institutions, pursuant to any outstanding loan agreement for the purpose of making this Offer.

10.4 Non-Resident Shareholders should also enclose a copy of the RBI permission received by them required, if any, for acquiring Equity Shares held by them in the Target. In case the RBI permission is not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in the Offer.

10.5 In case of delay in receipt of other requisite approvals, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the shareholders, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations, provided further that if the Acquirer is diligent in pursuing the approvals to the satisfaction of SEBI, the Acquirer will have an option not to pay such interest, subject to the concurrence of SEBI.

10.6 If the Acquirer fails to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on its part, the amount lying in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28 (12) (e) of the Regulations.

10.7 The Acquirer reserves the right to withdraw the Offer in the event of the requisite statutory approvals being refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which this original PA was made.

11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

11.1 The Acquirer has appointed MAS Services Limited ("MAS") as Registrar to the Offer.

11.2 MAS has set up the following centres to collect the acceptances being tendered in this Offer:

Sr. No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax No.	Mode of delivery
1.	Mumbai	MAS Services Limited, C/o System Support Services, Gala No 209, Shivai Industrial Estate, Near Sakinaka Bus Stop, Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai - 400072	Mr Mahendra Mehta	022-28500835	-	By hand
2.	New Delhi	MAS Services Limited, 2nd Floor, T-34, Okhla Industrial Area, Phase-II, New Delhi – 110020	Mr N C Pal	011-26387281, 82, 83	011-26387384	By hand or Post
3.	Ahmedabad	MAS Services Limited, C/o Shah Consultancy Services, 3- Sumathinath Complex, Pritamnagar Akhada Road, Opp: United Bank of India Near Kothawala Flats, Ellis Bridge Ahmedabad - 380 006	Mr Suresh Shah	079-26576038	-	By hand
4.	Chennai	MAS Services Limited, C/o R K ARYES Corporate Professional Services Pvt Ltd New No. 5, Old No. 12, Sivasailam Street (Off. Habibullah Road), T. Nagar Chennai - 600 017	Mr K Sateesh	044 42555587, 43502997	-	By hand
5.	Kolkata	MAS Services Limited, C/o World Link Corporation, 62 Southern Avenue Kolkata - 700029	Mr D Ghosh	033-24647568	-	By hand
6.	Bangalore	MAS Services Limited, C/o R K Bhat & Co., 1st Floor, # 149, 27th Cross Jayanagar VI Block, Bangalore – 560 070	Mr Kumar	080 - 4146 4284	-	By hand

The documents can be tendered at the above centers between 10.00 am to 3.00 pm from Monday to Friday and 10.00 am to 1.00 pm on Saturdays. The centers will be closed on Sundays and public holidays.

Shareholders of Target Company, other than the parties to the SPA who wish to avail this Offer should forward the under mentioned documents, by hand delivery on days and during the business hours mentioned above, at any of the collection centers listed above, or by registered post to the Registrar to the Offer, MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, Tel: 011 - 26387281/82/83, Fax: 011 - 26387384, Email: spiceoffer@masserv.com, Contact Person: Mr. N. C. Pal, so as to reach the Registrar on or before June 30, 2009 (i.e. the date of closing of the Offer).

In case of dematerialised Equity Shares, the shareholders should ensure that the credit to the Special Depository Account mentioned in paragraph 11.4 below should be received on or before June 30, 2009. In order to ensure this, beneficial owners should tender the delivery instructions at least two working days prior i.e. by June 26, 2009. Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

The Share certificate(s), Share Transfer Form, Form of Acceptance and other documents, as required should be sent only to the Registrar to the Offer, at the collection centers mentioned in paragraph 11.2 above. No document should be sent to the Acquirer or the Manager to the Offer or the Target.

11.3 Procedure for Equity Shares held in Physical Form

- **Registered shareholders of the Target should enclose:**

  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target;
  - Original equity share certificate(s);
  - Valid Share Transfer Form(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with Target Company and duly witnessed at the appropriate place. The Share Transfer Form should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor’s bank. A blank Share Transfer Form is enclosed along with this Letter of Offer.

    Incase of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed Share Transfer Form, shall be deemed that the Offer has been accepted.

    Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with Target Company or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares.

