

# SPHERE GLOBAL SERVICES LIMITED



**2016 - 2017**

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## CORPORATE INFORMATION

### Board of Directors

|                        |  |
|------------------------|--|
| S Sudhakiran Reddy     | Managing Director                      |
| Sunder Raj Nyaypathi   | Independent Director                   |
| Devender Reddy K       | Independent Director                   |
| Sunitha Kuchakulla     | Independent Director                   |
| *PrakashTripathi       | Director *(Resigned w.e.f. 30.05.2016) |
| *Vijaya Rammohan Reddy | Director *(Resigned w.e.f. 30.09.2016) |

### Key Managerial Person

|                      |  |
|----------------------|--|
| S Sudhakiran Reddy   | (Managing Director)                        |
| T.B.V.P Chandramouli | (CFO) (appointed w.e.f. 01.07.2017)        |
| AkshitaSurana        | (Company Secretary & Compliance Officer)   |
| *Sridhar Bhopal      | CFO *(Resigned as a CFO w.e.f. 22.06.2017) |

### BOARD COMMITTEES

#### AUDIT:

|                      |          |
|----------------------|----------|
| Sunder Raj Nyaypathi | Chairman |
| K Devender Reddy     | Member   |
| S. SudhaKiran Reddy  | Member   |

#### Nomination & Remuneration:

|                      |          |
|----------------------|----------|
| Sunder Raj Nyaypathi | Chairman |
| Suneeta Kuchakulla   | Member   |
| K Devender Reddy     | Member   |

#### Stakeholders and Relationship:

|                      |          |
|----------------------|----------|
| Sunder Raj Nyaypathi | Chairman |
| K Devender Reddy     | Member   |
| S. SudhaKiran Reddy  | Member   |

### Statutory Auditors

Niranjan& Narayan (firm Reg. No. 005899S) 103- Surabhi Nest, 3-6-361/16, Street No.20, Himayathnagar, Hyderabad, Andhra Pradesh

### Registered and Corporate Office

A-52, Road No 70,  
Journalist Colony, Jubilee  
Hills, Hyderabad -500033  
Tel: +91-40-2355 2284/85/86 Fax: +91-40-2355  
2283 E mail :cs@sphereglobal.in Website:  
www.sphereglobal.in  
Cin : L36999TG1990PLC011129  
ISIN :INE737B01033

### Bankers:

HDFC BANK

### Registrar and Share Transfer Agents:

Registrar and Share Transfer Agents:  
Venture Capital and Corporate Investments Private  
Limited  
12-10-167,  
Bharat Nagar  
Hyderabad, 500018,  
Phone : +91 040-23818475/23818476/23868023  
Fax : +91 040-23868024  
E mail: info@vccilindia.com

## NOTICE

**NOTICE** is hereby given that the 27th Annual General Meeting (AGM) of the Members of **SPHERE GLOBAL SERVICES LIMITED** (the Company) will be held on Wednesday, 30th August, 2017 at 09.00 a.m. at ICWAI Bhavan, Beside Dena Bank, Sanath Nagar, Hyderabad, Telangana 500018 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the Audited financial statements of the Company for the financial year ended March 31, 2017, the Reports of the Board of Directors and Auditors thereon; and
  - (b) the Audited Consolidated financial statements of the Company for the financial year ended March 31, 2017.
2. To approve final dividend @5% i.e, Rs. 0.50 per equity share for the year ended 31st March, 2017
3. To appoint a Mr. Sudha Kiran Reddy who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the re-appointment of M/s. Niranjana and Narayan, Chartered Accountants (Firm Registration No. 005899S) as approved by Members at the 24th Annual General Meeting as Statutory Auditors of the company, to hold office until the conclusion of 28th Annual General Meeting, and to fix their remuneration for the financial year ending March 31, 2017.

### SPECIAL BUSINESS:

5. **To consider, and if thought fit, to approve with or without modifications, the following Resolution as an Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 233 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications, amendments, re-enactments thereof for the time being in force, applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 [SEBI (LODR) Regulations], the provisions of SEBI Circular CFD/DIL3/CIR/2017/21, dated 10th March, 2017, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the shareholders and creditors of the Company, the Regional Director (SER) at Hyderabad, or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory/regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft “Scheme of Amalgamation between Sphere Global Services Limited (Transferee Company) and Adroit Infotech Limited (Transferor Company) and their respective Shareholders and Creditors”(“Scheme”), providing for amalgamation of Adroit Infotech Limited (Transferor Company) with Sphere Global Services Limited (Transferee Company) on a going concern basis with effect from 01.04.2017 (First Day of April, Two Thousand and Seventeen) being the appointed date, as placed before the meeting and initialed by the chairman for the purpose of identification, be and is hereby approved.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Regional Director, while



sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be, required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper”.

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

**“RESOLVED** That Seetha Rama Rao Thunuguntla (DIN: 07329194), who was appointed as an Additional Director with effect from 21.07.2017 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent director of the company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of appointment of additional director and that he shall not be liable to retire by rotation.”

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

**“RESOLVED** That Patlola Venkata Lakshma Reddy (DIN: 01108707), who was appointed as an Additional Director with effect from 21.07.2017 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent director of the company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of appointment of additional director and that he shall not be liable to retire by rotation.”

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

**“RESOLVED THAT** in accordance with the provisions contained in the Memorandum and articles of Association and pursuant to the provisions of section 62, and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (‘the Regulations’) and such other applicable laws (including any statutory modifications or re-enactment of the Act or the Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company herein after referred to as ‘the Board’ which terms shall be deemed to include any committees thereof, including the Nomination and Remuneration Committee which the Board might constitute (hereinafter referred to as ‘the Committee’) to exercise its powers, including the powers conferred by this resolution), consent of the members of the company be and is hereby accorded to the Board, to introduce, offer, issue, and allot up to 10,00,000 Equity Shares, from time to time in one or more tranches to or for the benefit of employees who are in permanent employment of the company and its Subsidiaries whether working in India or out of India, including directors of the company, as may from time to time be allowed to be eligible for the benefits under the provisions of applicable laws and Regulations prevailing from time to time (all such persons are hereinafter collectively referred to as ‘Employees’) under a Scheme titled ‘SGSL Employees Stock Option Scheme-2017’, (hereinafter referred to as the ‘SGSL ESOP’S -2017’), on such terms and conditions as may be fixed or determined by the nomination and remuneration committee in accordance with the provisions of the law or Regulations issued by the relevant authority.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to make any modifications, change(s), variations(s), alteration(s) or revision(s) in the terms and conditions of ‘SGSL ESOP’S -2017’ from time to time including, but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise ‘SGSL ESOP’S -2017’

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division of the Company and others, the Board / Nomination and Remuneration Committee is authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the Employee.

**RESOLVED FURTHER THAT** all the new equity shares to be issued and allotted as aforesaid shall rank pari passu including dividend inter se with the then existing equity shares of the Company in all respects.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under "SGSL ESOP'S -2017" on the Stock Exchanges as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Guidelines and other applicable laws and regulations.

**RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs. 10 per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer; issue, allotment of securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time in its sole discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company and any other applicable laws or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committee, with power to further delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard".

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.

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

**RESOLVED THAT** pursuant to the provisions of Sections 42 and 62(1)© read with the rules and regulations made thereunder and other applicable provisions, if any, of the Companies Act, 2013(including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) ("Companies Act"), the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any amendment, modification, variation or re-enactment thereof)("ICDR Regulations") and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the ICDR Regulations, the applicable listing agreements entered into by the Company with the stock exchange(s) where the equity shares of the Company of face value of Rs.10 each ("Equity Shares") are listed or are currently proposed to be listed, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, the provisions of the Foreign Exchange Management Act, 1999,including any amendments, statutory modification(s) and/ or re-enactment thereof("FEMA") and the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident outside India) Regulations, 2000including any amendments, statutory modification(s) and/ or re-enactment thereof, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended ("FCCB Scheme") and the Depository Receipts Scheme, 2014 ("GDR Scheme") and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by the Government of India ("GOI"), Ministry of Corporate Affairs ("MCA"), the Reserve Bank of India ("RBI"), BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges"), the Securities and Exchange Board of India

("SEBI"), and/ or any other regulatory/ statutory authorities, in India or abroad from time to time, to the extent applicable and subject to the consents and approvals of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board to exercise its powers including powers conferred by this resolution), the Company be and is hereby authorized to offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, for such part of issue and for such categories of persons as may be permitted) such number of Equity Shares, global depository receipts ("GDRs"), American depository receipts ("ADRs"), foreign currency convertible bonds ("FCCBs") and/ or other securities convertible into Equity Shares (including warrants, or otherwise), fully convertible debentures, partly convertible debentures, non-convertible debentures with warrants and/ or convertible preference shares or any security convertible into Equity Shares (hereinafter referred to as "Securities"), or any combination thereof, in one or more tranches, in the course of Indian and / or international offering(s) in one or more foreign markets, for cash, at such price or prices, at market price(s) or at a discount, as may be permissible under applicable law or premium to market price(s) in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the merchant banker(s) and/ or other advisor(s) or otherwise, for an aggregate amount up to Rs. [50] crores (Rupees Fifty Crores only) by way of a public issue or a private placement, including a qualified institutions placement ("QIP") in accordance with the provisions of Chapter VIII of the ICDR Regulations, to such investors that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers ("QIBs") as defined in the ICDR Regulations, document(s), whether or not such investors are members of the Company, to all or any of them, jointly or severally through an offer/ placement document and/ or other letter or circular ("Offering Circular") as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions, including the terms of the issuance, security, fixing of record date, and at a price not less than the price calculated as per the applicable pricing formulae and as may be permitted by the

relevant regulatory/ statutory authority, together with any amendments and modifications thereto, but without requiring any further approval or consent from the shareholders.

**RESOLVED FURTHER THAT** the Securities proposed to be issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and other applicable law.

**"RESOLVED FURTHER THAT** the relevant date for the purpose of pricing the Securities shall be the meeting in which the Board decides to open the issue of such Securities, subsequent to the receipt of shareholders' approval in terms of the Companies Act, the ICDR Regulations, the FCCB Scheme, the GDR Scheme and other applicable laws, regulations and guidelines. In the event that convertible securities (as defined under the ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for the purpose of pricing of such securities shall be either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares."

**"RESOLVED FURTHER THAT** price determined for a QIP shall be subject to appropriate adjustments as per the provisions of Regulation 85(4) the ICDR Regulations, if required."

**"RESOLVED FURTHER THAT** in the event the proposed issuance of Securities ("Issue") is undertaken by way of a QIP, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to QIBs, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution, approving the QIP or such other time as may be allowed under the ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Securities shall not be eligible to be sold by the allottees pursuant to the QIP for a period of twelve months from the date of allotment, except on a recognized stock exchange, or as may be permitted from time to time under the ICDR Regulations. Furthermore, the Board may, at its absolute discretion, issue Securities at such discount to the floor price as determined in accordance with the ICDR Regulations."

**"RESOLVED FURTHER THAT** the Company and/ or any agency or body authorized by the Company may issue ADRs or GDRs representing the underlying Equity Shares or other securities issued by the Company, in registered form with such features and attributes as are prevalent in international capital markets for instruments of this nature

and to provide for the tradability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in the international markets including filing any registration statement and any amendment thereto with the respective regulatory authorities.”

**"RESOLVED FURTHER THAT**, the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the proposed offering; and all such Equity Shares shall rank pari-passu with the existing Equity Shares of the Company in all respects and the Board is further authorized to execute necessary documents for the purpose of listing the Equity Shares on the Stock Exchanges.”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed. Furthermore, the Board is hereby authorized to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of the Securities and to remunerate all such agencies including payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges in India and/or overseas as the case may be.”

**RESOLVED FURTHER THAT** a duly constituted committee of the Board of Directors be and are hereby authorized to do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, on ancillary to, the Issue, including authorizing any director(s) or officer(s) of the Company to sign offer documents, execute any necessary documents, agreements, forms, deeds, appoint of intermediaries, open and close the period of subscription of the Issue, determine the issue price in respect of the Securities, file any necessary forms with regulatory authorities and allot the Securities and to amend, vary or modify any of the above as such committee of the Board of Directors or such authorized persons may consider necessary, desirable or expedient.

**RESOLVED FURTHER THAT** any Director of the Company and the Company Secretary, be and are hereby severally authorised to file/ submit such application(s) to RBI and/or SEBI and/ or stock exchanges and/or such other regulatory/statutory authorities, as may be required, for intimating/ seeking their approval in respect of the Issue, to sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the Issue, and to do all such acts, deeds, matters and things and execute such papers, deeds and documents as may be necessary or expedient for the aforesaid purpose.

#### NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

2. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to Remote e-voting are given in this Notice under Note No. 27. The Company will also send communication relating to Remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Shareholders are requested to bring their copy of annual report to the Meeting. In accordance with the provisions of the Companies Act, 2013 & SEBI Guidelines, only abridged standalone and consolidated annual accounts for the financial year ended March 31, 2017 are circulated. Any member desirous of having a copy of detailed accounts may apply to the Company and copies thereof will be available for reference at the venue of the Meeting.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 30th August, 2017 forms part of the notice.
8. The Register of Members and Share Transfer Books will remain closed from 23.08.2017 to 30.08.2017 (both days inclusive).
9. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
10. The members who have not surrendered their old share certificates (Issued by the then M/s. Color (chips) India Limited, now known as Sphere Global Services Limited, under the change of name) are requested to surrender their old share certificates to M/s. Sphere Global Services Limited at their registered office : A-52, Road no. 70, Journalist Colony, Jubilee Hills, Hyderabad- 500033 obtain their new share certificates of this Company.
11. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
12. Dividend on equity shares as recommended by the Board of Directors for the financial year ended March 31, 2017.
13. a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.  
b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
14. Non-Resident Indian Members are requested to inform Venture Capital, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

15. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Company / RTAs for registration of such transfer of shares.
16. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Venture Capital and Corporate Investments Private Limited
17. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and SEBI Listing Obligations and Disclosure Regulations, 2015, the Company is pleased to provide facility to the members to exercise their right to vote at the 27th AGM by electronic means and the business shall be transacted through Remote e-voting services provided by Central Depository Services Limited ("CDSL").
18. The facility for voting through ballot / polling paper shall be made available at the AGM, to all the members attending the AGM, who have not opted e-voting facility. Further, the members who have opted Remote e-voting facility may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
19. The Board of Directors of the company has appointed Mr. Goverdhan Chandak, Practicing Company Secretaries, Hyderabad as Scrutinizer for conducting the Remote e-voting process for the Annual General Meeting in a fair and transparent manner.
20. The login ID and password for Remote e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for Remote e-voting by e-mail.
21. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 23.08.2017. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of Remote e-voting / Poll.
22. Any person who become members of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23.08.2017 may obtain the User ID and password for Remote e-voting by sending email intimating DP ID and Client ID / Folio No. at [www.evotingindia.com](http://www.evotingindia.com) or can vote through ballot paper to be downloaded from the Company's website [www.sphereglobal.in](http://www.sphereglobal.in)
23. The Remote e-voting facility will be available during the following period: Commencement of Remote e-voting: From 9.00 a.m. (IST) on August 27th, 2017 End of Remote e-voting: Up to 5.00 p.m. (IST) on August, 29th, 2017
24. The Remote e-voting will not be allowed beyond the aforesaid date and time and the Remote e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
25. The Scrutinizer, after scrutinizing the votes cast at the meeting (Poll) and through Remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.sphereglobal.in](http://www.sphereglobal.in) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). The results shall simultaneously be communicated to the Stock Exchanges.

26. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August, 30th, 2017

27. Instructions and other information relating to Remote e-voting:

- (i) The voting period begins on 27th August, 2017 at 09:00 a.m and ends on 29th day of August, 2017 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23.08.2017, may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the Remote e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

|                       | For Members holding shares in Demat Form and Physical Form  |
|-----------------------|---|
| PAN                   | <p><b>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</b></p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB                   | <p><b>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</b></p>   |
| Dividend Bank Details | <p><b>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</b></p> <ul style="list-style-type: none"> <li><b>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</b></li> </ul>  |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for Remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for Remote e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding Remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and Remote e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  1. The log in ID and password for Remote e-voting along with process, manner and instructions for Remote e-voting is being sent to the members who have not registered their email IDS with the Company along with physical copy of notice. Those members who have registered their email IDS with the Company their respective Depository Participants are being forwarded the login ID and password for Remote e-voting along with process, manner and instructions by email.
  2. The Company has appointed Mr. Goverdhan Chandak, Company Secretary in Practice as “Scrutinizer” for conducting the Remote e-voting process for the Annual General Meeting in a fair and transparent manner.



## PROFILE OF DIRECTORS (SEEKING RE-APPOINTMENT)

| Name of the Director   | Mr. Seetha Rama Rao Thunuguntla   | Mr. Sudha Kiran Reddy  | Mr. Patlola Venkata Lakshma Reddy  |
|--|---|--|--|
| <b>Brief Resume &amp; Expertise in specific functional areas</b>   | is a qualified Chartered Accountant with near three decades experience in the field of Accounts and Finance in various manufacturing industries. He was involved in corporate planning during organizational restructuring at all levels. He has been actively involved with many products and services companies, to help them develop and grow. | is the Chairman of Sphere Global Services Ltd and serves on its board of director as Managing Director. SKR role is to chart out the technology roadmap of the company and focus on shaping the strategic direction of the key initiatives for the future. He has been at the helm of SGSL since 2014, turning what was then a ___ co. into a close to 80 million revenue IT and ITES Services. SKR spearheaded SGSL's transformation from animation to an IT company and making it into a next generation technology and consulting firm. | a Cost Accountant. His educational qualification includes B.Com and ICWA. He possess 25 years of work experience in capital markets and is currently an entrepreneur. He is a visionary with strong focus on innovation. |
| <b>Details of shares held in the Company as on 31.03.2017</b>  | 0   | 6,62,503   | 0  |
| <b>Listed Companies in which Directorships held as on 31.03.2017</b>   | 0   | 0  | 0  |
| <b>Chairman / Member of the Committees of Listed Companies in which he is a Director as on 31.03.2017 other than SGSL.</b> | 0   | 0  | 0  |
| <b>Relationship with other Directors</b>   | Nil   | Nil  | Nil  |

