

Notes:

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30 April 2008. The results for the quarter ended 31 March 2008 are subject to Limited Review by the statutory auditors under generally accepted auditing standards in India. Since the Company was listed only on 19 July 2007, the corresponding prior period figures i.e quarter ending 31 March 2007 have not been subjected to audit/ review by the auditors as required by clause 41 of the listing agreement. Accordingly these numbers have been presented only for comparative purposes.
2. The Company currently is in the business of providing cellular services in the states of Punjab and Karnataka. During the quarter ended 31 March 2008, the company has signed Licence Agreements with Department of Telecommunications ( DOT ) for commencing GSM operations in four additional circles viz Delhi, Haryana, Maharashtra and Andhra Pradesh. In this regard, the Company has accounted for an expenditure amounting to Rs 4,900.80 million (including license fee paid for new circles) as preoperative expenses under Capital work in progress. Also the Company in the quarter ending 31 March 2008 has commenced operating under its NLD/ILD license.
3. In the opinion of the management, the dominant source and nature of risks and returns for the Company is from operations of cellular telephony business and the NLD/ILD operations mentioned above. However in terms of Accounting Standard 17-‘Segment Reporting’, the Company has only one reportable segment, being the cellular telephony business. The Company has not disclosed segment information in this statement, since as per the clause 41 of listing agreement, the said disclosure is only mandatory if the Company has more than one reportable segment.
4. During the previous financial year, the Company had entered into the contract with the related party (or ‘the party’) whereby the party shall provide call centre and other support services for prepaid and post-paid subscribers to the Company. As per the agreement, the party shall not charge any service fee for a period of 10 months ended 31<sup>st</sup> December 2007. Further, the company has obtained a waiver from the party for the period Jan to March 2008 and accordingly no expense has been accrued for the said period.
5. During the current quarter, company had received 27 investor complaints and all the complaints were resolved. There were no unresolved complaints, both at the beginning and at the end of the quarter.
6. The Company was computing the license fee and spectrum charges on Adjusted Gross Revenue (‘AGR’) based on Telecom Dispute Settlement Appellate Tribunal (‘TDSAT’) order dated 30 August 2007 and the Company’s understanding of the definition of AGR prior to this TDSAT order. However, DoT has vide its appeal dated 08 January 2008 filed a petition before Supreme Court against the tribunal order dated 30 August 2007. The Honourable Supreme Court has ordered service providers to file a counter affidavit and has also ordered the operators not to make any adjustments from the date of the order. In the event that Supreme Court’s order is adverse i.e. DOT’s view on this matter is upheld, the company will have to accrue for License Fee and spectrum charges of Rs.1.06 million for the current quarter, Rs. 597.15 million for the year ended 31 December 2007 and Rs. 77.29 million for periods prior to that. Since the matter is subjudice, based on legal opinion obtained in this regard and based on the evaluation of this matter, company has not accounted for any such liability in the current quarter.

7. The Company had changed the accounting policy of
- capitalizing glow sign boards and depreciating the same over twelve months in the quarter ended 30 September 2007 rather than expending it as on installation.
  - Valuing unused inventory of sim in the quarter ending 30 September 2007 rather than charging it to P&L at the time of purchase.
- Consequently the corresponding figures in prior quarter ended 31 March 2007 have been drawn per earlier accounting policy.
8. Prior period items comprise net of site sharing income, site sharing expenses and license fee and spectrum charges on such income.
9. The details of funds received from initial public offer ('IPO') of Rs. 6,322.44 million (including share premium) and utilisation of such funds are given below:

<b>Particulars</b>	<b>As per Prospectus (Rs Million)</b>	<b>Actual utilisation till 31 March 2008 (Rs Million)</b>
Utilization		
(i) Part payment of long term debt	3,161.22	3,161.22
(ii) Payment of license fee for NLD and ILD and related capital expenditure	636.00	635.85
(iii) Payment to vendor(s) for network equipment and other capital expenditure	1,776.33	1,122.30
(iv) General corporate expenses and issue expense	748.89	601.95
<b>Total</b>	<b>6,322.44</b>	<b>5,521.32</b>
<b>Balance of unutilised funds out of IPO funds, details of which are given below:</b>		<b>801.12</b>
Investments in fixed deposits (including margin money)		801.12

10. The previous financial year / quarter figures have been regrouped / re-arranged wherever necessary to make them comparable.

For and On behalf of the Board of Directors of  
**Spice Communications Limited**

Dilip Modi  
Managing Director

Place : Singapore  
Date : 30.04.2008