- **Unregistered owners of Equity Shares of the Target should enclose:**

  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
  - Original Equity Share Certificate(s);
  - Original Broker Contract Note;

- Valid Share Transfer Form(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
- The acknowledgement received, if any, from the Target in case the Equity Shares have been lodged with the Target. Such persons should instruct the Target and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection center as mentioned in paragraph 11.2 above. The applicant should ensure that the certificate(s) reach the designated collection center before the date of closing of the Offer.

  Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer, MAS, at the collection centers as mentioned in paragraph 11.2 above, on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid Share Transfer Forms in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

  Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website (www.sebi.gov.in).

11.4 Procedure for Equity Shares held in Demat Form

- **Beneficial owners should enclose:**

  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holder of Equity Shares only.

    Incase of non receipt of the aforesaid documents, but receipt of the shares in the Special Depository Account, the Offer shall be deemed to be accepted.

  - A photocopy or counterfoil of the delivery instructions in "off market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.
  - Registrar to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with National Securities Depository Limited ("NSDL") called, "MAS Escrow A/c – Spice Mobiles Open Offer". Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Special Depository Account:

    Depository Participant ("DP") Name: **Integrated Master Securities Pvt Ltd**
    DP ID: IN300724
    Client ID: 10142062
    Account Name: MAS Escrow A/c - Spice Mobiles Open Offer
    Depository: NSDL

    Shareholders, having their beneficiary account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL. Since the Equity Shares of the Target are in compulsory demat mode, the minimum marketable lot for such shares will be one.

- **Shareholders who have sent their Equity Share Certificates for dematerialisation should enclose:**

  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/ joint Equity Shareholders whose name appears on the Equity Share Certificate and in the same order and as per the specimen signature lodged with Target Company.

  - A copy of the dematerialisation request form duly acknowledged by the Equity Shareholders depository participant.

    Such Equity Shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialisation are yet to be processed by the Equity Shareholders depository participants, the Equity Shareholders can withdraw their dematerialisation request and tender the Equity Share Certificates in the Offer as per procedure mentioned in paragraph 11.5 .

11.5 Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By Equity Shareholders holding Equity Shares in physical form**

  In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer, MAS, at the collection centers as mentioned in paragraph 11.2 above, on plain paper stating their Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No. together with the original Share Certificate(s), valid Share Transfer Forms in case of Equity Shares held in physical form, so as to reach the Registrar to the Offer on or before the date of closing of the Offer.

  Shareholders who have lodged their Equity Shares for transfer with Target Company must also send the acknowledgement received, if any, from Target Company towards such lodging of Equity Shares.

  Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.

- **By Equity Shareholders holding Equity Shares in dematerialised form**

  Beneficial owners may send the acceptance of the Offer in writing to the Registrar to the Offer, MAS, at the collection centers as mentioned in paragraph 11.2 above, on plain paper, stating Name, Address, Number of Equity Shares held, Number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in "Off market" mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in paragraph 11.3 above, so as to reach the Registrar to the Offer on or before the closing of the Offer.

  Shareholders, having their beneficial account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

  No indemnity is required while sending the acceptance of the Offer on plain paper.

  Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

11.6 As per the provisions of section 196D(2) of the Income Tax Act, 1961, and as amended ("Income Tax Act"), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115AD of the Income Tax Act. However, while tendering their Equity Shares under the Offer, Non Resident Indians, Overseas Corporate Bodies and other Non-Resident Shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category of shareholders on the entire consideration amount payable to such shareholders.

Non Resident Shareholders should also submit copy of the permission received from Reserve Bank of India for acquisition of the shares of Target Company. In case of its non-submission, Acquirer reserves its right to reject the shares tendered in the Offer.

11.7 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include, but are not limited to:

i) duly attested death certificate and succession certificate in case of single shareholder;
ii) duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or Share Transfer Form(s);
iii) in case of companies, the necessary corporate authorization (including Board Resolution);
iv) any other relevant documentation.

11.8 The Registrar to the Offer will hold in trust the Form of Acceptance, Equity Share certificates, Share Transfer Forms and shares lying in credit of the Special Depository Account and other documents on behalf of the shareholders of Target Company who have tendered in the Offer, until the cheques/drafts for the consideration and/or the unaccepted Equity Shares/ Equity Share certificates are dispatched/returned. The Acquirer would not have access to these Equity Shares till such time.