By order of the Board of Directors  
for **Sphere Global Services Limited**

**Sd/-**  
**Akshita Surana**  
**Company Secretary & Compliance Officer**  
Membership No: A32571

Hyderabad  
21.07.2017

**Registered & Corporate Office:**  
Plot No. A-52, Journalist Colony,  
Jubilee Hills -500033,  
Hyderabad, Telangana

**CIN:** L72300TG1990PLC011129  
**Website:** www.sphereglobal.in  
**Email:** cs@sphereglobal.in

## Explanatory Statement to the Notice of the Annual General Meeting, as per Section 102(1) of the Companies Act, 2013.

### Item No.5

1. A Scheme of Amalgamation between Sphere Global Services Limited (Transferee Company) and Adroit Infotech Limited (Transferor Company) and their respective Shareholders and Creditors ("Scheme"), was proposed by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company for the purpose of Amalgamation of Adroit Infotech Limited (Transferor Company) with Sphere Global Services Limited (Transferee Company) on a going concern basis with effect from 01.04.2017 (First Day of April, Two Thousand and Seventeen) being the appointed date.
2. The said Scheme of Amalgamation was approved by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company at their respective meetings held on 06.02.2017 (Sixth day of February Two Thousand and Seventeen) under the provisions of Sections 233 of the Companies Act, 2013, by passing respective Board Resolutions. The Board of Directors of the Transferee Company approved the Scheme after taking into consideration the rationale of the Scheme, the Report of the Audit committee recommending the Scheme and the certificate issued by the statutory auditor of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
3. DESCRIPTION, INFORMATION AND OTHER DETAILS PERTAINING TO THE COMPANIES
  - 3.1 Sphere Global Services Limited was originally incorporated as a Public Limited Company under the name and style "Rusoday Mutual Funds Limited" in the erstwhile state of Andhra Pradesh (presently the state of Telangana) on 19th day of March, 1990, under the provisions of Companies Act, 1956, vide Certificate of Incorporation Number 01-11129 of 1989-90, issued by the Registrar of Companies, Andhra Pradesh. The Company obtained the Certificate of Commencement of Business on 23rd day of March, 1990. Subsequently, the Company change its name to "Rusoday Finance Limited", by following the due procedure laid down under the provisions of the Companies Act, 1956 and obtained a Fresh Certificate of Incorporation from the Registrar of Companies on 04th day of June, 1996. The Company once again changed its name to "Global Fiscals Limited", by following the due procedure laid down under the provisions of the Companies Act, 1956 and obtained a Fresh Certificate of Incorporation from the Registrar of Companies on 06th day of June, 1996. The Company, in the year 1997, once again changed its name to "Arham Fiscals Limited", by following the due procedure laid down under the provisions of the Companies Act, 1956 and obtained a Fresh Certificate of Incorporation from the Registrar of Companies on 28th day of April, 1997. Later, the name of the Company was once again changed to "Color Chips (India) Limited", in terms of provisions of the Companies Act, 1956 and a Fresh Certificate of Incorporation was obtained from the Registrar of Companies on 05th day of January, 2000. In the year 2014, the Company once again changed its name to its present name "Sphere Global Services Limited", by following the due procedure laid down under the provisions of the Companies Act, 1956 and consequent upon change of name the Company obtained a Fresh Certificate of Incorporation from the Registrar of Companies on 01st day of October, 2014. The present Corporate Identity Number (CIN) of the Company is L72300TG1990PLC011129. The PAN of the Company is AACCA9175H (Hereinafter referred to as the "Transferee Company").
  - 3.2 The shares of Transferee Company are presently listed and traded on BSE Limited (formerly known as 'Bombay Stock Exchange Ltd') bearing BSE Scrip Code 532172 and on National Stock Exchange of India Limited bearing symbol "SPHEREGSL".
  - 3.3 The Registered Office of the Transferee Company is situated at Plot No. A-52, Journalist Colony, Jubilee Hills, Hyderabad 500033.
  - 3.4 The Transferee Company is engaged into the business of IT & ITES Services provider and the present main objects of the Transferee Company are as follows:

- a) To carry on the business of Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host (in data centers or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based applications, services and solutions, provide or take up Information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centres using owned/hired or third party infrastructure and equipment, providing recruitment and HR related services, providing and taking personnel /consultants/ human resources to / from other organizations, providing solutions/ Packages/ services through applications services provider mode via internet or otherwise, to undertake IT enabled services like SAP,ERP, CRM, call Centre Management, Medical and legal transcription, data processing, Back office processing, Accounting, HR and payroll processing, Insurance claims processing, credit card processing, loans and letters of credit processing, cheque processing, data warehousing and database management, to carry on the business of manufacturing, dealing and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerized telecommunication systems and network, their components, spare parts, equipment's and devices and to carry on the business of establishing, running and managing institutions, school, and academics for imparting education in computer technology, offering equipment, solutions and services for Networking and network management, data centre management and in providing consultancy services in all above mentioned areas.
- b) To develop, provide, undertake, design, import, export, distribute and deal in Systems and application software for microprocessor based information systems, off shore software development projects, internet service provider, and solutions in all areas of application including those in Emerging niche segments like Internet and Intranet website applications solutions software enterprise, resource planning, ecommerce, value added products and other business applications either for its own use for sale in India or for export outside India and to design and develop such systems and application software for and on behalf of manufacturers owners and users of computer, telecom, digital, electronic equipment's in India or elsewhere in the world.
- c) To manufacture, sell, export, import all kinds of electric & electronic components capable of being used in Electrical & mechanical and electronic Industries including Computers telecommunications to carryout software research and development, to design and develop system software, application software and any other software in India and abroad to start Integrated services Digital Local Network (ISDLAN ) dial for datacenters technology parks, wide area network Internet, user net, cybercafé services in India and abroad.
- d) To carry on the business of providing Logistics Services, material management, transportation, warehousing distribution and marketing of goods and to provide storage and protection of goods against rain, fire and other natural or manmade calamities and to act as representative, Agent, Sub Agent, Commission Agent of Indian and foreign Companies, Firms, persons, states and other bodies Corporate and to represent them before the different authorities Corporate bodies and to act as their Sales, purchase representatives and to render services to them for transporting warehousing, distributing, and maintaining all types of goods and equipment's in good conditions supplied by the Principals, to carry on Agency business including that of freight agents, steamer agents, chartering agents, clearing and forwarding agents, commission agents and bunkering agents and to work as Ship Broker and Charterers. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate and to do business as fleet carriers, transporters, in all its branches on land, air, water, & space, for transporting goods, in all modes including bulk and containers, articles, or things or heavy and over dimensional cargo, on all routes and lines on National and International level subject to law in force through all sorts of carries like trucks, lorries, trawlers, dumpers, coaches, tankers, tractors, haulers, jeeps, trailers, motor buses, omnibuses, motor taxies, railways, tramways, aircrafts, hovercrafts, rockers, space shuttles, ships, vessels, boats, barges and so on whether propelled by petrol, diesel, electricity, steam oil, atomic power or any other form of power. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own operate material Handling equipment's and to carry on the business of clearing and forwarding agents, courier and cargo handlers, handling and haulage contractors, warehousemen, common carriers by land, rail, water and air, container agents, to handle goods and passengers within the country and outside and to carry on the business of tour and travel operators and to act as customs agents, wharf in gers, landing agents, stevedores and longshoremen.

3.5 The authorized, issued, subscribed and paid-up share capital of Transferee Company as on 31st March, 2017, is as follows:

| Share Capital                                 | Rupees              |
|---|---------------------|
| <b>Authorised Capital</b>                     |                     |
| 3,93,15,000 Equity Shares of Rs.10/- each     | 39,31,50,000        |
| <b>Total</b>                                  | <b>39,31,50,000</b> |
| <b>Issued, Subscribed and Paid-up Capital</b> |                     |
| 1,80,68,872 Equity Shares of Rs.10/- each     | 18,06,88,720        |
| <b>Total</b>                                  | <b>18,06,88,720</b> |

3.6 The shareholding pattern of the Transferee Company as on 31st day of March, 2017, is as follows:

| Category of shareholder       | No. of shareholders | No. of fully paid u equity shares held | % of Shareholding |
|-------------------------------|---------------------|--|-------------------|
| (A) Promoter & Promoter Group | 3                   | 1,15,07,404                            | 63.69             |
| (B) Public                    | 10,161              | 65,61,468                              | 36.31             |
| (C) Non Promoter-Non Public   | -                   | -                                      | -                 |
| Grand Total                   | 10,164              | 1,80,68,872                            | 100.00            |

3.7 The Transferee Company is the Holding Company of the Transferor Company holding entire paid up equity share capital of the Transferor Company.

3.8 Details of Promoters of Transferee Company:

| Sl. No. | Full Name  | Present Address  |
|---------|--|--|
| 1       | Sudhakaran Reddy Sunkerneni<br>(PAN: AEAPS7746F)                     | H No 8-2-293/82/PN/47, Prashasan Nagar,<br>Road No 7, Jubilee Hills, Hyderabad 500034                        |
| 2       | Softpoint Technologies Private Limited<br>(PAN: AAFCS2010N)          | 19-5-32/13/A/2/2/B, Mahmood Nagar,<br>KishanBagh, Bahadurpura,<br>Near Royal Indian School, Hyderabad 500064 |
| 3       | Jokeman Media And Entertainment<br>Private Limited (PAN: AAACM7752N) | Plot No 16, Road No 5, Jubilee Hills,<br>Hyderabad - 500033  |

### 3.9 Details of Directors of Transferee Company:

| Full Name                   | DIN      | Present Address   | Designation                   | Date of Appointment |
|-----------------------------|----------|---|-------------------------------|---------------------|
| Sudhakaran Sunkerneni Reddy | 01436242 | 6-3-1119, Aditya Elite Block C Flat<br># 501, Somajiguda Hyderabad 500016   | Chairman<br>Managing Director | 30/09/2015          |
| Nyayapathi Sunder Raj       | 01679215 | 16-2-751/A/31/B/59, RD.NO.3, Tirumala Hills,<br>Asmangadh, Hyderabad 500036 | Director                      | 26/07/2014          |
| Devender Reddy Kayitham     | 07329194 | 86 HMT, Sathavahana Nagar,<br>Kukatpally, Balanagar, Ranga Reddy 500010     | Director                      | 01/11/2015          |
| Sunitha Kuchakulla          | 07502066 | 11-4-660/207, Red Hills, Bazar<br>Ghat, Khairatabad Hyderabad 500004        | Director                      | 21/05/2016          |

3.10 Name of the Directors of Transferee Company who voted in favor of the Resolution approving the Scheme of Amalgamation between Sphere Global Services Limited (Transferee Company) and Adroit Infotech Limited (Transferor Company) and their respective Shareholders and Creditors at the meeting of the Board of Directors of the Company held on 06.02.2017:

| Sl. No. | Name of the Directors           |
|---------|---------------------------------|
| 1       | Mr. Sudhakaran Sunkerneni Reddy |
| 2       | Mr. Nyayapathi Sunder Raj       |
| 3       | Mrs. Sunitha Kuchakulla         |

3.11 None of the Directors voted against the resolution. Mr. Devender Reddy Kayitham, Director of the Company, did not participate in the said Meeting.

3.12 The Transferee Company does not owe any amount to Creditors as on 30.06.2017.

3.13 Adroit Infotech Limited was originally incorporated as a Private Limited Company under the name and style "Adroit Infotech Private Limited" in the state of Maharashtra on 14th day of December, 2000, under the provisions of Companies Act, 1956, vide Certificate of Incorporation Number 25-15633 of 2000, issued by the Registrar of Companies, Pune. Subsequently, the Company converted itself into a Public Limited Company by following the due procedure as laid down under the provisions of the Companies Act, 2013 and consequent upon conversion the word "Private" was removed from the name of the Company a Fresh Certificate of Incorporation was obtained from the Registrar of Companies, Andhra Pradesh and Telangana on 18th day of May, 2017. The Present Corporate Identity Number (CIN) of the Company is

U72200TG2000PLC114224. The PAN of the Company is AACCA3829J (Hereinafter referred to as the "Transferor Company").

3.14 The Registered Office of the Transferor Company is presently situated at Plot No. A-52, Journalist Colony, Jubilee Hills, Hyderabad 500033.

3.15 The Transferor Company is engaged into the business of IT/ITES services and solution provider and the present main objects of the Transferor Company are as follows:

- a) To take over the running business of the proprietorship - "AT & M WEB GRID" along with all its assets and liabilities and thereafter the said business shall stand dissolved.
- b) To carry on the business of development, programming, installation, implementation, upgradation, re-engineering, consultancy, export of and to deal in computer hardware and software, information technology, telecommunication systems, ecommerce, network technology, satellite networking and web deal in computer software, application software and any other type of software including data processing, operations research and software solutions, and to establish, set up, organise, maintain, support, assist, conduct and run work stations, development centres, training classes and other educational institutions, to organise educational programmes, lectures, seminars, in respect of computer technology, development of hardware and software and to award degrees, diplomas and certificates to trainees, students, members and other persons and to carry on placement services, and agencies for computer software and hardware students, trainees and professionals.

3.16 The authorized, issued, subscribed and paid-up share capital of Transferor as on 31st day of March, 2017, is as follows:

| Share Capital                                 | Rupees           |
|---|------------------|
| <b>Authorised Capital</b>                     |                  |
| 1,00,000 Equity Shares of Rs.10/- each        | 10,00,000        |
| <b>Total</b>                                  | <b>10,00,000</b> |
| <b>Issued, Subscribed and Paid-up Capital</b> |                  |
| 1,00,000 Equity Shares of Rs.10/- each        | 10,00,000        |
| <b>Total</b>                                  | <b>10,00,000</b> |

3.17 The Transferor Company is the Wholly Owned Subsidiary Company of the Transferee Company and the entire paid up share capital of the Transferor Company is held by the Transferor Company.

3.18 The following is the extract of the register of equity shareholders of the Transferor Company showing the list of the equity shareholders of the Transferor Company as on 31st day of March, 2017:

| Sl. No. | Name of the equity shareholder                                 | No. of equity shares | Face value | Total equity capital | % of Holding |
|---------|--|----------------------|------------|----------------------|--------------|
| 1       | Sphere Global Services Limited                                 | 99999                | 10         | 999990               | 99.99        |
| 2       | S Sudhakiran Reddy (Nominee of Sphere Global Services Limited) | 1                    | 10         | 10                   | 0.001        |
|         |  | 1,00,000             | 10         | 10,00,000            | 100.00       |

3.19 Details of Promoters of the Transferor Company:

| Sl. No. | Full Name   | Present Residential Address   |
|---------|---|---|
| 1       | Sphere Global Services Limited<br>(PAN: AACCA9175H) | Plot No. A-52, Journalist Colony, Jubilee Hills, Hyderabad 500033.                |
| 2       | Sudhakiran Reddy Sunkerneni<br>(PAN: AEAPS7746F)    | H No 8-2-293/82/PN/47, Prashasan Nagar, Road No 7, JubileeHills, Hyderabad 500034 |

### 3.20 Details of Directors of Transferee Company:

| Full Name                   | DIN      | Present Address  | Designation         | Date of Appointment |
|-----------------------------|----------|--|---------------------|---------------------|
| Sudhakiran Sunkerneni Reddy | 01436242 | 6-3-1119, Aditya Elite Block C Flat # 501, Somajiguda Hyderabad 500016 | Director            | 01/04/2015          |
| Srilatha Reddy Sunkerneni   | 06674877 | 6-3-1119, Aditya Elite Block C Flat # 501, Somajiguda Hyderabad 500016 | Whole-time Director | 22/03/2016          |
| Sunitha Kuchakulla          | 07502066 | 11-4-660/207, Red Hills, Bazar Ghat, Khairatabad, Hyderabad 500004     | Director            | 22/03/2016          |

3.21 Name of the Directors of Transferor Company who voted in favor of the Resolution approving the Scheme of Amalgamation between Sphere Global Services Limited (Transferee Company) and Adroit Infotech Limited (Transferor Company) and their respective Shareholders and Creditors at the meeting of the Board of Directors of the Company held on 06.02.2017:

| Sl. No. | Name of the Directors           |
|---------|---------------------------------|
| 1       | Mr. Sudhakiran Sunkerneni Reddy |
| 2       | Mrs. Srilatha Reddy Sunkerneni  |
| 3       | Mrs. Sunitha Kuchakulla         |

3.22 None of the Directors voted against the resolution.

3.23 The Transferor Company does not owe any amount to Creditors as on 30.06.2017.

## 4. RATIONALE, OBJECTIVE, PURPOSE AND BENEFITS OF THE SCHEME TO THE COMPANY AND ITS STAKEHOLDERS

- The Scheme is presented under section 233 of the Companies Act, 2013 and it provides for amalgamation of Transferor Company into Transferee Company, resulting in consolidation of business of two Companies in one entity and thereby strengthening the position of the amalgamated entity by enabling it to harness and optimize the synergies of equipments and human resources, which is in the best interest of both the Companies and their respective shareholders.
- The Transferor Company is wholly owned subsidiary of the Transferee Company and the management of both the Companies are one and the same. The Transferor Company is engaged in the business (Software designing, development, customization, implementation, Information and Technology) akin to that of the Transferee Company. In order to integrate the businesses carried on by both the companies, it is proposed to consolidate the Transferor Company and Transferee Company into a single company which will enable the combined entity to have greater and optimal use of resources. A consolidation of the Transferor Company and the Transferee Company by way of amalgamation would therefore lead to a more efficient utilization of capital, talent pooling and will result in creation of a single larger unified entity in place of various entities under the same management and control, thus resulting in efficient synergies of operations and streamlined business transactions.
- The proposed Amalgamation will lead to the benefits such as economies of scale, besides other synergetic advantages particularly in view of the fact that the Companies involved in the amalgamation are engaged in the businesses, which are akin and can be conveniently combined with one another for mutual benefit.
- The proposed amalgamation will reduce administrative costs and also result in reduction of overheads and other expenses, economies of scale, reduction in administrative and procedural work, enable the

amalgamated company to effect internal economies and optimize profitability as also to reduce administrative inefficiencies by reducing duplication of functions.

- e) In order to achieve the objectives as mentioned in clause (a) to (d) above, the Boards of Directors of the Transferor Company and the Transferee Company have proposed to consolidate the Transferor Company and the Transferee Company into a Single Company by amalgamating the businesses carried on by the Transferor Company and the Transferee Company.
- f) The Scheme shall be beneficial and in the best interests of the shareholders, creditors and employees of the Transferor Company, the Transferee Company and to the interest of public at large and all concerned.

## 5. SCOPE OF THE SCHEME

The Scheme of Amalgamation provides for:

- 1. Amalgamation of Transferor Company into Transferee Company.
- 2. Change of Name of the Transferee Company from Sphere Global Services Limited to Adroit Infotech Limited.
- 3. Various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
- 4. This Scheme of Amalgamation has been drawn up to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:
  - (a) All the properties of Transferor Company, immediately before the amalgamation, become the properties of Transferee Company by virtue of amalgamation.
  - (b) All the liabilities of Transferor Company, immediately before the amalgamation, become the liabilities of Transferee Company by virtue of amalgamation.

## 6. SALIENT FEATURES OF THE SCHEME

- a) The Scheme of Amalgamation is presented under Sections 233 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, and it provides for the Amalgamation of Adroit Infotech Limited (Transferor Company) into Sphere Global Services Limited (Transferee Company) and Change of Name of the Transferee Company from Sphere Global Services Limited to Adroit Infotech Limited. The Scheme also provides for various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
- b) "Appointed date" means 01.04.2017 (First day of April, Two Thousand and Seventeen) or such other date as may be approved by the Hon'ble Regional Director at Hyderabad or such other competent authority having jurisdiction to sanction the Scheme.
- c) "Effective Date" means the date on which the Hon'ble Regional Director at Hyderabad registers the Scheme of Amalgamation and issues a confirmation order to the Companies. Any references in the Scheme to the phrase "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".
- d) The Amalgamating Undertaking of the Transferor Company comprising of its business, all assets and liabilities of whatsoever nature and where-so-ever situated, shall, under the provisions of Sections 233 of the Companies Act, 2013 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub clauses (b) (c) and (d) below) be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.