11.9 The Acquirer shall accept all valid fully paid up shares tendered (except those which are withdrawn, within the date specified for withdrawal). Equity Shares will be acquired by the Acquirer free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue thereafter.

11.10 If the number of shares tendered by the shareholders is more than the Offer Size, the acquisition from each shareholder will be as per Regulation 21(6) of the Regulations, on a proportionate basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that, acquisition of Equity Shares from a shareholder, shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. As the Shares trade in compulsory dematerialized segment, the minimum marketable lot for the Shares is 1 (one).

11.11 The consideration for the Equity Shares accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts. Such cheques/demand drafts exceeding Rs. 1,500/- or unaccepted Equity Share certificates, Share Transfer Forms and other documents, if any, will be returned by Registered Post/Speed Post at the shareholders'/unregistered owners' sole risk, to the sole/first shareholder/unregistered owner. Cheques/demand drafts for Rs 1,500/- or less will be sent under certificate of posting. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

In case of dematerialised Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for the credit to the beneficial account of the Acquirer. The Equity Shares held in dematerialised form to the extent not accepted as a result of non-payment/ part payment of consideration by the Acquirer under the Offer will be released to the beneficial owner's depository account with the respective beneficial owners depository participant as per details furnished by the beneficial owner in the Form of Acceptance, at the sole risk of the beneficial owners.

11.12 In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before June 25, 2009.

The withdrawal option can be exercised by submitting the following:

i. For Equity Shares held in demat form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal accompanying the LOF. The signature(s) should be attested by the depository participant.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance submitted by registered post.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the depository participant.

ii. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of withdrawal accompanying the LOF.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance submitted by registered post.
- In case of partial withdrawal, valid Share Transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance submitted by registered post.

In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

- In case of physical shares: Name, Address, Distinctive Numbers, Folio Number, Number of Shares tendered and to be withdrawn; and
- In case of dematerialized shares: Name, Address, Number of Shares offered and number of shares to be withdrawn, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the depository participant, in favour of the Special Depository Account;
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance submitted by registered post.

b) The withdrawal of shares will be available only for the share certificates/shares that have been received by the Registrar to the Offer / credited to Special Depository Account.

c) The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company/depository as the case may be.

d) The Form of Withdrawal should be sent only to the Registrar to the Offer.

e) In case of partial withdrawal of shares tendered in physical form by the registered shareholder, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from Target Company.

f) Partial withdrawal of tendered shares can be done only by the Registered shareholders/beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

g) Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

11.13 Mode of making payment

The payment of consideration, if any, would be done through any of the following modes:

a. Electronic Clearing System (ECS) – Payment of consideration would be done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of consideration would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the depositories. The payment of consideration through ECS is mandatory for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

b. Direct Credit – Applicants having bank accounts with HDFC Bank Limited, shall be eligible to receive consideration through direct credit. Charges, if any, levied by the Bank for the same would be borne by the Acquirer.

c. RTGS – Applicants having a bank account at any of the abovementioned 68 centres and whose consideration amount exceeds Rs. Five Million, have the option to receive payment through RTGS. Such eligible applicants who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Form of Acceptance. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the HDFC Bank Limited for the same would be borne by the Acquirer. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

d. National Electronic Fund Transfer (NEFT) – Payment of consideration shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of consideration will be made to the applicants through this method. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as mentioned above.

e. For all other applicants, including those who have not updated their bank particulars with the MICR code, the payments will be dispatched under certificate of posting for value up to Rs. 1,500/- and through Speed Post/ Registered Post for payments of Rs. 1,500/- and above. Such payments will be made by cheques, pay orders or demand drafts drawn on HDFC Bank Limited and payable at par.

11.14 Barring unforeseen circumstances and factors beyond their control, the Acquirer intend to complete all procedures relating to the Offer, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closing of this Offer and for the purpose open a special account as provided under Regulation 29 of the Regulations.

Provided that where the Acquirer is unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time, in accordance with Regulation 22(12) of the Regulations.

12. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of Spice Mobiles Limited at its registered office at D -1, Sector-3, Noida - 201 301, U.P., India, on all working days, from the date of opening of the Offer till the date of closing of the Offer, between 11.00 a.m. and 3.00 p.m., except Saturdays, Sundays and Public Holidays:

1. Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.
2. Audited Annual Reports of the Acquirer for the accounting years ended March 31, 2006, 2007, 2008.
3. Certificate dated April 29, 2009 from Statutory Auditors of the Acquirer, M/s. B S R & Co., Chartered Accountants, [Mr. Akhil Bansal – Partner, Membership No.: 090906], certifying the financial data of the Acquirer.
4. Copy of the Share Purchase Agreement dated April 15, 2009.
5. Certificate of Incorporation, Memorandum and Articles of Association of Target Company.
6. Audited Annual Reports of Target Company for the accounting years ended March 31, 2006, 2007 and December 31, 2007.
7. Certificate dated April 18, 2009 from Statutory Auditors of the Target Company, M/s. S. R. Batliboi & Co., Chartered Accountants, [Mr. Anil Gupta – Partner, Membership No.: 87921], certifying the financial data of the Target Company.
8. Letter dated April 17, 2009 from M/s. Gupta Garg and Agrawal, Chartered Accountants, certifying that the Acquirer has firm and adequate financial resources to meet the financial obligations under the Open Offer made to the shareholders of the Target Company.

9. Letter from the Escrow Bank dated April 17, 2009 confirming cash deposit of Rs. 4,10,00,000/- deposited in the Escrow Account and a lien marked in favor of the Manager to the Offer.

10. Copy of the observation letter from SEBI, dated May 26, 2009 in terms of proviso to Regulation 18(2) of the Regulations.

11. A published copy of Public Announcement issued on April 20, 2009.

12. Agreement with DP for opening the Special Depository Account.

13. DECLARATION BY THE ACQUIRER

The Acquirer and its directors severally and jointly accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations. The Acquirer shall be responsible for fulfilling its obligations under the SEBI (SAST) Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Ms. Ruchi Mehta, Company Secretary, has been authorised by the Board of Directors of the Acquirer as its authorised signatory for the Letter of Offer.

By Order of the Board,

For Spice Televentures Private Limited ("the Acquirer")

Sd/ -

(Authorised Signatory)

Date: May 28, 2009

Enclosed:

a) Form of Acceptance-cum-Acknowledgement
b) Form of Withdrawal
c) Share Transfer Form for shareholders holding shares in physical form

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to **MAS Services Limited** at any of the collection centres as mentioned in Letter of Offer)

OFFER	
OPENS ON	**THURSDAY, JUNE 11, 2009**
LAST DATE OF WITHDRAWAL	**THURSDAY, JUNE 25, 2009**
CLOSES ON	**TUESDAY, JUNE 30, 2009**

From

Name : ____________________

Address : ____________________

____

Tel. No. : __________ **Fax No. :** __________ **E-Mail :** __________

To,

The Acquirer - Spice Televentures Private Limited
C/o MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area, Phase - II,
New Delhi - 110 020.

Dear Sir/Madam,

Sub: Open offer to acquire 1,49,27,600 fully paid-up Equity Shares of face value of Rs. 3/- each, representing 20% of the voting capital of Spice Mobiles Limited ("SML") at a price of Rs. 10.90 (Rupees Ten and Ninety paise only) (the 'Offer Price') for each fully paid-up Equity Share of SML, payable in cash ("Offer" / "Open Offer").

I/We refer to the Letter of Offer dated May 28, 2009 for acquiring the Equity Shares held by me/us in SML

I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, hold the following shares in physical form and accept the Offer and enclose the original share certificate(s) and duly signed Share Transfer Form(s) in respect of my/our shares as detailed below:

TEAR HERE

S. No.	Folio No.	Certificate No.	Distinctive No. (s)		No of Shares
			From	To	
Total					

Please attach additional sheets of paper if the space is insufficient and authenticate the same.

Sr. No.	Particulars Required	Details
I	Bank Name	
II	Complete Address of the Bank	
III	Account Type (CA/SB/NRE/NRO/Others - Please Mention)	
IV	Account No.	
V	9 Digit MICR Code	
VI	IFSC Code (for RTGS/NEFT transfers)*	

* With IFSC code please attach a cancelled cheque.

— — — — — — — — TEAR ALONG THIS LINE — — — — — — — —

Acknowledgement Slip **Spice Mobiles Limited - Open Offer** **Sr. No.** ______

(To be filled in by the shareholder) (Subject to verification)

Received from Mr./Ms./M/s. ____________________

Address____________________

Physical shares: Folio No. ________; Demat shares: DP ID ________; Client ID ________

Form of Acceptance along with:

☐ Physical shares: No. of shares ________; No. of certificates enclosed ________

☐ Demat shares: Copy of delivery instruction for ________ number of shares enclosed

(Tick whichever is applicable)

Signature of Official ____________ Date of Receipt ____________

Stamp of Collection Centre

SHARES HELD IN DEMAT FORM

I/We, holding shares in demat form, accept the Offer and enclose a photocopy of the delivery instructions duly acknowledged by my/our DP in respect of my/our Equity Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We have executed an off-market transaction for crediting the shares to the depository account with Integrated Master Securities Pvt Ltd as the DP in NSDL styled **'MAS ESCROW A/C - SPICE MOBILES OPEN OFFER'** whose particulars are:

DP Name: Integrated Master Securities Pvt. Ltd.	**DP ID:** IN300724	**Client ID:** 10142062

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their shares in favour of the Special Depository Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

______ Duly attested Power of Attorney, if any person apart from the shareholder, has signed the Form of Acceptance or Share Transfer Form(s).

______ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories.

______ No Objection Certificate & Tax Clearance Certificate under Income-tax Act, 1961, for NRIs/OCBs/Foreign and other Non-Resident Shareholders as applicable.

______ Duly attested Death Certificate/ Succession Certificate (in case of single shareholder) in case the original shareholder has expired.

______ Photo copy of the PAN No./Form 60 (as applicable) of all the holders

______ Others (please specify): ________________________________

I/We note and understand that the original share certificate(s) and valid Share Transfer Form will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We authorise the Acquirer to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the Equity Shares of Spice Mobiles Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, share certificate(s) in respect of which the offer is not found valid/not accepted. The Permanent Account No. (PAN) allotted under the Income Tax Act, 1961 is as under.

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN			

So as to avoid fraudulent encashment in transit, shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For the shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — —

Note : All future correspondence, if any, should be addressed to Registrar to the Offer quoting your Folio No./DP ID/Client ID :

MAS Services Limited

Unit: Spice Mobiles Limited - Open Offer

T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020

Tel: 011 - 26387281/82/83 ; Fax: 011 - 26387384

Email:- spiceoffer@masserv.com

Contact Person: Mr. N. C. Pal

For NRIs / OCBs / FIIs/ Foreign and other Non-Resident Shareholders:

I / We, confirm that the tax deduction on account of Equity Shares of Spice Mobiles Limited held by me / us is to be deducted on (select whichever is applicable):

☐ Long-term capital gains

☐ Short-term capital gains

☐ Trade Account

I / We, have enclosed the following documents

______ No objection certificate / Tax clearance certificate from the Income Tax Authorities

______ RBI approvals for acquiring shares of Spice Mobiles Limited hereby tendered in the Offer

______ Copy of Permanent Account Number / PAN Card

In order to avail the benefit of lower rate of tax deduction under the Double Taxation Avoidance Agreement (DTAA), if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence

For FIIs Shareholders:

I / We, confirm that the Equity Shares of Spice Mobiles Limited are held by me / us on (select whichever is applicable):

☐ Investment / Capital Account

☐ Trade Account

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence.

Where the tax is to be deducted on account of long-term capital gains, the Shareholders should submit a certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the shares have been held for more than one year. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the assessing officer certifying the net income chargeable to capital gains tax. Alternatively, the Shareholders can submit a certificate from a Chartered Accountant certifying the cost of acquisition / net income that will be chargeable to capital gains. In the absence of the above, tax would be deducted on the entire consideration paid to the shareholders.

Yours faithfully,

Signed and Delivered,

	Full name(s) of the holder	Signature(s)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed

Place: Date:

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. BY 3.00 P.M. ON TUESDAY, JUNE 30, 2009 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

INSTRUCTIONS

1. In the case of demateralised shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the closure of the Offer i.e. Tuesday, June 30, 2009. The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following:
   a. **For Equity shares held in demat form:**
      Beneficial owners should enclose-
      - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP').
      - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
      - In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Account, the Acquirer may deem the Offer to have been accepted by the shareholder.
      - For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

   b. **For Equity shares held in physical form:**
      Registered shareholders should enclose-
      - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.