- e) All the Immovable properties of the Transferor Company shall under the provisions of Sections 233 of the Companies Act, 2013, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the Properties of the Transferee Company.
- f) All the movable assets including but not limited to computers and equipments, office equipment, machineries, softwares, products, websites, portals, capital work in progress, cash in hand of the Transferor Company capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.
- g) In respect of movables other than those specified in sub clause (c) above, including, outstanding loans and advances, Investments (whether current or non – current), trade receivables, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 233 of the Companies Act, 2013.
- h) In relation to all licenses, franchises, permissions, approvals, consents, entitlements, sanctions, permits, rights, privileges and licenses including rights arising from contracts, deeds, license instruments and agreements, if any, belonging to the Transferor Company, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required.
- i) All secured and/or unsecured debts, if any, all liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of account and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Sections 233 of the Companies Act, 2013, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such secured and/or unsecured debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

It is clarified that unless otherwise determined by the Board of Directors of the Transferee Company, in so far as the borrowings/debts and assets comprising the Transferor Company are concerned:

- (1) the security or charge, if any existing or created in future before the effective date, for the loans or borrowings of the Transferor Company shall, without any further act or deed continue to relate to the said assets after the Effective Date; and
- (2) the assets of the Transferee Company shall not relate to or be available as security in relation to the said borrowings of the Transferor Company;
- j) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), granted by any government body, local authority or by any other person and availed by the Transferor Company, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- k) The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Companies, and the name of the Transferee Company shall be substituted in such policies.
- l) The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

- m) All the properties or assets of the Transferor Company whether movable or immovable, being transferred pursuant to this Scheme, which are registered and standing in the name of Transferor Company shall, upon the scheme becoming effective, be registered in the name of the Transferee Company and the name of the Transferor Company shall be substituted with the name of the Transferee Company in all such certificates of registration, endorsements, records and in revenue/mutation records in case of immovable properties by such appropriate authorities.
- n) Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature, if any, by or against the Transferor Company pending and/or arising at the Appointed Date, shall be continued and enforced by or against the Transferee Company only, to the exclusion of the Transferor Company in the manner and to the same extent as it would have been continued and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Company in the same manner and to the same extent as it would or might have been initiated by the Transferor Company.
- o) After the Appointed Date, if any proceedings are taken against the Transferor Company the same shall be defended by and at the cost of the Transferee Company.
- p) On the Scheme coming into effect, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.
- q) As an integral part of the Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs.10,00,000/- (Rupees Ten Lakh only) comprising 1,00,000 (One Lakh) equity shares of Rs.10/- (Rupees Ten only) each.
- r) Upon the coming into effect of this Scheme, Clause V of the Memorandum of Association shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:  
  

“The Authorized Share Capital of the Company is Rs.39,41,50,000/- (Rupees Thirty Nine Crore Forty One Lakh and Fifty Thousand only) comprising 3,94,15,000 (Three Crore Ninety Four Lakh and Fifteen Thousand) equity shares of Rs.10/- (Rupees Ten only) each. The Share Capital of the Company (whether original, increased or reduced) may be sub-divided, consolidated or divided into such classes of shares as may be allowed under law for the time being in force relating to companies with such privileges or rights as may be attached and to be held upon such terms as may be prescribed by the regulations of the Company”.
- s) In view of the fact that the Transferor Company is a wholly owned subsidiary company of Transferee Company, upon the Scheme becoming effective, no shares will be issued / allotted under the Scheme by the Transferee Company to any person.
- t) Further, upon the Scheme becoming effective, all the equity shares of the Transferor Company held by Transferee Company, shall stand cancelled and the investments of Transferee Company, as appearing on the Asset side of the Balance Sheet of Transferee Company, shall stand cancelled to the extent of book value of the equity shares of the Transferor Company.
- u) Upon the Scheme become effective, the equity shares held by the Transferee Company as investments in the share capital of the Transferor Company shall stand cancelled.
- v) On the Scheme coming into effect, the Transferor Company, i.e. Adroit Infotech Limited shall, without any further act or deed, stand dissolved without going through the process of winding up.

- w) Upon the Scheme coming into effect, upon the dissolution of the Transferor Company without going through the route of winding up and as an integral part of the Scheme without any further act, instrument or deed on the part of the Transferee Company, the name of the Transferee Company shall be automatically changed to Adroit Infotech Limited from Sphere Global Services Limited.
- x) The Memorandum of Association and the Articles of Association of the Transferee Company (relating to the Name Clause) shall, without any further act, instrument or deed, be and stand altered, modified and amended so as to reflect the new name of the Transferee Company, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purpose of effecting sub-clause 13.1 above and no further resolution(s) under Sections 13, 14 of the Companies Act, 2013, or rules made thereunder and other applicable provisions of the Act would be required to be separately passed.
- y) This Scheme is conditional upon and subject to:
  - a) It being agreed to by the respective requisite majorities of the members and various classes of creditors (wherever applicable) of the Transferor Company and the Transferee Company as required under the Act and the requisite no objections from the Registrar of Companies and the Official Liquidator being obtained.
  - b) the requisite sanctions and approvals, as may be required by law in respect of this Scheme being obtained; and

**You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.**

## **7. Valuation Report**

In view of the fact that the Transferor Company is a wholly owned subsidiary company of Transferee Company, upon the Scheme becoming effective, no shares will be issued / allotted under the Scheme by the Transferee Company to any person and hence the Valuation Report by an independent Chartered Accountant is not applicable in the instant case.

## **8. Fairness Opinion from Merchant Banker**

Since there is no consideration involved in the Scheme, furnishing of Valuation Reports is not applicable in the instant case and as consequence of which the question of providing the fairness opinion certificate on the Valuation of the Company by a Merchant Banker does not arise.

## **9. Pre and Post Amalgamation Capital Structure**

- a) The pre amalgamation Capital Structure of the Transferor Company i.e. of Adroit Infotech Limited is given at clause 3.16 of this Explanatory Statement.
- b) The pre and post amalgamation Capital Structure of the Transferee Company i.e. of Sphere Global Services Limited remains same as there is no issue of shares involved in the scheme and the pre and post amalgamation Capital Structure is given at clause 3.5 of this Explanatory Statement.

## 10. Pre and Post Amalgamation Shareholding Pattern

- a) The pre amalgamation shareholding pattern of Transferor Company i.e. of Adroit Infotech Limited is given at clause 3.18 of this Explanatory Statement:
  - b) The pre and post amalgamation shareholding pattern of the Transferee Company i.e. of Sphere Global Services Limited remains same as there is no issue of shares involved in the scheme and the pre and post amalgamation shareholding pattern is given at clause 3.6 of this Explanatory Statement.
11. The Scheme of Amalgamation, if approved by the appropriate authorities, shall not have any adverse impact or effect on the Key Managerial Personnel (KMP), Directors, Promoters, Non-Promoter Members, Creditors, whether secured or unsecured, employees of Transferee Company and / or Transferor Company. The Companies does not have any Depositors or Debenture Holders.
  12. The Directors and KMP of the Transferee Company and the Directors of the Transferor Company have no material interest in the proposed Scheme of Amalgamation except as shareholders in general and the Scheme of Amalgamation shall not have any adverse effect on the Directors and Key Managerial Persons of respective Companies.
  13. The details of the present directors and KMP of the Transferee Company and their respective shareholdings in the Transferee Company and Transferor Company as on 31.03.2017 are as follows:

| Name   | Designation          | No. of Shares held in the Transferee Company | No. of Shares held in the Transferor Company |
|--|----------------------|--|--|
| Sudhakaran Sunkerneni Reddy                        | Managing Director    | 6,62,503                                     | 10   |
| Nyayapathi Sunder Raj                              | Independent Director | 0  | Nil  |
| Devender Reddy Kayitham                            | Independent Director | 0  | Nil  |
| Sunitha Kuchakulla                                 | Independent Director | 0  | Nil  |
| Akshita Surana                                     | Company Secretary    | 0  | Nil  |
| Venkata Poorna Chandramouli Talagadadeevi Bhaskara | CFO                  | 0  | Nil  |

14. The details of the present directors and KMP of the Transferor Company and their respective shareholdings in the Transferor Company and Transferee Company as on 31.03.2017 are as follows:

| Name                        | Designation         | No. of Shares held in the Transferee Company | No. of Shares held in the Transferor Company |
|-----------------------------|---------------------|--|--|
| Sudhakaran Sunkerneni Reddy | Managing Director   | 6,62,503                                     | 10   |
| Srilatha Reddy Sunkerneni   | Whole-time Director | 0  | Nil  |
| Sunitha Kuchakulla          | Director            | 0  | Nil  |

15. The rights and interests of secured creditors and unsecured creditors of the Transferee Company or the Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.
16. There are no winding up proceedings pending against the Transferee Company or the Transferor Company as of date.
17. No inquiry or investigation under sections 235 to 251 of the Companies Act, 1956, or under Section 210 to 227 of Companies Act, 2013, is pending against Transferee or Transferor Company.
18. The financial position of the Transferee Company will not be adversely affected by the Scheme.
19. The Scheme of Amalgamation requires the approval / sanction / no objection from the following the regulatory and government authorities:
  - a) Registrar of Companies
  - b) Official Liquidator
  - c) Central Government, Regional Director

The Companies shall obtain the sanction of Registrar of Companies, Official Liquidator and the Central Government, Regional Director upon approval of the Scheme by the Shareholders of the Companies.
20. Inspection and / or extract by the Equity Shareholders of the Transferee Company, of the following documents is allowed at the Registered Office of the Company between 2:00 pm and 05:00 PM on all working days (except on Saturdays, Sundays and Public holidays) upto 27.08.2017.
  - a) Resolution passed by the Board of Directors of Sphere Global Services Limited (Transferee Company), Adroit Infotech Limited (Transferor Company) approving the Scheme of Amalgamation at their respective meetings held on 06.02.2017.
  - b) Scheme of Amalgamation between Sphere Global Services Limited (Transferee Company) and Adroit Infotech Limited (Transferor Company) and their respective Shareholders and Creditors.
  - c) A certificate issued by Auditor of the company to the effect that the accounting treatment proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
  - d) Memorandum and Articles of Association of Transferee Company and Transferor Company.
  - e) Audited Balance Sheet and Profit and Loss account of the Transferee Company and Transferor Companies for the financial year ended 31.03.2016.
  - f) The Declaration of Solvency given by the directors along with a statement of assets and liabilities.
21. The Scheme of Amalgamation, if approved by the Equity Shareholders, shall be operative from the Appointed Date subject to the approval and directions of the Regional Director.
22. A copy of the Notice, the Explanatory Statement, the Scheme of Amalgamation, details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Declaration of Solvency, a form of Proxy and attendance slip and other relevant documents are also available on the website of the Company i.e. <http://sphereglobe.in/Scheme-of-arrangement.htm> and also available for inspection at the registered office on all working days except on Saturdays, Sundays and Public Holidays upto 27.08.2017 between 02:00 PM to 05:00 PM.
23. None of the Directors and Key Managerial Personnel of respective Companies and their respective relatives is concerned or interested, financially or otherwise in the proposed resolution except as shareholders of their respective companies in general.

24. The Board of Directors recommends the resolution set out in the notice in relation to the approval of the proposed Scheme of Amalgamation between Sphere Global Services Limited (Transferee Company) and Adroit Infotech Limited (Transferor Company) and their respective Shareholders and Creditors, for approval by the shareholders of the Company.
25. This statement may be treated as an Explanatory Statement under Section 102 read with section 233 and read with relevant rules made thereunder.
26. A copy of the Scheme, Explanatory Statement, Proxy Forms and Attendance Slips may be obtained from the Registered Office of the Company.

#### Item No.6

**Mr. Seetha Rama Rao Thunuguntla**, was appointed as an Additional Director of the Company with effect from 21.07.2017 in accordance with the provisions of sections 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Seetha Rama Rao Thunuguntla candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Seetha Rama Rao Thunuguntla on the Board is desirable and would be beneficial to the company and hence recommends resolution No. 6 for adoption.

None of the Directors or KMP or relatives of Directors and KMP, except Mr. Seetha Rama Rao Thunuguntla, are in any way, concerned with or interested, financially or otherwise, in the resolution at Item No.6 of the accompanying notice.

The Board recommends the resolution at Item No.6 to be passed as an ordinary resolution.

#### Item No.7

**Mr. Patlola Venkata Lakshma Reddy**, was appointed as an Additional Director of the Company with effect from 21.07.2017 in accordance with the provisions of sections 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Mr. Patlola Venkata Lakshma Reddy candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Patlola Venkata Lakshma Reddy on the Board is desirable and would be beneficial to the company and hence recommends resolution No.7 for adoption.

None of the Directors or KMP or relatives of Directors and KMP, except Mr. Patlola Venkata Lakshma Reddy, are in any way, concerned with or interested, financially or otherwise, in the resolution at Item No. 7 of the accompanying notice.

The Board recommends the resolution at Item No.7 to be passed as an ordinary resolution.

## Item No. 8 ESOPS

The human resource plays a vital role in the growth and success of an organization. The Board has identified the need to reward the employees and to enable them to participate in the future growth and financial success of the Company, has proposed to offer the employees an option to acquire the equity shares of the Company under Employees Stock Option Scheme (ESOP'S) formulated in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the Regulations"). The Board has reserved an appropriate number of equity shares under the ESOP'S to be allotted against the stock options to be granted to the employees of the Company. The Board has duly approved the ESOP'S Scheme at its meeting held on 21.07.2017

The Company has constituted a Nomination and Remuneration /Compensation Committee to administer the Stock Option Scheme of the Company.

The salient features of the "SGSL ESOP'S -2017" are as under

### 1. Brief Description of the Scheme(s):

This proposed Scheme called the "SGSL Employees Stock Option Scheme-2017" "SGSL ESOP'S -2017" is intended to reward the Eligible Employees of the Company and its Subsidiary Companies in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company.

The Company in terms of the said Regulations contemplates to enable the implementation of SGSL ESOP-2017 by dealing in/acquiring Equity Shares directly from the Company ("Primary Shares").

### 2. Total number of Options to be granted:

Such number of Options would be available for grant to the eligible employees of the Company and eligible employees of the Subsidiary Company(ies) under SGSL ESOP 2017, not exceeding more than 10 Lakh (Ten lakhs only) Equity Shares in the Company of face value of Rs. 10/- each fully paid-up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date.

The Board is authorized to re-grant such lapsed / cancelled Options as per the provisions of SGSL ESOP 2016-17, within overall ceiling.

The SEBI (Share Based Employee Benefit) Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI (Share Based Employee Benefit) Regulations.

### 3. Identification of classes of employees entitled to participate in SGSL ESOP 2017 Following classes of employees are entitled to participate

- Permanent employees of the Company working in India or out of India;
- Directors of the Company; and
- Permanent employees and Directors of the Subsidiary Company(ies). Following persons are not eligible:
  - an Independent Director within the meaning of the Companies Act, 2013.
  - an employee who is a Promoter or belongs to the Promoter Group;
  - a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and

### 4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as an employee continues to be in the employment of the Company or the Subsidiary Company as the case may be. The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 (one) year.

**5. Maximum period within which the Options shall be vested:**

Options granted under SGSL ESOP-2017-would vest subject to maximum period of 5 (five) years from the date of grant of such Options.

**6 Exercise price or pricing formula:**

(I) Exercise Price.

Exercise price per Option shall be equal to Rs. 30 per share as decided by the Compensation Committee.

(iii) Relevant Date

under the SEBI (Share Based Employee Benefit) Regulations means:

- In the case of grant, the date of the meeting of the Compensation Committee on which the Grant is made; or
- In the case of exercise, the date on which the notice of exercise is given to the Company by the employee.

**7. Exercise period and the process of Exercise:**

The Vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 2 years from the date of vesting of such Options.

The Vested Options shall be exercisable by the employees by a written application to the Company expressing his/her desire to exercise such Options in such manner and on such format as may be prescribed by the Compensation Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

**8. Appraisal process for determining the eligibility of employees under SGSL ESOP -2017:**

The appraisal process for determining the eligibility of the employees will be decided by Compensation Committee from time to time.

The employees would be granted Options under the SGSL ESOP- 2017 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Compensation Committee from time to time.

**9. Maximum number of Options to be issued per employee and in aggregate:**

The number of Options that may be granted to any specific employee of the Company or of its Subsidiary Company under the Plan , in any financial year and in aggregate under the SGSL ESOP -2017 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

**10. Maximum Quantum of benefits to be provided per employee under the SGSL ESOP -2017**

The Maximum quantum of benefits underlying the Options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of Options.

**11. Source of Shares**

The Scheme contemplates new Issue of Shares by the Company ("Primary Shares").

**12. The amount of loan provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms etc.**

Company is implementing SGSL ESOP- 2017 directly and no loan is provided for the purpose of ESOP.

**13. Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase of the scheme**

The Company is implementing ESOP by dealing in/acquiring Equity Shares directly from the Company ("Primary Shares").



**14 Accounting and Disclosure Policies:**

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

**15. Method of Option Valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earnings per Share (EPS) of the company shall also be disclosed in the Boards' report.

**16. The Nomination and Remuneration/Compensation Committee shall be vest with all the powers as per the SEBI Regulations applicable to the ESOP'S.**

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under and as per Regulation 6 of the SEBI Share Based Employee Benefit Regulations.

The Company shall comply with all necessary disclosures as may be prescribed under the Companies Act, 2013 (including rules thereof), SEBI (Share Based Employee Benefits) Regulations, 2014, and any other law as may be applicable and amended from time to time.

The options to be granted / shares to be issued under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

The Directors recommend the Resolution in the best interest of the Company for your approval.

None of the Directors, Key Managerial Personnel and Relatives of the Directors/Key Managerial Personnel of the Company, are concerned or interested in the above resolution except to the extent of their shareholding in the company.

**Item No. 9**

Taking into account the progressive process of economic and market revival both in domestic and international markets and also to encash the resultant potentialities and opportunities under the prevailing conditions, your Company needs to augment long term financial resources by way of raising equity/debt for the purpose of:-

- For business purposes such as meeting the working capital requirements of the Company;
- To fund the capital expenditure of the Company; and
- Such other General Corporate requirements as may be required

All the above plans would need requisite funds and hence, your Company would like your approval to issue Securities for aggregate amount not more than Rs. 50 Crores (Rupees Fifty Crores Only) at such time and in one or more tranches as the Board of Directors of the Company may determine.

The proposed resolution seeks the enabling authorization of the members to the Board of Directors to raise funds issuance of equity shares of the Company ("Equity Shares") and/or any instruments or securities including Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or non-convertible debentures (or other securities) with warrants, and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of Foreign Currency Convertible Bonds ("FCCBs") and/or any other permitted fully and/or partly paid securities/instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency by way of private placement or otherwise

This special resolution also seek to empower the Board of Directors and or the Committee to undertake a qualified institutions placement with qualified institutional buyers as per the SEBI ICDR Regulations and section 42 of the Companies Act, 2013 and rules thereunder including the Companies (Prospectus and Allotment of Securities)

Rules, 2014, amended from time to time. The Board of Directors/Committee may adopt this mechanism, as per prescribed under chapter VIII of the SEBI ICDR Regulations in order to facilitate the proposed plan of expansion and meet capital expenditure needs of the existing/future projects of the Company and to meet any exigencies etc. without the need for fresh approval from the shareholders.

The pricing of the Securities to be issued to qualified institutional buyers pursuant to the chapter VIII of SEBI ICDR Regulations shall be determined by the Board of Directors and/or Committee subject to such a price not being less than the price calculated in accordance with the SEBI ICDR Regulations.

The special Resolution also enables the Board of Directors and/or Committee issue Securities in tranches, at such times, at such prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board of Directors and/or the Committee deems fit. The Company may, in accordance with applicable laws, offer a discount of not more than 5 % or such percentage as permitted under applicable law, on the price determined pursuant to the SEBI ICDR Regulations. The 'Relevant Date' for this purpose will be the date when the Board of Directors and/or Committee thereof decide to open the QIP for subscription.

The detailed terms and conditions for the Issue will be determined by the Board of Directors and/or Committee in consultation with the lead managers or consultant or advisor and such other authorities as may be required considering the market conditions and in accordance with the applicable provisions of law. The special resolution seeks the consent and authorization of the members to the Board of Directors / Committee to make the proposed Issue of Securities, in consultation with the lead managers, advisors, other intermediaries and in the events it is decided to issue Securities convertible into Equity Shares, to issue to holders of such convertible Securities in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the Issue, keeping in view the prevailing market conditions in accordance with the applicable rules, regulation and guidelines. The amount proposed to be raised by the Company shall not exceed Fifty Crores.

Your Board recommends the approval of the Special resolution as set out in Item No. 9 of the Notice of the Meeting.

None of the Directors, Key Managerial Personnel and Relatives of the Directors/Key Managerial Personnel of the Company, are concerned or interested in the above resolution except to the extent of their shareholding in the company.

By order of the Board of Directors  
for **Sphere Global Services Limited**

Sd/-

**Akshita Surana**  
Company Secretary & Compliance Officer  
Membership No: A32571

Hyderabad  
21.07.2017

**Registered & Corporate Office:**

Plot No. A-52, Journalist Colony,  
Jubilee Hills -500033,  
Hyderabad, Telangana

**CIN:** L72300TG1990PLC011129

**Website:** [www.sphereglobal.in](http://www.sphereglobal.in)

**Email:** [cs@sphereglobal.in](mailto:cs@sphereglobal.in)

## DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'SGSL'), along with the audited financial statements, for the financial year ended March 31, 2017. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

### Financial Highlights

(Rupees in Lakhs)

| Particulars  | Consolidated   |               | Standalone    |               |
|--|----------------|---------------|---------------|---------------|
|  | 2016-2017      | 2015-2016     | 2016-2017     | 2015-2016     |
| Total Income   | 5302.78        | 1883.52       | 426.97        | 1073.74       |
| <b>Profit before Finance Cost, Depreciation &amp; Amortization, Taxation &amp; Exceptional items</b> | <b>1945.94</b> | <b>250.73</b> | <b>147.60</b> | <b>242.34</b> |
| Less: Finance cost   | 29.09          | 17.54         | 0.08          | 0             |
| Depreciation and Amortization Expenses   | 20.73          | 35.85         | 2.50          | 6.07          |
| <b>Profit before tax &amp; Exceptional items</b>   | <b>1896.12</b> | <b>198.29</b> | <b>145.02</b> | <b>236.27</b> |
| Less: Exceptional items  | 0.10           | 0             | 0.10          | 0             |
| <b>Profit before tax</b>   | <b>1896.02</b> | <b>198.29</b> | <b>144.92</b> | <b>236.27</b> |
| Less: Tax expenses   | 335.71         | -0.55         | 9.82          | -0.55         |
| Profit before Minority Interest  | 1560.31        | 198.83        | 135.10        | 236.82        |
| Less: Minority Interest  | 0              | 0             | 0             | 0             |
| <b>Profit after tax</b>  | <b>1560.31</b> | <b>198.83</b> | <b>135.10</b> | <b>236.82</b> |

### Dividend

Your Directors have recommended a dividend of Rs.0.50 (i.e. 5%) per equity share of Rs.10 each for the financial year ended March 31, 2017. The dividend payout is subject to approval of members at the Annual General Meeting.