- Original Share Certificate(s)
- Valid Share Transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Spice Mobiles Limited and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with the Letter of Offer.

  Please do not fill in any other details in the Share Transfer Form except name, signature and witness. Verification and Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

  The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

  If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid Share Transfer Form from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders

Unregistered owners should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s)
- Original broker contract note
- Valid Share Transfer Form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.

3. The share certificate(s), Share Transfer Form(s) and the Form of Acceptance should be sent only to MAS Services Limited, the Registrar to the Offer and not to ENAM Securities Pvt. Ltd., the Manager to the Offer, the Acquirer or Target Company.
4. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with NSDL.
5. As per the provisions of section 196D(2) of the Income Tax Act, 1961, and as amended ("Income Tax Act"), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115AD of the Income Tax Act. However, while tendering their Equity Shares under the Offer, Non Resident Indians, Overseas Corporate Bodies and other Non-Resident Shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category of shareholders on the entire consideration amount payable to such shareholders.

   Non Resident Shareholders should also submit copy of the permission received from Reserve Bank of India for acquisition of the shares of Target Company. In case of its non-submission, Acquirer reserves its right to reject the shares tendered in the Offer.
6. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

   (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

   (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or Share Transfer Form(s).

   (c) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
7. Payment Consideration: Shareholders must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Issue will obtain, from the Depositories, the Shareholders' demographic details including address, bank account details, the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf and occupation. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in despatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders' sole risk and neither the Acquirer, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank ('HDFC Bank Limited') shall be liable to compensate the Shareholders for any losses caused to the Shareholder due to any such delay or liable to pay any interest for such delay.
8. With IFSC code please attach a cancelled cheque.
9. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar to the Offer at any of the collection centres below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Monday to Friday between 10.00 a.m. to 3.00 p.m. and on Saturdays between 10.00 a.m. to 1.00 p.m.). All queries pertaining to this Offer may be directed to the Registrar to the Offer.
10. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at any of the Collection Centers of **MAS Services Limited** as mentioned below.

Collection Centres

S. No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax No.	Mode of Delivery
1	Mumbai	MAS Services Limited, C/o System Support Services, Gala No 209, Shivai Industrial Estate, Near Sakinaka Bus Stop, Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai - 400072	Mr Mahendra Mehta	022-28500835	-	By hand
2.	New Delhi	MAS Services Limited, 2nd Floor, T-34, Okhla Industrial Area, Phase-II, New Delhi – 110020	Mr N C Pal	011-26387281, 82, 83	011-26387384	By hand or Post
3.	Ahmedabad	MAS Services Limited, C/o Shah Consultancy Services, 3- Sumathinath Complex, Pritamnagar Akhada Road, Opp: United Bank of India Near Kothawala Flats, Ellis Bridge Ahmedabad - 380006	Mr Suresh Shah	079-26576038	-	By hand
4.	Chennai	MAS Services Limited, C/o R K ARYES Corporate Professional Services Pvt Ltd New No. 5, Old No. 12, Sivasailam Street (Off. Habibullah Road), T. Nagar, Chennai - 600017	Mr K Sateesh	044-42555587, 43502997	-	By hand
5.	Kolkata	MAS Services Limited, C/o World Link Corporation, 62 Southern Avenue, Kolkata - 700029	Mr D Ghosh	033-24647568	-	By hand
6.	Bangalore	MAS Services Limited, C/o R K Bhat & Co., 1st Floor, # 149, 27th Cross Jayanagar VI Block, Bangalore – 560070	Mr Kumar	080-41464284	-	By hand

Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer MAS Services Limited , T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 so as to reach the Registrar to the Offer on or before the last date of acceptance i.e. Tuesday, June 30, 2009

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. BY 3.00 P.M. ON TUESDAY, JUNE 30, 2009 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

THIS FORM SHOULD BE USED BY SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWAL OPTION AS PROVIDED IN PARAGRAPH 11 OF THE LETTER OF OFFER