### Review of Operations

During the year under review, your Company achieved a consolidated revenue of Rs.5302.78 Lakhs as against a revenue of Rs.1883.52 Lakhs in the previous fiscal. Your Company has earned a Consolidated PBT of Rs.1896.02 Lakhs as against Rs.198.29 Lakhs in the previous fiscal. and Consolidated PAT of Rs.1560.31 Lakhs as against Rs.198.83 Lakhs in the previous year.

At standalone level, your Company recorded a revenue of Rs 426.97 lakhs against a revenue of Rs. 1,073.74 lakhs in the previous year, EBITDA of Rs.147.60 lakhs as against Rs.242.34 Lakhs of previous year, and PBT of Rs.135.10 lakhs as against PAT of Rs.236.82 Lakhs in the previous year.

## **Consolidated Financial Statements (CFS)**

The Consolidated Financial Statements of your Company for the financial year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries, as approved by the respective Board of Directors.

The CFS should therefore be read in conjunction with the directors' report, financial notes, cash flow statements and the individual auditor reports of the subsidiaries.

Pursuant to provisions of section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries is attached to the financial statements of the Company.

## **Abridged Annual Accounts**

Pursuant to the provisions of the first proviso to Section 136(1) of the Act and Rule 10 of Companies (Accounts) Rules, 2014, the abridged annual accounts are being sent to all shareholders whose e-mail id's are not registered with the Company. The full annual report is available on the website of your Company at [www.sphereglobal.in](http://www.sphereglobal.in) and available for inspection at the registered office of the Company during working hours. Any member interested in obtaining the full annual report may write to the Company Secretary and the same will be furnished on request.

## **Companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year: Nil**

## **Material Changes and Commitments, if any, affecting the financial position of the company :** No changes

## **Directors & Key Managerial Personnel (KMP)**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sudhakiran Reddy, Managing Director who retires by rotation and being eligible, has offered himself for re-appointment.

Mr. Seetha Rama Rao Thunuguntla was appointed as additional director of Company w.e.f. 21.07.2017 and his appointment as independent director w.e.f. 21.07.2017 to be regularized in AGM 2016-17

Mr. Patlola Venkata Lakshma Reddy was appointed as additional director of Company w.e.f. 21.07.2017 and his appointment as independent director w.e.f. 21.07.2017 to be regularized in AGM 2016-17

Mr. Prakash Tripathi resigned as Director w.e.f 30.05.2016 , Mr. Vijaya Rama Mohan Reddy resigned as director w.e.f 30.09.2016

Mr. Sridhar Bopal resigned as CFO w.e. f. 22.06.2017 and Mr. T.B.V.P Chandramoulli was appointed as CFO w.e.f 07.07.2017

In compliance with Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, brief resume of all the Directors proposed to be appointed / re-appointed are attached along with the Notice of the ensuing Annual General Meeting.

Your directors place on record their sincere appreciation for the valuable contribution made by both by the resigning directors during their tenure.

Apart from the above, there have been no changes in Directors and KMP.

## Particulars of Employees and related disclosures

The remuneration paid to your Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

The information required under Section 197 (12) of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – A**.

## Declaration on Independent Directors

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, all the Independent Directors of your Company have given declaration that they have met the criteria of independence as required under the Act and the regulations.

## Remuneration Policy

Your Directors have, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy forms part of the Corporate Governance Report.

## Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual performance evaluation of their own, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of attendance, engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## Board Committees

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

## Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, forms part of the Financial Statements.

## Meetings of the Board and Committees

Seven Meetings of the Board of Directors were held during the year. For further details on the meetings and the attendance of directors/members, please refer report on Corporate Governance of this Annual Report.

### Vigil Mechanism

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct has been established. Further, the details as aforesaid is available on the website of your company at [www.sphereglobal.in](http://www.sphereglobal.in)

### Familiarisation Programme for Independent Directors

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company shall familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

Accordingly, your Company arranged a technical session on 06.02.2017 to familiarize the Independent Directors, the details of which are disclosed on the website of the company at <http://www.sphereglobal.in/policies-our-company.html>

### Directors' Responsibility Statement

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement relating to the Company (Standalone), it is hereby confirmed:

1. That in the preparation of the Accounts for the financial year ended March 31, 2017, the applicable accounting standards and schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed and there is no material departure;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit and loss of the Company for the financial year ended March 31, 2017;
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts have been prepared on 'going concern' basis, for the financial year ended March 31, 2017;
5. That the Company, had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

### Extract of Annual Return

The details forming part of the extract of the Annual Return in **Form MGT-9** in accordance with Section 92(3) of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, is annexed as **Annexure – C**.

### Development and Implementation of Risk Management Policy

Your Company has an elaborate risk Management process and has adopted systematic approach to mitigate risk associated with accomplishment of objectives, operations and revenues etc. The details of Risk Management as practiced by your company is provided as part of Management Discussion and Analysis Report which forms part of this Annual Report.

## Internal Financial Controls

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the same and the work performed by the internal auditors, statutory auditors and external agencies and the reviews performed by Top Management team and the Audit Committee, your Directors are of the opinion that your Company's Internal Financial Controls were adequate and effective during the financial year 2015-16.

Further the statutory auditors of your company has also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act 2013) for the financial year ended March 31, 2016, which forms part to the Statutory Auditors Report.

## Auditors

### a) Statutory Auditors

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Niranjan and Narayan, Chartered Accountants (Firm Registration No. 005899S ) has signified willingness to act as Statutory Auditors. Therefore, ratification of appointment of Statutory Auditors for financial year 2016-2017 is being sought from the members of the Company at the ensuing AGM.

### b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed For JRA AND ASSOCIATES LLP Designated Partner Mr. Ashok Kumar Pipalwa -Practising Company Secretaries, to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure – B.**

Further, Practising Company Secretaries, carried out Reconciliation of Share Capital Audit every quarter and the report thereon is submitted to the Stock Exchanges.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The above information as required under the Companies Act, 2013, is annexed as **Annexure – E.**

## Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). During the year 6,00,000 warrants were converted into equity shares and are pending for listing and trading approval from stock Exchanges

## Corporate Governance

Your Company is committed to maintain the high standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India. The Report on corporate governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 forms part of the Annual Report and is annexed as Annexure - G. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Regulations is part of this report.

## Management Discussion and Analysis (MD&A)

MD & A Report for the financial year under review, as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

## General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of your Company under any scheme save and except ESOS referred to in this Report.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. There were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2017) and the date of the report (July 21, 2017).
6. There was no Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.
7. During the year under review, your Company did not accept any public deposits.
8. During the year under review, your company has not declared any dividend neither has transferred any amount to reserves.
9. Non-applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013.
10. There is no Related Party Transaction entered during the financial year under review Annexure-D as mentioned in annual report. Refer 1.13 of page No. 84
11. There were no qualifications mentioned by the Auditors in their report.
12. The policies, as framed by the company is available on the web link as provided hereunder: <http://www.sphereglobal.in/policies-our-company.html>

## Acknowledgment

Your Directors thank various departments of Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your company. Your Directors also gratefully acknowledge all stakeholders of the Company viz. members, customers, dealers, vendors, Financial Institutions, banks and other business partners for the excellent support received from them during the year. Your Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Place: Hyderabad

Date: 21.07.2017

**Sd/-**

**S Sudhakiran Reddy**  
**CMD**

**DIN: 001436242**



## Annexure – A

### Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- I. The ratio of the remuneration of each director to the median remuneration of the employees of the company –No remuneration was paid to directors during the year under review.
- ii. The median remuneration is Rs.6,00,000 p.a. and the percentage increase in the median remuneration of employees in the financial year is Nil%.
- iii. The number of permanent employees on the rolls of company as on March 31, 2017: 145
- iv. The explanation on the relationship between average increase in remuneration and company performance.
  - a. The Profit before Tax for the financial year ended March 31, 2017 increased by 856% whereas the increase in median remuneration was nil. Net revenues of the Company during the financial year of Rs.5302.78 Lakhs were more than previous year of Rs.1883.53 Lakhs. The total employee cost for the Year ended March 31, 2017 was Rs.911.19 Lakhs against Rs.773.19 Lakhs for the Year March 31, 2016. The total employee cost as a percentage of net revenues was 17% (last year 41%). Average increase in remuneration is guided by factors like inflation, normal salary increase, industry trend, future growth prospect etc.
- v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- vi. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as below:

Details of Employees who were in Receipt of Remuneration not less than 1,02,00,000 : Nil

Details of Employees for the part of financial year was in receipt of Remuneration for the part not less than 8,50,0000: Nil

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| Sl.No. | Name of the subsidiary   | Adroit Infotech Private Limited | Sphere Global Services USA Inc & Sphere Global Service FZ LLC |           |
|--------|--|---------------------------------|---|-----------|
|        |  | Amount in                       | Amount in   | Amount in |
|        |  | INR                             | INR   | USD       |
| a      | Share Capital  | 10.00                           | 1.00  | 0.02      |
| b      | Reserves and Surplus   | 156.15                          | 1415.45   | 21.83     |
| c      | Total Assets   | 951.48                          | 1512.10   | 23.32     |
| d      | Total Liabilities  | 785.33                          | 95.66   | 1.48      |
| e      | Details of Investments   | -                               | -   | -         |
| f      | Turnover   | 1555.54                         | 3663.79   | 56.51     |
| g      | Profit before tax  | 24.94                           | 1726.15   | 26.63     |
| h      | Provision for tax  | 15.18                           | 310.71  | 4.79      |
| i      | Profit After Tax   | 9.76                            | 1415.44   | 21.83     |
| j      | Proposed Dividend  | 0                               | 0   | 0         |
| k      | % of Share Holding   | 100%                            |   | 100%      |
|        | Reporting Currency   | INR                             |   | USD       |
|        | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | 1                               |   | 64.83     |

\* Subsidiaries for USA and Middle East are consolidated.

#### Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations- None
- Names of subsidiaries which have been liquidated or sold during the year.- None

## Form AOC-1

### Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of associates/Joint Ventures   | Name 1 | Name 2 | Name 3 |
|---|--------|--------|--------|
| 1.Latest audited Balance Sheet Date   | —      | —      | —      |
| 2.Date on which the Associate or Joint Venture was associated or acquired   | —      | —      | —      |
| 3.Shares of Associate or Joint Ventures held by the company on the year end | —      | —      | —      |
| No. Shares  | —      | —      | —      |
| Amount of Investment in Associates or Joint Venture                         | —      | —      | —      |
| Extent of Holding (in percentage)   | —      | —      | —      |
| 4.Description of how there is significant influence                         | —      | —      | —      |
| 5.Reason why the associate/joint venture is not consolidated                | —      | —      | —      |
| 6.Networth attributable to shareholding as per latest audited Balance Sheet | —      | —      | —      |
| 7.Profit or Loss for the year   | —      | —      | —      |
| i. Considered in Consolidation  | —      | —      | —      |
| ii. Not Considered in Consolidation   | —      | —      | —      |

1. Names of associates or joint ventures which are yet to commence operations: NA

2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

## Annexure – B

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

The Members,

#### **M/s SPHERE GLOBAL SERVICES LIMITED**

Plot No. A-52, Journalist Colony,  
Jubilee Hills, Hyderabad-500033,  
Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sphere Global Services Limited, (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2017, (“**Audit Period**”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the “Act”) and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- ((iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment & Overseas Direct Investment. **Not Applicable to Company during the Audit Period.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable to Company during the Audit Period**

- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).
- (vi) Other laws applicable to the Company as per the representations made by the Management.
- (vii) We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards - 1 & 2 issued by The Institute of Company Secretaries of India;
  - (ii) The Listing Agreements entered into by the Company with Stock Exchanges;
  - (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date, which is annexed as “Annexure – A” and forms an integral part of this report.

**For JRA AND ASSOCIATES LLP  
COMPANY SECRETARIES**

Sd/-

**Ashok Kumar Pipalwa**

Designated Partner

Membership No.37314

Certificate of Practice No.17814

**Place:** Hyderabad

**Date:** 21.07.2017

## Annexure-A

To  
The Members,

M/s **SPHERE GLOBAL SERVICES LIMITED**

Plot No. A-52, Journalist Colony,  
Jubilee Hills, Hyderabad-500033,  
Telangana

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of **SPHERE GLOBAL SERVICES LIMITED**, ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

For **JRA AND ASSOCIATES LLP**  
**COMPANY SECRETARIES**

Sd/-

**Ashok Kumar Pipalwa**

Designated partner

Membership No.37314

Certificate of Practice No.17814

**Place:** Hyderabad

**Date:** 21.07.2017

## Annexure – C

### EXTRACT OF ANNUAL RETURN As on the financial year ended March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

- i) CIN : L72300TG1990PLC011129
- ii) Registration Date : March 19, 1990
- iii) Name of the Company : Sphere Global Services Limited
- iv) Category / Sub-Category of the Company : Public Company/Company having share capital, Indian Non-Government Company.
- v) Address of the Registered Office and Contact details : Plot No. A-52, Road No.70, Journalist Colony, Jubilee Hills -500033, Hyderabad, Telangana  
Phone No.: +91-40-2355 2284/85/86  
Fax No.: +91-40-2355 2283  
E-mail Id: cs@sphereglobal.in  
Website: www.sphereglobal.in
- vi) Whether listed Company : Yes,  
a) BSE Limited &  
B) National Stock Exchange of India Limited
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Venture Capital and Corporate Investments Private Ltd  
12-10-167, Bharat Nagar, Hyderabad-500018  
Ph: 040-23818475/476  
Fax: 040-23868024  
Ph. No: 040 – 40144967

#### II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY

| Sl.No. | Name and Description of main products / services | NIC Code of the product / service | % to total turnover of the Company |
|--------|--|-----------------------------------|------------------------------------|
| 1)     | Information Technology                           | 620                               | 100                                |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl.No. | Name and Address of the Company & PIN | CIN / GLN             | Holding / Subsidiary / Associate | % of Shares held | Applicable Section of Companies Act, 2013 |
|--------|---------------------------------------|-----------------------|----------------------------------|------------------|---|
| 1      | Adroit Infotech Private Limited       | U72200PN2000PTC015633 | Wholly owned Subsidiary          | 100              | 2   |
| 2      | Sphere Global USA Inc                 | NA                    | Wholly owned Subsidiary          | 100              | 2   |
| 3      | Sphere Global Services FZ LLC         | NA                    | Wholly owned Subsidiary          | 100              | 2   |

#### IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of Total Equity)

| Category of Shareholders |   | No. of shares held at the beginning of the year |          |          |                   | No. of shares held at the end of the |          |             |                   | % Change during the year |
|--------------------------|---|---|----------|----------|-------------------|--------------------------------------|----------|-------------|-------------------|--------------------------|
|                          |   | Demat   | Physical | Total    | % of total shares | Demat                                | Physical | Total       | % of total shares |                          |
| A                        | Promoters   |   |          |          |                   |                                      |          |             |                   |                          |
| (1)                      | Indian  | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| a)                       | Individual / HUF                                  | –   | –        | –        | –                 | 662503                               | 0        | 662503      | 3.67              | 3.67                     |
| b)                       | Central Govt.                                     | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| c)                       | State Govt.                                       | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| d)                       | Bodies Corporate                                  | 10844901  | 0        | 10844901 | 62.08             | 10844901                             | 0        | 10844901    | 60.02             | -2.06                    |
| e)                       | Banks / FI  | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| f)                       | Any Other (Trusts)                                | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
|                          | <b>Sub-Total (A) (1)</b>                          | 10844901  |          | 10844901 | 62.08             | 1,15,07,404                          | 0        | 1,15,07,404 | 63.69             | 1.61                     |
| 2)                       | Foreign   | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| a)                       | NRI - Individual                                  | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| b)                       | Other - Individual                                | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| c)                       | Bodies Corporate                                  | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| d)                       | Banks / FI  | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| e)                       | Any Other   | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
|                          | <b>Sub-Total (A) (2)</b>                          | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
|                          | Total promoter shareholding (A) = (A)(1) + (A)(2) | 10844901  | 0        | 10844901 | 62.08             | 1,15,07,404                          | 0        | 1,15,07,404 | 63.69             | 1.61                     |
|                          | <b>B) Public Shareholding</b>                     | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| 1)                       | Institutions                                      | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| a)                       | Mutual Funds                                      | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| b)                       | Banks / FI  | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| c)                       | Central Govt.                                     | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| d)                       | State Govt.                                       | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| e)                       | Venture Capital Fund                              | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| f)                       | Insurance Companies                               | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| g)                       | FIs   | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| h)                       | Foreign Venture Capital Funds                     | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| i)                       | Others (Specify)                                  | 7308  | 0        | 7308     | 0.04              | 263                                  | 0        | 263         | 0.001             | -0.03                    |
|                          | <b>Sub-Total (B) (1)</b>                          | 7308  | 0        | 7308     | 0.04              | 263                                  | 0        | 263         | 0.001             | -0.03                    |
| 2)                       | <b>Non-Institutional</b>                          | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |
| a)                       | Bodies Corporate                                  | –   | –        | –        | –                 | –                                    | –        | –           | –                 | –                        |



# SHARE HOLDING PATTERN (Equity share capital breakup as percentage of Total Equity)

| Category of Shareholders  | No. of shares held at the beginning of the year |          |          |                   | No. of shares held at the end of the |          |          |                   | % Change during the year |
|---|---|----------|----------|-------------------|--------------------------------------|----------|----------|-------------------|--------------------------|
|   | Demat   | Physical | Total    | % of total shares | Demat                                | Physical | Total    | % of total shares |                          |
| I) Indian   | 1517926   | 106224   | 1624150  | 9.30              | 958974                               | 106224   | 1065198  | 5.90              | -3.40                    |
| ii) Overseas  | 0   | 0        | 0        | 0                 | 7308                                 | 0        | 7308     | 0.04              | +0.04%                   |
| b) Individual   |   |          |          |                   |                                      |          |          |                   |                          |
| I) Individual shareholders holding nominal share capital upto Rs. 2 Lakh        | 1839283   | 33083    | 1872366  | 10.72             | 2549628                              | 33073    | 2582701  | 14.29             | 3.57                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs.2Lakh | 2684226   | 100000   | 2784226  | 15.94             | 2304686                              | 100000   | 2404686  | 13.31             | -2.63                    |
| c) Others (specify)   |   |          |          |                   |                                      |          |          |                   |                          |
| i) Non Resident Indians   | 55147   | 20       | 55167    | 0.32              | 64965                                | 20       | 64985    | 0.36              | 0.04                     |
| ii) Clearing Members  | 276913  | 0        | 276913   | 1.59              | 439794                               | 0        | 439794   | 2.43              | 0.84                     |
| iii) Trusts   | 3841  | 0        | 3841     | 0.02              | 3841                                 | 0        | 3841     | 0.02              | 0                        |
| Sub-Total (B)(2)  | 6377336   | 239327   | 6616663  | 37.88             | 6321888                              | 239317   | 6561205  | 36.31             | -1.57                    |
| Total Public shareholding (B) = (B)(1) + (B)(2)                                 | 6384644   | 239327   | 6623971  | 37.92             | 6322151                              | 229317   | 6561468  | 36.31             | -1.61                    |
| c) Shares held by Custodian for GDRs & ADRs                                     | 0   | 0        | 0        | 0                 | 0                                    | 0        | 0        | 0                 |                          |
| <b>Grand Total (A+B+C)</b>  | 17229545  | 239327   | 17468872 | 100               | 17829555                             | 239317   | 18068872 | 100.00            | 3.43                     |

Note : 6,00,000 warrants were converted into equity as on 14.11.2016 under promoter category and the same are under listing process

v) Shareholding of Promoters

| Category of Shareholders   | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|  | No. of shares                             | % of total shares of the Company | % of shares pledged / encumbered to total shares | No. of shares                       | % of total shares of the Company | % of shares pledged / encumbered to total shares |  |
| JOKEMAN MEDIA AND ENTERTAINMENT PRIVATE LIMITED (formerly Known as MILLITOON ANIMATIONS PVT LTD) | 564106                                    | 3.23                             | Nil  | 564106                              | 3.12                             | Nil  | 0.11                                     |
| S SUDHAKIRAN REDDY*  | Nil                                       | Nil                              | Nil  | 6,62,503                            | 3.67                             | Nil  | 3.66                                     |
| SOFTPOINT TECHNOLOGIES PRIVATE LIMITED   | 1,02,80,795                               | 56.90                            | Nil  | 1,02,80,795                         | 56.90                            | Nil  | NIL                                      |
| <b>Total</b>   | 11947927                                  | 68.40                            | Nil  | 1,15,07,404                         | 63.69                            | Nil  | 3.19                                     |

\* Have been reclassified as Public approvals from the exchange has been obtained.

vi) Change in Promoter's Shareholding (please specify if there is no change)

| Shareholders Name   | Shareholding at the beginning of the year |                                  | Date wise increase / (decrease) in promoter shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) |               |                     | Cumulative shareholding at the end of the year |                                  |
|---------------------|---|----------------------------------|---|---------------|---------------------|--|----------------------------------|
|                     | No. of shares                             | % of total shares of the Company | Date  | No. of shares | Nature              | No. of shares                                  | % of total shares of the Company |
| S Sudhakiran Reddy* | 2503                                      | 0.04                             | 14.11.2016  | 6,00,000      | Warrants Conversion | 602503   | 3.44                             |
|                     |   |                                  | 17.11.2016  | 60,000        | Market Purchase     | 662503   | 3.67                             |

\* Was classified as promoter after December quarter of 2016. Before that he was a non-promoter and holding was in public category.

vii) Shareholding Pattern of top ten shareholders(other than Directors, Promoters and Holders of GDRs and ADRs)

| S.No. | Name                                   | Shareholding at the beginning of the year | % of total shares of company | Cumulative shareholding at the end of year | % of total shares of company |
|-------|--|---|------------------------------|--|------------------------------|
| 1     | SOFTPOINT TECHNOLOGIES PRIVATE LIMITED | 10280795                                  | 58.85%                       | 9578895                                    | 53.01%                       |
| 2     | MILLITOON ANIMATIONS PVT LTD           | 564106                                    | 3.23%                        | 564106                                     | 3.12%                        |
| 3     | STEM AGRIBIOTECH PRIVATE LIMITED       | 400000                                    | 2.29%                        | 400000                                     | 2.21%                        |
| 4     | VIJAY KUMAR MAISTRY                    | 300000                                    | 1.72%                        | 300000                                     | 1.66%                        |
| 5     | ARCADIA SHARE & STOCK BROKERS PVT LTD  | 167754                                    | 0.96%                        | 191979                                     | 1.06%                        |
| 6     | JAISON JOHN                            | 104000                                    | 0.60%                        | 146200                                     | 0.81%                        |
| 7     | DEFODIL DEALCOM PRIVATE LIMITED        | 125400                                    | 0.72%                        | 125400                                     | 0.69%                        |
| 8     | PRABHAKAR RAO MANDAVA                  | 298000                                    | 1.71%                        | 114102                                     | 0.63%                        |
| 9     | VENKAT RAMARAJU VEGESINA               | 0   | 0.00%                        | 100000                                     | 0.55%                        |
| 10    | RAVIKAANTH PORTFOLIO SERVICES PVT LTD  | 386456                                    | 2.21%                        | 400000                                     | 2.21%                        |
|       | <b>Total shares of the Company</b>     | <b>17468872</b>                           | <b>100</b>                   | <b>18068872</b>                            | <b>100</b>                   |

Note:

1. The shares of the company are traded on a daily basis on the stock exchanges and hence data-wise increase/decrease in shareholding is not provided.

2.The details of date-wise increase/decrease will be provided at the request of shareholder.

viii) Shareholding of Directors and Key Managerial Personnel

| Sl. No. | For each the Directors and KMP | Shareholding at the beginning of the year |                                  | Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) |                    |                                     | Cumulative shareholding at the end of the year |                                  |
|---------|--------------------------------|---|----------------------------------|--|--------------------|-------------------------------------|--|----------------------------------|
|         |                                | No. of shares                             | % of total shares of the Company | Date   | No. of shares      | Nature                              | No. of shares                                  | % of total shares of the Company |
| 1.      | S Sudhakiran Reddy             | 2503                                      | 0.04                             | 14.11.2016<br>17.11.2016   | 6,00,000<br>60,000 | Warrants Conversion Market Purchase | 602503<br>662503                               | 3.44<br>3.67                     |
| 2.      | Ram Mohan Reddy Yakkanti*      | --  | --                               | --   | --                 | --                                  | --   | --                               |
| 3.      | Prakash Tripathi*              | --  | --                               | --   | --                 | --                                  | --   | --                               |
| 4.      | Devender Reddy K               | --  | --                               | --   | --                 | --                                  | --   | --                               |
| 5.      | N SunderRaj                    | --  | --                               | --   | --                 | --                                  | --   | --                               |
| 6.      | Sunitha Kuchakulla             | --  | --                               | --   | --                 | --                                  | --   | --                               |
| 7.      | Akshita Surana                 | --  | --                               | --   | --                 | --                                  | --   | --                               |
| 8.      | Sridhar Bhupal*                | --  | --                               | --   | --                 | --                                  | --   | --                               |
| 9.      | T.B.V.P. Chandramouli          | --  | --                               | --   | --                 | --                                  | --   | --                               |

\*Resigned from Board

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

| Particulars   | Secured Loans excluding deposits | Unsecured Loans | Deposits | (Rupees)<br>SPHERE<br>GLOBAL<br>Total<br>Own Vision, Value for You |
|---|----------------------------------|-----------------|----------|--|
| Indebtedness at the beginning of the financial Year |                                  |                 |          |  |
| i) Principal Amount                                 | –                                | –               | –        | –  |
| ii) Interest due but not paid                       | –                                | –               | –        | –  |
| iii) Interest accrued but not due                   | –                                | –               | –        | –  |
| Total (i+ii+iii)                                    | –                                | –               | –        | –  |
| Change in Indebtedness during the financial year    | –                                | –               | –        | –  |
| Addition  | –                                | –               | –        | –  |
| Reduction   | –                                | –               | –        | –  |
| Net Change  | –                                | –               | –        | –  |
| Indebtedness at the end of the financial Year       | –                                | –               | –        | –  |
| i) Principal Amount                                 | –                                | –               | –        | –  |
| ii) Interest due but not paid                       | –                                | –               | –        | –  |
| iii) Interest accrued but not due                   | –                                | –               | –        | –  |
| Total (i+ii+iii)                                    | --                               | --              | --       | --   |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and/or Manager:

| S. No | Particular of Remuneration  | Mr. S Sudha Kiran Reddy | (Rupees)<br>Total |
|-------|---|-------------------------|-------------------|
| 1.    | Gross Salary<br>a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.<br>b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.<br>c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961. | Nil                     | Nil               |
| 2.    | Stock Option (no. of options)   | Nil                     | Nil               |
| 3.    | Sweat Equity  | Nil                     | Nil               |
| 4.    | Commission<br>- as a % of profit<br>- others, specify   | Nil                     | Nil               |
| 5.    | Others, please specify – (Gratuity, Provident & Superannuation funds)   | Nil                     | Nil               |
| 6.    | <b>Total (A)</b>  | Nil                     | Nil               |

## B. Remuneration to other Directors

(Rupees)

| S. No | Particular of Remuneration                      | N SunderRaj | Suneetha Kuchakulla | Devender Reddy K | Total |
|-------|---|-------------|---------------------|------------------|-------|
| 1.    | Independent Directors                           | Nil         | Nil                 | Nil              | Nil   |
| a.    | (a)Fee for attending board / committee meetings | Nil         | Nil                 | Nil              | Nil   |
| b.    | (b)Commission                                   | Nil         | Nil                 | Nil              | Nil   |
| c.    | (c)Others, please specify                       | Nil         | Nil                 | Nil              | Nil   |
|       | Total (1)                                       | Nil         | Nil                 | Nil              | Nil   |
| 2.    | Other Non-Executive Directors                   | Nil         | Nil                 | Nil              | Nil   |
| a.    | a)Fee for attending board / committee meetings  | Nil         | Nil                 | Nil              | Nil   |
| b.    | b)Commission                                    | Nil         | Nil                 | Nil              | Nil   |
| c.    | c)Others, please specify                        | Nil         | Nil                 | Nil              | Nil   |
|       | Total (2)                                       | Nil         | Nil                 | Nil              | Nil   |
|       | Total B = (1+2)                                 | Nil         | Nil                 | Nil              | Nil   |
|       |   |             |                     |                  |       |

\*Resigned from the Board

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Rupees)

| S. No | Particular of Remuneration  | Akshita Surana | Sridhar Bhupal | Total  |
|-------|---|----------------|----------------|--------|
| 1.    | Gross Salary  | 50,000         | Nil            | 50,000 |
| a.    | Salary as per provisions contained in section 17(1) of Income-tax Act, 1961 | Nil            | Nil            | Nil    |
| b.    | Value of perquisites u/s 17 (2) Income tax Act, 1961                        | Nil            | Nil            | Nil    |
| c.    | Profits in lieu of salary under section 17(3) Income-tax Act, 1961          | Nil            | Nil            | Nil    |
| 2     | Stock Option (nos.)   | Nil            | Nil            | Nil    |
| 3.    | Sweat Equity  | Nil            | Nil            | Nil    |
| 4.    | Commission<br>-as % of profits<br>-others, specify                          | Nil            | Nil            | Nil    |
| 5.    | Others, please specify – (Gratuity, Provident & Superannuation funds)       | 50,000         | Nil            | Nil    |

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, Punishment or Compounding of offences during the year ended March 31, 2017. However order for Condonation of delay under section 460(b) of Companies Act,2013 with respect to filing of E-form MGT-14 was obtained from the Registrar of Companies.

## Annexure D

### FORM NO. AOC - 2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis.

| Sl.No. | Particular  | Details |
|--------|---|---------|
| a      | Name (s) of the related party & nature of relationship  | Nil     |
| b      | Nature of contracts/arrangements/transaction  | Nil     |
| c      | Duration of the contracts/arrangements/transaction  | Nil     |
| d      | Salient terms of the contracts or arrangements or transaction including the value, if any                         | Nil     |
| e      | Justification for entering into such contracts or arrangements or transactions'                                   | Nil     |
| f      | Date of approval by the Board   | Nil     |
| g      | Amount paid as advances, if any   | Nil     |
| h      | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | Nil     |

#### 2. Details of contracts or arrangements or transactions at Arm's length basis

| Sl.No. | Particular  | Details |
|--------|---|---------|
| a      | Name (s) of the related party & nature of relationship                                    | Nil     |
| b      | Nature of contracts/arrangements/transaction  | Nil     |
| c      | Duration of the contracts/arrangements/transaction  | Nil     |
| d      | Salient terms of the contracts or arrangements or transaction including the value, if any | Nil     |
| e      | Date of approval by the Board   | Nil     |
| f      | Amount paid as advances, if any   | Nil     |

## Annexure E

### REPORT ON CORPORATE GOVERNANCE

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

#### Company's Philosophy

Sphere Global Services Limited ('SGSL' or 'the Company') believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

The Company's philosophy on Corporate Governance focuses on the attainment of the highest standards of transparency, accountability, ethics and equity with management flexibility, empowerment and responsiveness in the interest of shareholders, customers, employees, business associates and the society at large.

SGSL's corporate governance framework is based on the following main principles:

- Appropriate composition and size of the Board;
- Timely flow of information to the members of the Board and Board Committees;
- Well developed systems and processes for risk management and financial reporting;
- Timely and accurate disclosure of all material operational and financial information.

#### Board of Directors

A majority of the Board, 3 out of 4, are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

As on March 31, 2017, the Board has Four Directors, comprising (i) Three Independent Directors, (ii) One Executive Director. The composition of the Board is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

| Name               | Designation          | Audit    | Stakeholder Relationship | Nomination & Remuneration |
|--------------------|----------------------|----------|--------------------------|---------------------------|
| N SunderRaj        | Independent Director | Chairman | Chairman                 | Chairman                  |
| Devender Reddy K   | Independent Director | Member   | Member                   | Member                    |
| S Sudhakiran Reddy | Executive Director   | Member   | Member                   | -                         |
| Sunitha Kuchakulla | Independent Director | -        |                          | Member                    |

None of the above Directors are related to each other.



The composition of Board/Committees is available on the website of the Company i.e. <http://sphereglobal.in/committees.htm>

Each Director informs the Company on an annual basis about the Board and Board Committee positions he occupies in other companies including Chairmanships and notifies changes periodically and regularly during the term of their directorship in the Company. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors.

The number of other directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

| Name                | No. of other Directorships and Committee Membership / Chairmanship |              |              |
|---------------------|--|--------------|--------------|
|                     |  | Committee ** |              |
|                     | Other Directorships*   | Membership   | Chairmanship |
| S Sudhakiran Reddy  | Nil  | 2            | –            |
| Devender Reddy K    | Nil  | 2            | –            |
| Sunder Raj N        | Nil  | 2            | 2            |
| Suneetha Kuchakulla | Nil  | 1            | 0            |

\*Other directorships do not include Section 8 Companies, Private Limited companies incorporated outside India.

\*\*Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

Meetings of the Board,

The Board of Directors must meet at least four times a year, with a maximum time gap of 120 days between two Board meetings. During the financial year 2016-17, the Board met Seven times on the following dates: 02.04.2016, 21.05.2016, 30.05.2016, 08.08.2016, 24.08.2016, 14.11.2016 and 06.02.2017 The necessary quorum was present at all the meetings.

The below table gives the composition of the Board, their attendance at the board meetings held during the year and at the previous Annual General Meeting held on 30.09.2016 and also the shareholding.

| Name                     | Category and Designation | Attendance particulars |          | No. of Equity shares |
|--------------------------|--------------------------|------------------------|----------|----------------------|
|                          |                          | Board meetings         | Last AGM |                      |
| S Sudhakiran Reddy       | CMD                      | 7                      | Yes      | 662503               |
| Prakash Tripathi         | Executive Director       | 2                      | Yes      | Nil                  |
| Devender Reddy K         | Independent Director     | 4                      | Yes      | Nil                  |
| Sunder Raj N             | Independent Director     | 7                      | Yes      | Nil                  |
| Suneetha Kuchakulla      | Independent Director     | 6                      | Yes      | Nil                  |
| Vijaya Rama Mohan Reddy* | Executive Director       | 3                      | No       | Nil                  |

\*Resigned from the Board on 30.09.2016.

### **Information given to the Board:**

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Annual operating plans and budgets, capital budgets, updates and all variances;
- Quarterly, Half yearly, Nine months and Annual results of the Company and its subsidiaries;
- Detailed presentations on the business performance of the Company and its material subsidiaries;
- Minutes of meetings of the Audit Committee and other Committees;
- Contract in which Directors and Senior Management Personnel are interested, if any ;
- Update on the significant legal cases of the Company;
- Subsidiary companies minutes, financial statements and significant investments;
- reviews the compliance reports of all laws applicable to the Company;
- evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

### **Code of Conduct**

The Company has adopted a code of conduct for all Board Members and Designated Senior Management of the Company. The duties of Independent Directors as laid down in the Companies Act, 2013, are incorporated in the Code of Conduct. The Code of Conduct is available on the website of the Company i.e. <http://sphereglobal.in/code-of-conduct.htm>. All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is annexed at the end of this report.

### **Declaration by Independent Directors**

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

During the financial year 2016-17, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

### **Separate meetings of the Independent Directors**

During the year under review, the Independent Directors met on 06.02.2017 inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

### **Familiarisation programmes to Independent directors**

Brief details of the familiarisation programme is available on the website of the Company: [www.sphereglobal.in/policies-our-company.htm](http://www.sphereglobal.in/policies-our-company.htm)

## Committees of the Board

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has Three Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee/Compensation Committee
3. Stakeholders Relationship Committee

### Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.

The primary responsibilities of the Audit Committee are to:

1. Supervise the financial reporting process;
2. Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements;
3. Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function and remuneration of the Chief Internal Auditor;
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management;
5. Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes;
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements;
7. Recommend the appointment and removal of statutory auditors and their fees;
8. Ensure that adequate safeguards have been taken for legal compliance for the Company;
9. Review related party transactions.

The Audit Committee entirely comprises of Independent Directors. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.

During the financial year 2016-17, the Audit Committee met four times viz., on 30.05.2016, 08.08.2016, 14.11.2016, 06.02.2017. The below table gives the composition and attendance record of the Audit Committee.

| S. No. | Name               | Category and Designation | Number of meetings during the financial year |          |
|--------|--------------------|--------------------------|--|----------|
|        |                    |                          | Held   | Attended |
| 1      | S Sudhakiran Reddy | Member                   | 4  | 4        |
| 2      | SunderRaj N        | Chairman                 | 4  | 3        |
| 3      | Devender Reddy K   | Member                   | 4  | 2        |

The Audit Committee invites such of the executives, as it considers appropriate, Statutory Auditors and Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee. The Audit Committee also meets the Statutory Auditors and Internal Auditors separately, without the presence of management representative.

#### **Nomination & Remuneration Committee:**

The Board has constituted Nomination & Remuneration Committee consisting of three Independent Directors. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), Key Managerial Personnel, framing of policies and systems of the Employee Stock Option Scheme and looking after the issues relating to major HR policies.

During the financial year 2016-17, the Committee met two times viz., 14.11.2016 and 06.02.2017 . The below table gives the composition and attendance record of the Nomination & Remuneration Committee.

| S. No. | Name                | Position | Number of meetings during the financial year |          |
|--------|---------------------|----------|--|----------|
|        |                     |          | Held   | Attended |
| 1      | SunderRaj N         | Chairman | 2  | 2        |
| 2      | Devender Reddy K    | Member   | 2  | 1        |
| 3      | Suneetha Kuchakulla | Member   | 2  | 1        |

#### **Remuneration policy:**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CFO & Managing Director and their remuneration.

This Policy is accordingly derived from the said Charter.

#### **1. Criteria of Selection Of Non-Executive Directors**

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
  - a) Qualification, expertise and experience of the Directors in their respective fields;
  - b) Personal, Professional or business standing;
  - c) Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## **2. Remuneration**

The Non-Executive Directors shall not be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

## **3. Criteria for selection/appointment of CEO, CFO & Managing Director**

For the purpose of selection of the CEO/CFO & Managing Director, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013, or other applicable laws.

## **4. Remuneration for the CEO, CFO & Managing Director**

- i. At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director, within the overall limits prescribed under the Companies Act, 2013;
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting;
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus; as mutually agreed.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
  - a) the relationship of remuneration and performance benchmarks is clear;
  - b) the balance between fixed and variable pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c) the responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
  - d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

## **5. Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees (i.e. KMP and Executive Committee Members) the N&R Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and variable pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals; as mutually agreed.
- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market. as mutually agreed.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned hereinabove, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

#### Directors Remuneration

The remuneration paid/payable to the Executive Directors is given below:

| S. No. | Particulars                                   | Mr. S Sudhakiran, CMD |
|--------|---|-----------------------|
| 1      | Salary (p.a)                                  | Nil                   |
| 2      | Contribution to Provident & other funds (p.a) | Nil                   |
| 3      | Rent Free Accommodation / Perks (p.a)         | Nil                   |
| 4      | TOTAL   |                       |

Stock Option (nos.): Nil

Notice period: Nil

#### b) Non-Executive Directors: -

The Sitting fee and commission payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013, and duly considered and approved by the Board and the shareholders.