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER				
OPENS ON	THURSDAY,	JUNE	11,	2009
LAST DATE OF WITHDRAWAL	THURSDAY,	JUNE	25,	2009
CLOSES ON	TUESDAY,	JUNE	30,	2009

From

Name : ____

Address : ____

____

Tel. No. : ____________ **Fax No. :** ____________ **E-Mail :** ____________________

Folio No. / DP ID No. / Client ID No. ____________________________________

To,

The Acquirer - Spice Televentures Private Limited
C/o MAS Services Limited
T-34, 2nd Floor,
Okhla Industrial Area, Phase - II,
New Delhi - 110 020

Dear Sir/Madam,

Sub: Open offer to acquire 1,49,27,600 fully paid-up Equity Shares of face value of Rs. 3/- each, representing 20% of the voting capital of Spice Mobiles Limited ("SML") at a price of Rs. 10.90 (Rupees Ten and Ninety paise only) (the 'Offer Price') for each fully paid-up Equity Share of SML, payable in cash ("Offer" / "Open Offer")

TEAR HERE

I/We refer to the Letter of Offer dated May 28, 2009 for acquiring the Equity Shares held by me/us in SML.

I/We, the undersigned, have read the Letter of Offer including the procedure for withdrawal of Equity Shares tendered by me/us in the Offer as mentioned in Paragraph 11 of the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Equity Shares as mentioned below from the Offer and I/we further authorize the Acquirer to return to me/us, the tendered equity share certificate(s)/share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Equity Shares from the Offer, no claim or liability shall lie against the Acquirer / Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal (i.e.June 25, 2009).

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Equity Shares held in physical form and also for the non receipt of Equity Shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return Original Share Certificate(s), Share Transfer Form(s) and Equity Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the NSDL and CDSL from time to time, respectively.

— — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — —

Acknowledgement Slip **Spice Mobiles Limited - Open Offer** **Sr. No.** __________

(To be filled in by the shareholder) (Subject to verification)

Received from Mr./Ms./M/s. ____________________________________

Address____________________________________

Physical shares: Folio No. __________; Demat shares: DP ID ____________; Client ID ____________

Form of withdrawal for withdrawal of :

☐ Physical shares: No. of shares tendered ________; No. of shares withdrawan ________

☐ Demat shares: No. of shares tendered ________; No. of shares withdrawan ________

(Tick whichever is applicable)

Signature of Official ____________________ Date of Receipt ____________________

Stamp of Collection Centre

SHARES IN PHYSICAL FORM

The particulars of withdrawal of original shares certificates and duly signed transfer form(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
	Tendered		**From**	**To**	
1					
2					
3					
	Total (A)				
	Withdrawn				
1					
2					
3					
	Total (B)				
Total No. of Certificates (A-B)			**Total No. of Equity Shares (A-B)**		

Please attach an additional sheet of paper if the above space is insufficient and authenticate the same.

SHARES IN DEMAT FORM

I/We hold the following Equity Shares in dematerialized form and tendered the Equity Shares in the Offer through an off-market transaction for crediting the Shares to the Special Depository Account with NSDL "MAS Escrow A/c - Spice Mobiles Open Offer", whose particulars are:

DP ID Number: IN300724; DP Name: Integrated Master Securities Pvt. Ltd.; Client ID Number: 10142062; Depository: NSDL

I/We have tendered ______________________ Equity Shares by debiting my/our account as mentioned below and hereby consent to withdraw ____________________ (____________________________________ in words) Equity Shares from the Offer.

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP.

The particulars of the account from which my/our Shares have been tendered are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares tendered

I/We note that the Equity Shares will be credited back only to that depository account, from which the Equity Shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the depository participant as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed and delivered	Full Name(s)	Signature	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares) / Bank (in case of physical Shares)
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			

Note: In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Address of First/Sole Shareholder: ____

____

Tel. No.: ________________ Fax No.: ________________ E-mail : ________________

Place: Date:

— — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — —

Note : All future correspondence, if any, should be addressed to Registrar to the Offer quoting your Folio No./DP ID/Client ID :

MAS Services Limited

Unit: Spice Mobiles Limited - Open Offer

T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020

Tel: 011 - 26387281/82/83 ; Fax: 011 - 26387384

Email:- spiceoffer@masserv.com

Contact Person: Mr. N. C. Pal