The details of sitting fee paid to the Non-Executive Directors (Independent) during the financial year 2016-17 and, proposed commission, stock options granted, accepted & outstanding are as follows:

| Name               | Sitting fee | Commission | Stock options * |
|--------------------|-------------|------------|-----------------|
|                    | (Rs.)       | (Rs.)      | (Non.)          |
| Sunderraj N        | Nil         | Nil        | Nil             |
| Devender Reddy     | Nil         | Nil        | Nil             |
| Sunitha Kuchakulla | Nil         | Nil        | Nil             |
| TOTAL              | Nil         | Nil        | Nil             |

Other than above, there is no pecuniary or business relationship between the Non-Executive directors and the company. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

#### Stakeholders Relationship Committee

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on:

1. consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
2. Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
3. Provide guidance and make recommendations to improve investor service levels for the investors.

The Committee consists of three Directors viz., Mr. SunderRaj N, Chairman Mr. Sudhakiran Reddy, Member and Mr. Devender Reddy K, Member. During the financial year 2016-17, the Stakeholders Relationship Committee met twice on 24.08.2016 and 06.02.2017 and all the members were present for the meeting.

The Company Secretary of the Company act as the secretary of the Committee and also designated as Compliance Officer.

In order to expedite the process of transfers of shares, transmission of shares etc. the Board has delegated the powers to certain officers of the Company.

| Sl. No. | Nature of Complaint               | Received | Disposed | Pending | Not resolved to the satisfaction of shareholders |
|---------|-----------------------------------|----------|----------|---------|--|
| 1.      | Non receipt of dividend warrants  | –        | –        | –       | –  |
| 2.      | Non receipt of Annual Report      | –        | –        | –       | –  |
| 3.      | Non-receipt of stock split shares | --       | --       | --      | --   |

**Name, designation and address of Compliance Officer:**

Company Secretary & Chief Investor Relations & Compliance Officer  
Plot No. A-52, Journalist Colony,  
Jubilee Hills -500033, Hyderabad, Telangana  
Telephone No: 040-23552283/84/85  
E-mail:cs@sphereglobal.in

**General Body Meetings**

**(a) Annual General Meeting:**

| Year(s) | Date of AGM | Time       | Venue   |
|---------|-------------|------------|---|
| 2015-16 | 30.09.2016  | 2.00 p.m   | ICWAI Bhavan, Beside Dena Bank, Sanath Nagar, Hyderabad, Telangana 500018           |
| 2014-15 | 30.09. 2015 | 02.00 p.m. | ICWAI Bhavan, Beside Dena Bank, Sanath Nagar, Hyderabad, Telangana 500018           |
| 2013-14 | 30.12.2013  | 09.00 a.m. | Plot No.91 Road No 7B , Women Housing Co-operative society, Jubilee Hills Hyderabad |

**(b) Extraordinary General Meeting:**

During the year, company has not held any Extraordinary General Meeting.

**Postal Ballot:**

No Postal ballot was carried, during the year

**Disclosures**

(a) Disclosures on materially significant related party transactions, which may have potential conflict with the interest of the Company at large:

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. However, the other related party transactions forms part of the financial statements. The related party transactions policy is available on the website of the Company i.e. <http://sphereglobal.in/policies-our-company.htm>

(b) There were no non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years

(c) Whistle blower policy:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The Vigil Mechanism Policy is available on the website of the Company i.e. <http://sphereglobal.in/policies-our-company.htm>

(d) The Company has complied with all mandatory requirements of SEBI Listing Regulations.

(e) Subsidiary Companies:

The Board of Directors has reviewed the financial statements and minutes of the board meetings of Adroit Infotech Limited (AIL), the materially unlisted subsidiary company. Ms. Suneetha Kuchakulla, Independent Director of the Company is also on the Board of AIL. The policy for determining 'material' subsidiaries is available on the website of the Company i.e. <http://sphereglobal.in/policies-our-company.htm>.

The other two subsidiaries are located in USA and Middle East:

Sphere Global USA Inc  
Sphere Global Services FZ LLC

(f) Disclosure of commodity price risks and commodity hedging activities: Not Applicable.

The Company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India and the company has not raised any fresh funds from the public or through Right or Preferential Issue.

#### **Details of compliance with mandatory requirements**

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 of SEBI Listing Regulations.

#### **Non-Mandatory Requirements**

##### **Audit qualification**

The Company is in the regime of unqualified financial statements.

##### **Reporting of Internal Auditor**

The Internal Auditor directly reports to the Audit Committee.

##### **CEO and CFO Certification:**

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls for the financial year 2016-17 to the Board of Directors at their meeting held on 21.07.2017, as required under regulation 17(8) of SEBI Listing Regulations.

#### **Means of Communication**

##### **(a) Publication of results**

The quarterly, half-yearly & nine months un-audited financial results and annual audited results of the Company were generally published in Business Standard, national level English newspaper(s) as well as Vishal Andhra, regional language newspaper circulating in the state of Telangana.

##### **(b) Website and News Release**

The quarterly, half-yearly & nine months un-audited financial results and annual audited results of the company are available on the website of the Company i.e. "www.sphereglobal.in". Official news releases, detailed presentations made to media, analysts, institutional investors, etc are available on the website of the Company i.e. www.sphereglobal.in. Official media releases are sent to BSE Limited and National Stock Exchange of India Limited. Your Company also make timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the SEBI Listing Regulation and other rules and regulation issued by the Securities and Exchange Board of India.



Further following information is available on the website of the Company i.e. [www.sphereglobal.in](http://www.sphereglobal.in) :

- Details of business of the Company;
- Terms and conditions of appointment of Independent Directors;
- Composition of various Committees of Board of Directors;
- Code of Conduct for Board of Directors and Senior Management Personnel;
- Details of establishment of vigil mechanism/ Whistle Blower policy;
- Criteria of making payments to Non-Executive Directors;
- Policy on dealing with Related Party Transactions;
- Policy for determining 'material' subsidiaries;
- Details of familiarization programmes imparted to Independent Directors;
- Policy for determination of materiality of events.

#### **NSE Electronic Application Processing System (NEAPS):**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

#### **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

#### **E-voting**

Pursuant to the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

#### **Additional Shareholders' Information**

##### **Annual General Meeting:**

Date: 30.08.2017

Time: 9.00 a.m

Venue: ICWAI Bhavan, Beside Dena Bank, Sanath Nagar, Hyderabad, Telangana 500018

#### **Financial Calendar**

##### **Financial Year - 1st April 2017 to 31st March 2018**

| <b>Tentative calendar for declaration of financial results in financial year 2016-17</b> |  |
|--|--|
| Results for the quarter ended June 30, 2017  | on or before August 14, 2017 or September 14, 2017*  |
| Results for the quarter ended September 30, 2017   | on or before November 14, 2017 or December 14, 2017* |
| Results for the quarter ended December 31, 2017  | on or before February 14, 2018                       |
| Results for the year ended March 31, 2018  | on or before May 30, 2018                            |

**\*Extention granted by SEBI, to ensure that accounts are IND AS compliance**

### **Book Closure dates:**

The dates for book closure are from Friday, August 23, 2017 to 29 August, 2017 (both days inclusive).

### **Dividend / Unclaimed dividend**

Your Directors have recommended a dividend of Rs.0.50 (i.e. 5%) per equity share of Rs.10 each for the financial year ended March 31, 2017. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

### **Unclaimed Shares**

The Company is in the process of sending reminders to the shareholders whose shares were lying with the Company unclaimed/undelivered. These will be transferred to the Demat Suspense Account /unclaimed suspense account as required in accordance with the procedural requirements of the SEBI Listing Regulations.

### **Code of Conduct for prohibition of Insider trading**

Your company had adopted a Code of conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. All Directors, Senior Management Personnel, person forming part of Promoter(s)/Promoter(s) Group(s) and such other Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year under review, the Company had made due compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code of conduct is available on the website of the Company i.e. [www.sphereglobal.in](http://www.sphereglobal.in) Company Secretary of the Company was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

### **Listing on Stock Exchanges**

The Company's shares are listed on BSE Limited (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and The National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

The listing fee for the financial year 2017-18 has been paid to all the above stock exchanges.

### **Stock Code:**

- a) Trading scrip code on BSE: 532172
- b) Trading scrip code on NSE : SPHEREGSL

### **International Securities Identification Number (ISIN):**

ISIN is a unique identification number of traded scrip. The Company's' ISIN for equity shares is INE737B01033

### **Market Price Data**

The Monthly high and low prices of your company's share at BSE and NSE for the year ended March 31, 2017 are as under

| Month    | NSE   |       | BSE   |       |
|----------|-------|-------|-------|-------|
|          | High  | Low   | High  | Low   |
| Apr-2016 | 57.00 | 48.00 | 57.25 | 44.80 |
| May-2016 | 61.00 | 47.10 | 61.40 | 50.10 |
| Jun-2016 | 65.00 | 47.85 | 65.00 | 51.20 |
| Jul-2016 | 68.45 | 60.20 | 67.50 | 60.10 |
| Aug-2016 | 84.95 | 61.70 | 82.00 | 61.80 |
| Sep-2016 | 77.00 | 64.15 | 77.00 | 64.05 |
| Oct-2016 | 85.00 | 64.15 | 84.50 | 68.10 |
| Nov-2016 | 83.70 | 57.00 | 83.00 | 55.20 |
| Dec-2016 | 71.80 | 59.50 | 72.00 | 58.35 |
| Jan-2017 | 78.75 | 62.90 | 78.75 | 62.00 |
| Feb-2017 | 76.70 | 58.60 | 75.95 | 58.60 |
| Mar-2017 | 71.35 | 59.40 | 70.50 | 59.05 |

#### Share price performance in comparison to broad based indices - BSE Sensex

| Particulars          | SGSL share price v/s NSE |           | SGSL share price v/s BSE |            |
|----------------------|--------------------------|-----------|--------------------------|------------|
|                      | Share price(Rs.)         | NSE Nifty | Share price(Rs.)         | BSE Sensex |
| As on April 1, 2016  | 49.50                    | 7718.05   | 44.80                    | 25301.70   |
| As on March 31, 2017 | 63.60                    | 9173.75   | 63.25                    | 29620.50   |
| Changes (%)          | 28.48                    | 18.86     | 41.18                    | 17.07      |

Total equity as on March 31, 2017 was 18,06,88,72 (previous year 1,74,68,872) equity shares of Rs.10/- each.

#### Share Transfer System

All queries and requests relating to share transfers/transmissions may be addressed to our Registrar and Transfer Agent:

Venture Capital and Corporate Investments Pvt. Ltd.  
12-10-167, Bharat Nagar  
Hyderabad, 500018,  
Contact Person: Mr. Prasad  
Phone : +91 040-23818475/23818476/23868023  
Fax : +91 040-23868024  
E mail: info@vccilindia.com

98.63% of the shares of the company are in demat form. Transfer of these shares are done through the depositories. As regards transfer of shares held in physical form the transfer documents can be lodged with M/s. Venture Capital and Corporate Investments Pvt. Ltd. Share transfers, if documents are found to be in order, are registered and returned within stipulated time from the date of receipt of the documents.

### Dematerialization of Shares and liquidity

98.63% of the total shares have been dematerialized upto March 31, 2017. Dematerialization of shares is done through M/s. Venture Capital and Corporate Investments Pvt. Ltd. and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

| Particulars     | Shares on March 31, 2016 | %     |
|-----------------|--------------------------|-------|
| Physical Shares | 239317                   | 1.37  |
| NSDL            | 3637382                  | 20.82 |
| CDSL            | 13592173                 | 77.80 |
| Total           | 17468872                 | 100   |

### Secretarial Audit

The Company has undertaken secretarial audit for the financial year 2016-17 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the rules made under the Act, SEBI Listing Regulations and applicable regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standard issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of the Annual Report.

As stipulated by Securities and Exchange Board of India, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

### Distribution Schedule as on March 31, 2017:

| No. of shares |           | No. of Share holders | % of total Shareholders | No. of shares | % to Total Capital |
|---------------|-----------|----------------------|-------------------------|---------------|--------------------|
| Upto – 500    | 5,00      | 9272                 | 91.22                   | 705967        | 4.04               |
| 501           | 1000      | 374                  | 3.68                    | 297472        | 1.7                |
| 1001          | 2000      | 191                  | 1.88                    | 293637        | 1.68               |
| 2001          | 3000      | 82                   | 0.81                    | 207449        | 1.19               |
| 3001          | 4000      | 40                   | 0.39                    | 142228        | 0.81               |
| 4001          | 5000      | 24                   | 0.24                    | 112965        | 0.65               |
| 5001          | 10000     | 65                   | 0.64                    | 468054        | 2.68               |
| 10001         | And above | 116                  | 1.14                    | 15241100      | 87.25              |
| Total         |           | 10164                | 100                     | 17468872      | 100                |

**Distribution of Shareholding on the basis of ownership as on March 31, 2017**

| Sl. No | Description                       | No. of shares   | % of total capital |
|--------|-----------------------------------|-----------------|--------------------|
| 1      | Company Promoter / Promoter group | 11507404        | 63.69              |
| 2      | Foreign Institutional Investors   | 0               | 0                  |
| 3      | Banks / Mutual Funds / NBFC       | 0               | 0                  |
| 4      | Bodies Corporates and Any others  | 1065198         | 5.90               |
| 5      | Individuals / HUF                 | 4987387         | 27.60              |
| 6      | Non Resident Indians              | 64985           | 0.36               |
| 7      | Foreign Bodies Corporate          | 263             | 0.001              |
| 8      | Clearing Members and Trusts       | 443635          | 2.45               |
|        | <b>TOTAL</b>                      | <b>18068872</b> | <b>100</b>         |

**Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs / ADRs / Warrants / any convertible instruments.

**Plant Locations:**

The Company does not have any plant locations; however the Company has its IT centre at Plot No. A-52, Road No.70, Journalist Colony, Jubilee Hills -500033, Hyderabad, Telangana

**Investor Correspondence**

**For queries relating to shares:**

Venture Capital and Corporate Investments Pvt. Ltd.  
12-10-167, Bharat Nagar  
Hyderabad, 500018,  
Phone : +91 040-23818475/23818476/23868023  
Fax : +91 040-23868024  
E mail: info@vccilindia.com

**For queries relating to Financial Statements and other contents of Annual Report:**

Sphere Global Services Limited  
Company Secretary & Compliance Officer  
A-52, Road No 70,  
Journalist Colony, Jubilee Hills,  
Hyderabad -500033  
Tel: +91-40-2355 2284/85/86  
Fax: +91-40-2355 2283  
E mail : cs@sphereglobal.in

**Certificate of Compliance from Auditors as stipulated under SEBI (LODR) Regulations, 2015**

**Certificate**

**To**

**The Members of Sphere Global Services Limited  
Hyderabad**

We have examined the compliance of conditions of corporate governance by Sphere Global Services Limited ("the Company") for the year ended on March 31, 2017, as stipulated in Clause 49 of Listing Agreement with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to procedures and implantation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company as complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

**For Niranjana & Narayan  
Chartered Accountants  
(FRN:005899S)**

**Sd/-  
P Venumadhava Rao  
Partner  
M. No. 202785**

Date: 21.07.2017

Place: Hyderabad

**Declaration**

As provided under regulation 26(3) of the SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2017.

**for Sphere Global Services Limited**

**Sd/-  
S Sudhakiran Reddy  
CMD  
DIN: 01436242**

Place: Hyderabad

Date: 21.07.2017

## Management Discussion & Analysis

### Management Discussion & Analysis

#### Overview of the Economy

#### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Software and computing technology are transforming businesses in every industry around the world in a very profound and fundamental way. The continued reduction in the unit cost of hardware, the explosion of network bandwidth, advanced software technologies and technology-enabled services are fuelling the rapid digitization of business processes and information. Over the past two decades, with the emergence of the internet and inexpensive connectivity, the global delivery model of service delivery has risen to become the preferred model in sourcing of IT services, business process services and research and development services.

The rapid pace at which technology is changing and the need for highly-skilled professionals in both the renewed and new technology areas are driving businesses to rely on third parties to realize their IT transformation. Several technology solution and service providers have emerged over the years, offering different models for clients to consume their solution and service offerings?:

#### Global Delivery Model

Our Global Delivery Model is based on a scalable infrastructure that results in multiple efficiencies for our clients. We divide projects into components that we execute simultaneously at client sites and at our Development Centers in India and around the world.

#### 2. Opportunities and

#### threats Our strengths

We believe our strengths give us the competitive advantage to position ourselves as the leading global solutions and services company.

We develop and integrate innovative solutions that enable our clients to leverage IT to achieve their business objectives at competitive costs. We use our quality processes and global talent pool to deliver “time to development” advantages, cost savings and productivity improvements.

Consulting and domain expertise?: Our specific industry, domain, process, and technology expertise allows us to enable clients to transform their businesses with innovative strategies and solutions. Our expertise helps our clients enhance their performance, gain process and IT efficiencies, increase agility and flexibility, reduce costs, and achieve measurable business value.

Breadth of offerings?: Our suite of comprehensive end-to-end business solutions includes business and technology consulting, enterprise solutions, systems integration, custom application development, application maintenance and production support, infrastructure management, cloud ecosystem integration, product engineering and lifecycle solutions, business process management, software products, and business platforms and solutions.

Deep client relationships and brand?: We have long-standing relationships with large corporations and other organizations. Our track record in delivering high-quality solutions across the entire software lifecycle and our strong domain expertise help us solidify these relationships and gain increased business from existing clients. This history of client retention allows us to showcase and strengthen our brand.

## Our strategy

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while generating profitable growth for our investors. In order to do this, we will apply the priorities of 'renew' and 'new' to our own business and cascade it to everything we do.

These translate to the following strategic focus areas?:

Build expansive, lasting relationships with our clients by delivering differentiated market offerings?: Our strategy is to engage with clients on their large transformative programs, both in traditional IT areas as well as for their new digital business initiatives. We expand existing client relationships by providing them with a broad set of end-to-end service offerings and increase the size, nature and number of projects we do with them. Our specific industry, domain, process, and technology expertise allows us to enable clients transform their businesses with innovative strategies and solutions. We offer an end-to-end suite of high-quality, highly responsive and innovation-led services spanning business consulting, IT services, software platform-based services and business process management. This enables us to partner with our clients on large, multi-year engagements.

Our Global Delivery Model provides scale, quality, expertise and cost and time-to-market advantages to our client projects. The model enables us to perform work at the location where the best talent is available and where it makes the best economic sense with the least amount of acceptable risk. Over the last 30 years, we have developed our distributed execution capabilities to deliver high-quality and scalable services. This scalable infrastructure complements our ability to deliver project components that are executed round the clock and across time zones enabling us to reduce project delivery times.

Enhance our operational processes for agility and optimal cost?: We periodically assess the effectiveness of our organization structure and processes to optimize it for alignment with our strategic objectives and agility. Attract and retain a global, diverse, motivated and high-performing employee base?-Our employees are our biggest assets.

We will deploy our capital in making selective business acquisitions that augment our expertise, complement our presence in certain market segments and accelerate the execution of our strategies.

## Our competition

We experience intense competition in traditional services and see a rapidly-changing marketplace with new competitors arising in new technologies who are focused on agility, flexibility and innovation.

We typically compete with other technology services providers in response to requests for proposals. Clients often cite our industry expertise, comprehensive end-to-end solutions, ability to scale, superior quality and process execution, Global Delivery Model, experienced management team, talented professionals and track record as reasons for awarding us contracts.

## 3. OUTLOOK, RISKS AND CONCERNS.

### OUTLOOK:

In order to meet the changing market realities, your Company has been following the philosophy of providing the highest quality products and services at the lowest possible prices

All endeavours are made to achieve possible cost reduction in every area of operations.

Your Company's philosophy to provide high class quality products i.e. full value for money, to consumers would greatly benefit in the long run. In the otherwise increasing cost arena, every expense, whether capital or revenue is minutely reviewed to achieve all possible savings.



## **RISKS AND CONCERNS:**

Risk Management at “Sphere Global” is an enterprise wide function that aims at assessing threats to business sustainability and mitigating those threats. The function is backed by a qualified team of specialists with deep industry experience who develop frameworks and methodologies for assessing and mitigating risks.

### **4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper and adequate system of internal control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, regarded and reported correctly.

The Company's Internal Audit Department is regularly carrying out the Audit in all areas. Additionally the Audit committee is reviewing all Audit Reports with significant control, all issues raised by internal and external auditing regularly, reports on the business development, all the past and the future plans are given to the Board of Directors, Internal Auditor's reports are regularly circulated to all the senior management to comply with the findings.

Normal forcible risks of the Company's Assets are adequately covered by comprehensive insurances.

### **5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE – STANDALONE & CONSOLIDATED.**

During the year under review, your company has earned revenue of Rs 426.97 lakhs and profit of Rs.135.1 lakhs and consolidated revenue of Rs. 5302.78 lakhs and profit of Rs.1560.31 lakhs .

### **6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES.**

Human capital is broadly people's competencies, capabilities and experience, being continuously innovative and contribute to the organizations shared goals and values .

During the year under review, the Company has undertaken extensive steps in optimizing the manpower at the Plant, corporate office and Field locations. Employee/employer relations were cordial throughout the year. Measures for safety of the employees, training and development continued to receive top priorities.

### **CAUTIONARY STATEMENT**

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

## Independent Auditor's Report

TO THE MEMBERS OF

**SPHERE GLOBAL SERVICES LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying financial statements of M/s. Sphere Global Services Limited ("the Company"), which comprise the Balance Sheet as on March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management and Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 133 of the Act, read with rule 7 of companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion whether the Company has in place an adequate internal Financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2017 and its profit and its Cash Flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2016("the order") issued by the Central + Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, We further report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the accounting standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
    - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

The question of delay in transferring such sums does not arise

**For Niranjana & Narayan  
Chartered Accountants  
Firm Reg.No.005899S**

Date : 30.05.2017

Place: Hyderabad

**Sd/-  
P Venumadhava Rao  
Partner  
M No. 202785**

## Annexure to the Independent Auditors Report

The Annexure referred to in our report to the members of Sphere Global Services Limited ('The Company') for the year ended 31st March 2017. We report that:

- i. In respect of the fixed assets of the Company:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) These Fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the company.
- ii. In respect of the inventory of the Company:
  - (a) The management has conducted the physical verification of inventory at reasonable intervals .
  - (b) No material discrepancies were noticed on such verification.
- iii. In respect of loans, secured or unsecured, garanted or taken by the company to / from companies, firms or other parties covered by the clause 76 of section 2 of the Companies Act,2013:
  - (a) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
  - (b) The company is regular in receipt of interest on such loans.
  - (c) There is no overdue for more than 5lakhs rupees.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. In our opinion and according to the information given to us, the Company has not accepted deposits. Therefore, the provisions of the clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. As per the notification no.G.S.R.425 (E) dated 30th June 2014 issued by Ministry of corporate affairs, as per clause 3(B) (iii) of the Companies (Cost Records and Audit) Rules,2014 company is falling under the category for maintaining the cost records but company's turnover is less than the threshold limit prescribed under the rule. And as per notification G.S.R. 425 (E) dated 30th June 2014 issued by Ministry of corporate affairs, as per clause 4 of the companies (Cost Records and Audit) Rules,2014 cost audit is not mandatory for the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues where ever applicable to it with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of any dispute.
- viii. In our opinion and on verification of records, the company has not defaulted in repayment of dues to its bankers and financial institutions.

- ix. In our opinion, the term loans have been applied for the purpose for which they were raised.
- x. In our opinion, Based upon audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion, based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion, based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. In our opinion, based upon the audit procedures performed and information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected by him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For Niranjana & Narayan  
Chartered Accountants  
Firm Reg.No.005899S**

**Sd./-**

**P Venumadhava Rao  
Partner  
M No. 202785**

Place: Hyderabad  
Date : 30.05.2017

| SPHERE GLOBAL SERVICES LIMITED   |   |   |                                |
|--|---|---|--------------------------------|
| Plot No. A-52, Journalist Colony , Jubilee Hills , Hyderabad - 500033                    |   |   |                                |
| Balance Sheet as at 31st March 2017  |   |   |                                |
| Particulars  | Notes   | As at March 31, 2017<br>Rupees                                      | As at March 31, 2016<br>Rupees |
| <b>I. EQUITY AND LIABILITIES</b>   |   |   |                                |
| <b>(1) Shareholder's Funds</b>   |   |   |                                |
| (a) Share Capital  | 1   | 18,06,88,720  | 17,46,88,720                   |
| (b) Reserves and Surplus   | 2   | 4,34,20,856   | 9,10,113                       |
| <b>(2) Share Application money pending allotment</b>                                     | 3   | -   | 1,25,00,000                    |
| <b>(3) Non-Current Liabilities</b>   |   |   |                                |
| (a) Long-Term Borrowings   | 4   | -   | -                              |
| <b>(4) Current Liabilities</b>   |   |   |                                |
| (a) Short-Term Borrowings  | 5   | 39,00,000   | 50,160                         |
| (b) Trade Payables   | 6   | 24,81,749   | 1,03,430                       |
| (c) Other Current Liabilities  | 7   | 38,78,422   | 30,78,936                      |
| (d) Short-Term Provisions  | 8   | 16,43,783   | 11,66,375                      |
| <b>Total Equity &amp; Liabilities</b>  |   | <b>23,60,13,531</b>   | <b>19,24,97,735</b>            |
| <b>II. ASSETS</b>  |   |   |                                |
| <b>(1) Non-Current Assets</b>  |   |   |                                |
| <b>(a) Fixed Assets</b>  |   |   |                                |
| (i) Tangible assets  | 9   | 3,29,954  | 5,79,285                       |
| (ii) Intangible assets   | 9   | 2,90,00,000   | 2,90,00,724                    |
| (b) Non - Current Investment   | 10  | 2,51,90,000   | 6,25,25,707                    |
| (c) Deferred tax assets (Net)  | 11  | 13,25,740   | 13,25,541                      |
| (d) Long term loans and advances   | 12  | 24,31,180   | 1,80,04,287                    |
| <b>(2) Current Assets</b>  |   |   |                                |
| (a) Inventories  | 13  | -   | -                              |
| (b) Current Investment   | 14  | 12,00,000   | 10,00,000                      |
| (c) Trade Receivables  | 15  | 8,12,68,497   | 6,16,61,106                    |
| (d) Cash and cash equivalents  | 16  | 6,63,09,552   | 4,05,188                       |
| (e) Short-term loans and advances  | 17  | 27,97,686   | 15,69,454                      |
| (e) Other Current Assets   | 18  | 2,61,60,922   | 1,64,26,443                    |
| <b>Total Assets</b>  |   | <b>23,60,13,531</b>   | <b>19,24,97,735</b>            |
| SIGNIFICANT ACCOUNT POLICIES & NOTES TO ACCOUNTS   |   | 0   |                                |
| The Notes referred to above, forms an integral part of these financial statements        |   |   |                                |
| For Niranjana & Narayan<br>Chartered Accountants<br>(Firm Registration Number : 005899S) | Sd/-<br>S. Sudha Kiran Reddy<br>Managing Director<br>DIN : 01436242 | Sd/-<br>Sunder Raj N<br>Director<br>DIN: 1679215                    |                                |
| Sd/-<br>P Venumadhava Rao<br>Partner<br>Membership Number : 202785                       | Sd/-<br>Shridhar B H<br>Chief Financial Officer                     | Sd/-<br>Akshita Surana<br>Company Secretary &<br>Compliance Officer |                                |
| Place : Hyderabad<br>Date : 30.05.2017   |   |   |                                |

| SPHERE GLOBAL SERVICES LIMITED  |   |   |   |                     |
|---|---|---|---|---------------------|
| A-52, Road No. 70, Journalist Colony, Jubilee Hills, Hyderabad - 500033                 |   |   |   |                     |
| Statement of Profit & Loss for the year ended 31 <sup>st</sup> March 2017               |   |   |   |                     |
| Sr. No  | Particulars   | Notes   | As at March 31,2017   | As at March 31,2016 |
|   |   |   | Rupees  | Rupees              |
| I   | Revenue from operations                                   | 19  | 4,20,78,856   | 10,63,94,857        |
| II  | Other Income  | 20  | 6,19,051  | 9,80,082            |
| III   | III. Total Revenue (I +II)                                |   | 4,26,97,907   | 10,73,74,939        |
| IV  | Expenses:   |   |   |                     |
|   | Cost of materials consumed/ Services                      | 21  | -   | 5,37,93,425         |
|   | Employee Benefit Expense                                  | 22  | 2,01,86,061   | 1,95,71,255         |
|   | Finance Costs   | 23  | 7,726   | -                   |
|   | Depreciation and Amortization Expense                     | 24  | 2,50,056  | 6,06,832            |
|   | Other Administrative Expenses                             | 25  | 77,51,040   | 97,76,176           |
|   | Total Expenses (IV)                                       |   | 2,81,94,883   | 8,37,47,688         |
| V   | Profit before exceptional and extraordinary items and tax | (III - IV)  | 1,45,03,024   | 2,36,27,251         |
| VI  | Extraordinary Items                                       | 26  | 10,069  | -                   |
| VII   | Profit before tax (V - VI)                                |   | 1,44,92,955   | 2,36,27,251         |
| VIII  | Tax expense:  |   |   |                     |
|   | (1) Current tax   |   | 9,82,411  | -                   |
|   | (2) Deferred tax  | -   | 199   | 55,163              |
| IX  | Profit(Loss) from the period from continuing operations   | (VII-VIII)  | 1,35,10,743   | 2,36,82,414         |
| X   | Earning per equity share:                                 |   |   |                     |
|   | (1) Basic   |   | 0.75  | 1.36                |
|   | (2) Diluted   |   | 0.75  | 1.36                |
| The Notes referred to above, forms an integral part of these financial statements       |   |   |   |                     |
| For Niranjan & Narayan<br>Chartered Accountants<br>(Firm Registration Number : 005899S) |   | Sd/-<br>S. Sudha Kiran Reddy<br>Managing Director<br>DIN : 01436242 | Sd/-<br>Sunder Raj N<br>Director<br>DIN: 1679215                    |                     |
| Sd/-<br>P Venumadhava Rao<br>Partner<br>Membership Number : 202785                      |   | Sd/-<br>Shridhar B H<br>Chief Financial Officer                     | Sd/-<br>Akshita Surana<br>Company Secretary &<br>Compliance Officer |                     |
| Place : Hyderabad<br>Date : 30.05.2017  |   |   |   |                     |

| SPHERE GLOBAL SERVICES LIMITED   |  |   |   |
|--|--|---|---|
| Plot No. A-52, Journalist Colony, Jubilee Hills, Hyderabad - 500033                      |  |   |   |
| CASH FLOW STATEMENT FOR THE YEAR ENDED 31 <sup>st</sup> March, 2017                      |  |   |   |
|  | PARTICULARS  | 31st March,2017   | 31st March,2016   |
| <b>A</b>   | <b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>                  |   |   |
|  | Net profit /Loss before tax and extra-ordinary items               | 1,45,03,024   | 2,36,27,251   |
|  | <b>Adjustments For :</b>   |   |   |
|  | Loss on sales of assets  |   |   |
|  | Depreciation   | 2,50,056  | 6,06,832  |
|  | Interest - Income  | 6,19,051  | 9,80,082  |
|  | Interest - Expenditure   | -   | -   |
|  | <b>Operating Profit /Loss Before working Capital Charges</b>       | <b>1,53,72,131</b>  | <b>2,52,14,165</b>  |
|  | <b>Adjustments For :</b>   |   |   |
|  | Increase/ (Decrease) in Long Term Provisions                       | -   | (3,91,82,643)   |
|  | Increase/ Decrease in Short Tem Borrowings                         | 38,49,840   | -   |
|  | Increase/ Decrease in Short Tem Provisions                         | (5,05,003)  | 10,19,572   |
|  | Increase/ Decrease in Other Current Liabilities                    | 7,99,486  | (12,06,762)   |
|  | Increase/ Decrease in Trade payables                               | 23,78,319   | -   |
|  | Increase/ Decrease in Trade receivables                            | (1,96,07,391)   | 3,52,36,430   |
|  | Increase/ Decrease in Inventories                                  | -   | 4,46,20,566   |
|  | Increase/ Decrease in Long Term Loans and advances                 | 1,55,73,107   | (1,72,83,287)   |
|  | Increase/ Decrease in Short Term Loans and advances                | (12,28,232)   | 1,97,64,260   |
|  | Increase/ Decrease in Other Current Assets                         | (97,34,479)   | (1,64,26,443)   |
|  | <b>Cash Generated from operations</b>                              | <b>68,97,778</b>  | <b>5,17,55,858</b>  |
|  | Interest Paid  |   | -   |
|  | Direct Taxes   |   | -   |
|  | <b>Cash Flow before Extra-ordinary Items</b>                       | <b>68,97,778</b>  | <b>5,17,55,858</b>  |
|  | <b>Extra-ordinary / Prior period Items</b>                         |   |   |
|  | Prior Period Expenses  | 10,069  | -   |
|  | <b>Net Cash Flow from operating Activities</b>                     | <b>68,87,709</b>  | <b>5,17,55,858</b>  |
| <b>B</b>   | <b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>                  |   |   |
|  | Purchase of Fixed Assets   | -   | (7,54,382)  |
|  | Decrease/ (Increase) in Investment                                 | 3,71,35,707   | (6,25,25,707)   |
|  | Interest Received  | (6,19,051)  | (9,80,082)  |
|  | <b>Net Cash Flow From Investing Activities</b>                     | <b>3,65,16,656</b>  | <b>(6,42,60,171)</b>  |
| <b>C</b>   | <b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>                  |   |   |
|  | Proceeds from Issue of share capital (net of Share Issue Expenses) | 60,00,000   | -   |
|  | Proceeds received / (Repayment) of Share Application Money         | (1,25,00,000)   | 1,25,00,000   |
|  | Proceeds from/repayment of Long Term Borrowings                    | -   | -   |
|  | Increase/(Decrease) in Reserves                                    | 2,90,00,000   | 1,33,499  |
|  | Dividend   | -   | -   |
|  | <b>Net Cash Flows from Financing Activities</b>                    | <b>2,25,00,000</b>  | <b>1,26,33,499</b>  |
|  | <b>Net Increase / Decrease in Cash + Cash equivalents</b>          | <b>6,59,04,365</b>  | <b>1,29,185</b>   |
|  | <b>Opening Balance</b>   | <b>4,05,189</b>   | <b>2,76,002</b>   |
|  | <b>Closing Balance</b>   | <b>6,63,09,552</b>  | <b>4,05,189</b>   |
| For Niranjana & Narayan<br>Chartered Accountants<br>(Firm Registration Number : 005899S) |  | Sd/-<br>S. Sudha Kiran Reddy<br>Managing Director<br>DIN : 01436242 | Sd/-<br>Sunder Raj N<br>Director<br>DIN: 1679215                    |
| Sd/-<br>P Venumadhava Rao<br>Partner<br>Membership Number : 202785                       |  | Sd/-<br>Shridhar B H<br>Chief Financial Officer                     | Sd/-<br>Akshita Surana<br>Company Secretary &<br>Compliance Officer |
| Place : Hyderabad<br>Date : 30.05.2017   |  |   |   |



## SPHERE GLOBAL SERVICES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March 2017

### Note : 1 Share Capital

| Sr. No | Particulars  | As at 31st March 2017 |                     | As at 31st March 2016 |                     |
|--------|--|-----------------------|---------------------|-----------------------|---------------------|
|        |  | Number                | Rs.                 | Number                | Rs.                 |
|        | <b>Authorized</b><br>Equity Shares of Rs. 10/- each.                       | 3,93,15,000           | 39,31,50,000        | 3,93,15,000           | 39,31,50,000        |
|        | <b>Issued</b><br>Equity Shares of Rs. 10/- each.                           | 1,80,68,872           | 18,06,88,720        | 1,74,68,872           | 17,46,88,720        |
|        | <b>Subscribed &amp; Paid Up</b><br>Equity Shares of Rs. 10/- each.         | 1,80,68,872           | 18,06,88,720        | 1,74,68,872           | 17,46,88,720        |
|        | <b>Less:-</b> Calls In Arrears   | -                     | -                   | -                     | -                   |
|        |  | 1,80,68,872           | 18,06,88,720        | 1,74,68,872           | 17,46,88,720        |
|        | <b>Subscribed but not fully Paid Up</b><br>Equity Shares not fully Paid Up | -                     | -                   | -                     | -                   |
|        | <b>Total</b>   | <b>1,80,68,872</b>    | <b>18,06,88,720</b> | <b>1,74,68,872</b>    | <b>17,46,88,720</b> |

### Reconciliation of number of shares outstanding for the period

| Particulars                                 | As at 31st March 2017 |              | As at 31st March 2016 |              |
|---|-----------------------|--------------|-----------------------|--------------|
|   | Number                | Rupees       | Number                | Rupees       |
| shares outstanding at beginning of the year | 1,74,68,872           | 17,46,88,720 | 1,74,68,872           | 17,46,88,720 |
| shares Issued during the year               | 6,00,000              | 60,00,000    | -                     | -            |
| shares bought back/Reduced during year      | -                     | -            | -                     | -            |
| shares outstanding at end of the year       | 1,80,68,872           | 18,06,88,720 | 1,74,68,872           | 17,46,88,720 |

### Details of share holders holding more than 5% of shares.

| Particulars                                   | As at 31st March 2017 |              | As at 31st March 2016 |              |
|---|-----------------------|--------------|-----------------------|--------------|
|   | Number                | % of holding | Number                | % of holding |
| SoftPoint Technologies Private Limited        | 1,02,80,795           | 56.90%       | 1,02,80,795           | 56.90%       |
| Ravikaanth Portfolio services Private Limited | 1,00,000              | 0.55%        | 3,00,000              | 1.66%        |
| G.Srinivasulu                                 | -                     | -            | 7,00,004              | 3.87%        |
| Millitoons Animations Private Limited         | 5,64,106              | 3.12%        | 5,64,106              | 3.12%        |
| Cybertoons Entertainments Private Limited     | -                     | -            | 3,18,910              | 1.76%        |

### Note : 2 Reserve & Surplus

| S. No. | Particulars   | As at 31st March 2017 | As at 31st March 2016 |
|--------|---|-----------------------|-----------------------|
|        |   | Rupees                | Rupees                |
|        | <b>a) Capital reserve</b>                                 |                       |                       |
|        | Share Premium A/c   | 2,40,00,000           | -                     |
|        | Rs.40/- premium per Equity Share for 6.00 Lac Shares.     |                       |                       |
|        | Share warrants forfeiture                                 | 50,00,000             | -                     |
|        | <b>b) General Reserves</b>                                |                       |                       |
|        | <b>Surplus (Profit &amp; Loss Account)</b>                |                       |                       |
|        | Balance brought forward from previous year                | 9,10,113              | - 2,27,72,301         |
|        | <b>Add:-</b> Net Profit / (Net Loss) for the current year | 1,35,10,743           | 2,36,82,414           |
|        | <b>Add:-</b> Transfer from Reserves                       |                       |                       |
|        | <b>Add:-</b> Transfer from Share Capital                  |                       |                       |
|        | <b>Less:-</b> Increase in Liabilities                     |                       |                       |
|        | <b>Less:-</b> Assets Written off                          |                       |                       |
|        | <b>Less:-</b> Transfer to Reserves                        |                       |                       |
|        | <b>Total</b>  | <b>4,34,20,856</b>    | <b>9,10,113</b>       |

**SPHERE GLOBAL SERVICES LIMITED**

*Notes Forming Integral Part of the Balance Sheet as at 31st March 2017*

**Note : 3 Share Application Money Pending for Allotment**

| Sr. No | Particulars                                   | As at 31st March 2017 | As at 31st March 2016 |
|--------|---|-----------------------|-----------------------|
|        |   | Rupees                | Rupees                |
|        | Share Application Money Pending for Allotment | -                     | 1,25,00,000           |
|        | <b>Total</b>                                  | <b>-</b>              | <b>1,25,00,000</b>    |

**Note : 4 Long Term Borrowings**

| Sr. No | Particulars   | As at 31st March 2017 | As at 31st March 2016 |
|--------|---|-----------------------|-----------------------|
|        |   | Rupees                | Rupees                |
|        | Unsecured Loans                                       | -                     | -                     |
|        | <b>Less:-</b> Converted into Equity by issue (If any) | -                     | -                     |
|        | Unsecured and considered good                         | -                     | -                     |
|        | <b>Total</b>  | <b>-</b>              | <b>-</b>              |

**Note : 5 Short Term Borrowings**

| Sr. No | Particulars   | As at 31st March 2017 | As at 31st March 2016 |
|--------|---|-----------------------|-----------------------|
|        |   | Rupees                | Rupees                |
|        | Unsecured Loans                                       | -                     | -                     |
|        | <b>Less:-</b> Converted into Equity by issue (If any) | -                     | -                     |
|        | Unsecured and considered good                         | 39,00,000             | 50,160                |
|        | <b>Total</b>  | <b>39,00,000</b>      | <b>50,160</b>         |

**Note : 6 Trades Payable**

| Sr. No | Particulars                           | As at 31st March 2017 | As at 31st March 2016 |
|--------|---------------------------------------|-----------------------|-----------------------|
|        |                                       | Rupees                | Rupees                |
|        | <b>Balance b/d</b>                    | -                     | -                     |
| 1      | <i>Sundry Creditors for Services:</i> | 24,81,749             | 1,03,430              |
|        | <b>Total</b>                          | <b>24,81,749</b>      | <b>1,03,430</b>       |

**Note : 7 Other Current Liabilities**

| Sr. No | Particulars        | As at 31st March 2017 | As at 31st March 2016 |
|--------|--------------------|-----------------------|-----------------------|
|        |                    | Rupees                | Rupees                |
|        | Others - Unsecured | 15,84,157             | 14,05,160             |
|        | Salaries Payable   | 9,13,127              | 11,96,723             |
|        | TDS Payable        | 13,81,138             | 4,77,053              |
|        | <b>Total</b>       | <b>38,78,422</b>      | <b>30,78,936</b>      |

**Note : 8 Short Term Provisions**

| Sr. No | Particulars                  | As at 31st March 2017 | As at 31st March 2016 |
|--------|------------------------------|-----------------------|-----------------------|
|        |                              | Rupees                | Rupees                |
|        | <b>Short Term Provisions</b> |                       |                       |
|        | Service Tax Payable          | -                     | - 7,587               |
|        | PF & ESI Payable             | 6,57,022              | 8,62,571              |
|        | Vat Payable                  | -                     | - 5,354               |
|        | Rent Payable                 | -                     | 3,16,745              |
|        | Professional Tax Payable     | 4,350                 | -                     |
|        | Provision for Tax            | 9,82,411              | -                     |
|        | <b>Total in</b>              | <b>16,43,783</b>      | <b>11,66,375</b>      |

**NOTE NO: 9****Fixed Assets for the year 2016-17**

(in Rupees)

| SL NO    | DESCRIPTION              | GROSS BLOCK            |                          |                          |                    | DEPRECIATION           |                          |                          |                    | NET BLOCK              |                        |
|----------|--------------------------|------------------------|--------------------------|--------------------------|--------------------|------------------------|--------------------------|--------------------------|--------------------|------------------------|------------------------|
|          |                          | VALUE AT THE BEGINNING | ADDITION DURING THE YEAR | DELETION DURING THE YEAR | VALUE AT THE END   | VALUE AT THE BEGINNING | ADDITION DURING THE YEAR | DELETION DURING THE YEAR | VALUE AT THE END   | VALUE AS ON 31-03-2017 | VALUE AS ON 31-03-2019 |
| <b>1</b> | <b>TANGIBLE ASSETS</b>   |                        |                          |                          |                    |                        |                          |                          |                    |                        |                        |
|          | Computers                | 1,19,99,666            | -                        | -                        | 1,19,99,666        | 1,18,80,088            | 75,525                   | -                        | 1,19,55,613        | 44,053                 | 1,19,578               |
|          | Furniture & Fixtures     | 5,17,799               | -                        | -                        | 5,17,799           | 2,06,734               | 80,286                   | -                        | 2,87,020           | 2,30,779               | 3,11,065               |
|          | Electrical Equipment     | 56,720                 | -                        | -                        | 56,720             | 24,930                 | 8,230                    | -                        | 33,160             | 23,560                 | 31,790                 |
|          | Office Equipment         | 2,41,750               | -                        | -                        | 2,41,750           | 1,84,292               | 25,896                   | -                        | 2,10,188           | 31,562                 | 57,458                 |
|          | Building (Temp Strute)   | 2,02,259               | -                        | -                        | 2,02,259           | 1,42,866               | 59,393                   | -                        | 2,02,259           | 0                      | 59,393                 |
|          | <b>TOTALS</b>            | <b>1,30,18,194</b>     | <b>-</b>                 | <b>-</b>                 | <b>1,30,18,194</b> | <b>1,24,38,909</b>     | <b>2,49,330</b>          | <b>-</b>                 | <b>1,26,88,239</b> | <b>3,29,955</b>        | <b>5,79,285</b>        |
| <b>2</b> | <b>INTANGIBLE ASSETS</b> |                        |                          |                          |                    |                        |                          |                          |                    |                        |                        |
|          | Computer Software        | 11,301                 | -                        | -                        | 11,301             | 10,577                 | 724                      | -                        | 11,301             | (0)                    | 724                    |
|          | Goodwill                 | 2,90,00,000            | -                        | -                        | 2,90,00,000        | -                      | -                        | -                        | -                  | 2,90,00,000            | 2,90,00,000            |
|          | <b>TOTALS</b>            | <b>2,90,11,301</b>     | <b>-</b>                 | <b>-</b>                 | <b>2,90,11,301</b> | <b>10,577</b>          | <b>724</b>               | <b>-</b>                 | <b>11,301</b>      | <b>2,90,00,000</b>     | <b>2,90,00,724</b>     |
|          | <b>Grand Total</b>       | <b>4,20,29,495</b>     | <b>-</b>                 | <b>-</b>                 | <b>4,20,29,495</b> | <b>1,24,49,486</b>     | <b>2,50,056</b>          | <b>-</b>                 | <b>1,26,99,540</b> | <b>2,93,29,955</b>     | <b>2,95,80,009</b>     |

**SPHERE GLOBAL SERVICES LIMITED**

**Notes Forming Integral Part of the Balance Sheet as at 31st March 2017**

**Note : 10 Non-current Investments**

| Sr. No | Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--------|--------------|-----------------------|-----------------------|
|        |              | Rupees                | Rupees                |
|        | Investments  | 2,51,90,000           | 6,25,25,707           |
|        | <b>Total</b> | <b>2,51,90,000</b>    | <b>6,25,25,707</b>    |

**Note : 11 Deffered Tax Net**

| Sr. No | Particulars         | As at 31st March 2017 | As at 31st March 2016 |
|--------|---------------------|-----------------------|-----------------------|
|        |                     | Rupees                | Rupees                |
|        | Deffered Tax Assets | 13,25,541             | 12,70,378             |
|        | Current year DTL    | 199                   | - 55,163              |
|        | <b>Total</b>        | <b>13,25,740</b>      | <b>13,25,541</b>      |

**Note : 12 Long Term Loans and Advances**

| Sr. No | Particulars                  | As at 31st March 2017 | As at 31st March 2016 |
|--------|------------------------------|-----------------------|-----------------------|
|        |                              | Rupees                | Rupees                |
|        | <b>Security Deposits</b>     |                       |                       |
|        | - Electricity Deposit        | 1,50,000              | 1,50,000              |
|        | - Sales Tax Deposit          | 6,000                 | 6,000                 |
|        | - Rent Deposit               | 8,40,000              | 8,40,000              |
|        | - Other Deposit              | -                     | 25,000                |
|        | - Unsecured, considered good | 14,35,180             | 1,69,83,287           |
|        | <b>Total</b>                 | <b>24,31,180</b>      | <b>1,80,04,287</b>    |

**Note : 13 Inventories**

| Sr. No | Particulars    | As at 31st March 2017 | As at 31st March 2016 |
|--------|----------------|-----------------------|-----------------------|
| 1      | Stock-in-Trade | -                     | -                     |
|        | <b>Total</b>   | <b>-</b>              | <b>-</b>              |

**Note : 14 Current Investments**

| Sr. No | Particulars             | As at 31st March 2017 | As at 31st March 2016 |
|--------|-------------------------|-----------------------|-----------------------|
|        |                         | Rupees                | Rupees                |
|        | Adroit Infotech Pvt Ltd | 10,00,000             | 10,00,000             |
|        | Sphere Global INC       | 1,00,000              | -                     |
|        | Sphere Global LLC       | 1,00,000              | -                     |
|        | <b>Total</b>            | <b>12,00,000</b>      | <b>10,00,000</b>      |

**SPHERE GLOBAL SERVICES LIMITED**  
**Notes Forming Integral Part of the Balance Sheet as at 31st March 2017**

**Note : 15 Trade Receivables**

| Sr. No | Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--------|--|-----------------------|-----------------------|
|        |  | Rupees                | Rupees                |
|        | Trade receivables outstanding for a period less than six months from the date they are due for payment<br>- Unsecured, considered good                                     | 5,02,38,734           | 33,82,073             |
|        | <b>Less:-</b> Provision for doubtful debts   | -                     | -                     |
|        |  | 5,02,38,734           | 33,82,073             |
|        | Trade receivables outstanding for a period more than six months from the date they are due for payment<br>- Unsecured, considered good<br>- Unsecured, considered doubtful | 3,10,29,763           | 5,82,79,033           |
|        | <b>Less:-</b> Provision for doubtful debts   | -                     | -                     |
|        |  | 3,10,29,763           | 5,82,79,033           |
|        | <b>Total</b>   | <b>8,12,68,497</b>    | <b>6,16,61,106</b>    |

**Note : 16 Cash & Cash Equivalent**

| Sr. No | Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--------|--|-----------------------|-----------------------|
|        |  | Rupees                | Rupees                |
| 1      | <b>Cash-in-Hand</b><br>Cash Balance  | 536                   | 1,45,059              |
|        | <b>Sub Total (A)</b>   | <b>536</b>            | <b>1,45,059</b>       |
| 2      | <b>Bank Balance</b><br>This includes Bank deposits with more than 12 months maturity cheques, drafts on hand<br>- Axis Bank<br>- HDFC Bank | 13,410<br>6,62,95,606 | 7,630<br>2,52,499     |
|        | <b>Sub Total (B)</b>   | <b>6,63,09,016</b>    | <b>2,60,129</b>       |
|        | <b>Total [ A + B]</b>  | <b>6,63,09,552</b>    | <b>4,05,188</b>       |

**Note : 17 Short Terms Loans and Advances**

| Sr. No | Particulars  | As at 31st March 2017              | As at 31st March 2016            |
|--------|--|------------------------------------|----------------------------------|
|        |  | Rupees                             | Rupees                           |
|        | Other Short Terms Loans and Advances<br>- Salary Advance<br>- Interest Receivable<br>TDS Receivables | 2,08,580<br>13,71,833<br>12,17,273 | 1,05,140<br>8,81,894<br>5,82,420 |
|        | <b>Total ( a + b + c )</b>   | <b>27,97,686</b>                   | <b>15,69,454</b>                 |

**Note : 18 Other Current Assets**

| Sr. No | Particulars   | As at 31st March 2017   | As at 31st March 2016                             |
|--------|---|---|---|
|        |   | Rupees  | Rupees  |
|        | - Adroit Infotech Pvt Ltd<br>- Kamptos Technologies Pvt Ltd<br>- Millitoons Entertainment Ltd<br>Creative Probers Software & Services India Pvt Ltd<br>Workin progress Revenue a/c<br>Prepaid Taxes | 1,21,52,400<br>51,327<br>-<br>7,26,454<br>1,31,82,084<br>48,657 | 49,40,000<br>51,327<br>1,14,35,116<br>-<br>-<br>- |
|        | <b>Total</b>  | <b>2,61,60,922</b>  | <b>1,64,26,443</b>                                |

**SPHERE GLOBAL SERVICES LIMITED**  
Notes Forming Integral Part of the Balance Sheet as at 31st March 2017

**Note : 19 Revenue from Operations**

| Sr. No | Particulars          | As at 31st March 2017 | As at 31st March 2016 |
|--------|----------------------|-----------------------|-----------------------|
|        |                      | Rupees                | Rupees                |
|        | Sales of Rights      | -                     | 6,20,25,707           |
|        | Export Services      | 2,92,73,077           | 1,31,83,083           |
|        | Income From Services | -                     | 2,18,42,416           |
|        | SAP License Sale     | -                     | 93,43,651             |
|        | Project Charges      | 17,04,497             | -                     |
|        | Support Charges      | 20,30,526             | -                     |
|        | T&M Charges          | 90,70,756             | -                     |
|        | <b>Total</b>         | <b>4,20,78,856</b>    | <b>10,63,94,857</b>   |

**Note : 20 Other Income**

| Sr. No | Particulars                  | As at 31st March 2017 | As at 31st March 2016 |
|--------|------------------------------|-----------------------|-----------------------|
|        |                              | Rupees                | Rupees                |
|        | Discount Received            | -                     | 200                   |
|        |                              | 5,44,377              | 9,79,882              |
|        | Other Income                 | 72,227                | -                     |
|        | Foreign Exchange Fluctuation | 2,447                 | -                     |
|        | <b>Total</b>                 | <b>6,19,051</b>       | <b>9,80,082</b>       |

**Note : 21 Cost of Material Consumed**

| Sr. No | Particulars   | As at 31st March 2017 | As at 31st March 2016 |
|--------|---|-----------------------|-----------------------|
|        |   | Rupees                | Rupees                |
| 1      | <b>Stock of Animation &amp; Feature Film IP Rights &amp; Comics</b> |                       |                       |
|        | Opening Stock   |                       | 4,46,20,566           |
|        | Add:- PURCHASES OF RAW MATERIALS AND STORES                         | -                     | 91,72,859             |
|        | <b>Sub-total</b>  | <b>-</b>              | <b>5,37,93,425</b>    |
| 2      | Closing Stock   | -                     | -                     |
|        | <b>Total</b>  | <b>-</b>              | <b>5,37,93,425</b>    |

**Note : 22 Employment Benefit Expenses**

| Sr. No | Particulars                             | As at 31st March 2017 | As at 31st March 2016 |
|--------|---|-----------------------|-----------------------|
|        |   | Rupees                | Rupees                |
| 1      | Salaries & Wages                        | 1,94,38,413           | 1,88,59,908           |
|        | Contribution to Provident & Other Funds | 5,47,300              | 5,61,191              |
|        | Staff Welfare Expenses                  | 2,00,348              | 1,50,156              |
|        | <b>Total</b>                            | <b>2,01,86,061</b>    | <b>1,95,71,255</b>    |

**Note : 23 Finance Costs**

| Sr. No | Particulars      | As at 31st March 2017 | As at 31st March 2016 |
|--------|------------------|-----------------------|-----------------------|
|        |                  | Rupees                | Rupees                |
| 1      | Interest on Loan | 7,726                 | -                     |
|        | <b>Total</b>     | <b>7,726</b>          | <b>-</b>              |

**SPHERE GLOBAL SERVICES LIMITED**

*Notes Forming Integral Part of the Balance Sheet as at 31st March 2017*

**Note : 24 Depreciation & Amortised Cost**

| Sr. No | Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--------|--------------|-----------------------|-----------------------|
|        |              | Rupees                | Rupees                |
| 1      | Depreciation | 2,50,056              | 6,06,832              |
|        | <b>Total</b> | <b>2,50,056</b>       | <b>6,06,832</b>       |

**Note : 25 Other Administrative Expenses**

| Sr. No | Particulars                                    | As at 31st March 2017 | As at 31st March 2016 |
|--------|--|-----------------------|-----------------------|
|        |  | Rupees                | Rupees                |
| 1      | Advertisement Expenditure                      | 43,996                | 77,026                |
| 3      | Annual Listing Fee,Custody Fee & Demat Charges | 7,38,025              | 12,18,639             |
| 4      | Audit Fee                                      | 80,000                | 50,000                |
| 5      | Bank Charges                                   | 6,154                 | 26,982                |
| 6      | Books & Periodicals                            | 8,121                 | 7,623                 |
| 7      | Commission Expenses                            | -                     | 1,15,000              |
| 9      | Electricity Charges                            | 3,77,415              | 2,15,445              |
| 10     | ESOP Application Fee                           | 2,00,000              | -                     |
| 11     | E Voting Charges                               | 59,258                | 76,961                |
| 13     | Fuel & Diesel                                  | 14,445                | 4,120                 |
| 14     | Insurance Exp                                  | 29,485                | 84,711                |
| 15     | Interest on Late Payments                      | 89,442                | 47,121                |
| 16     | Internet Expenses                              | 1,87,483              | 3,59,795              |
| 17     | Misc. Expenses                                 | 50,289                | 53,557                |
| 18     | Office Maintenance                             | 3,69,672              | 6,20,684              |
| 19     | Office Rent                                    | 18,08,100             | 17,55,453             |
| 20     | Placement charges                              | -                     | 1,54,105              |
| 21     | Postage & Courier Expenses                     | 39,562                | 84,575                |
| 22     | Printing & Stationary                          | 1,18,556              | 4,08,381              |
| 23     | Professional Consulting Fee                    | 18,06,156             | 21,67,150             |
| 24     | Rates & Taxes                                  | 3,20,796              | 1,25,622              |
| 25     | Reimbursement of Expenses                      | -                     | 12,120                |
| 26     | Repair & Maintenance Expenses                  | 20,650                | 1,23,336              |
| 27     | ROC Compliance & Filing Fee                    | 82,300                | 55,425                |
| 28     | RTA Charges                                    | -                     | 1,45,378              |
| 29     | Telephone Expenses                             | 1,51,116              | 84,954                |
| 30     | Travelling Expenses                            | 11,50,019             | 12,02,013             |
| 31     | Written Off Expenses                           | -                     | 5,00,000              |
|        | <b>Total</b>                                   | <b>77,51,040</b>      | <b>97,76,176</b>      |

**Note : 26 Extraordinary Items**

| Sr. No | Particulars           | As at 31st March 2017 | As at 31st March 2016 |
|--------|-----------------------|-----------------------|-----------------------|
|        |                       | Rupees                | Rupees                |
|        | Prior-Period Expenses | 10,069                | -                     |
|        | <b>Total</b>          | <b>10,069</b>         | <b>-</b>              |

## I. Significant accounting policies

### 1.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 1.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed tangible assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial Statements.

### 1.3 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, Investing and financing activities of the Company are segregated.

### 1.4 Revenue recognition

Company generally follows the mercantile system of accounting and recognizes incomes and expenses on accrual basis, including Provisions or adjustments for committed obligations and amounts deemed as payable of receivable during the year.

### 1.5 Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use.

### 1.6 Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

### 1.7 Depreciation and amortization

Depreciation on tangible assets is provided on the written down value method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a Written down Value basis, commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives for the other fixed As Follows:

| Tangible Asset       | Actual Useful life |
|----------------------|--------------------|
| Computers            | 3 years            |
| Motor Vehicles       | 15 years           |
| Electrical equipment | 10 years           |
| Furniture            | 10 years           |
| Office equipment     | 5 years            |
| Intangible Asset     | Actual Useful life |
| Software             | 3 years            |



Depreciation and amortization methods, useful life and residual values are reviewed periodically, including at each financial year end.

### 1.8 Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention. Current investments are carried at the lower of cost and fair value of investment.

### 1.9 Foreign currency transactions

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

### 1.10 Employee Benefits

Employee benefit in the form of provident fund is a defined contribution scheme and the contribution scheme and the contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

Gratuity is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year.

Short term compensated absences are provided for based on estimates. The actuarial valuation is done at the end of the year.

Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

### 1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations.

### 1.12 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

### 1.13 Related party transaction

As per AS-18 the Related Parties and Related Party Transactions are given below:

| S.No | Name Of the Related Party       | Nature Of Relationship | Amount        | Nature of Amount   |
|------|---------------------------------|------------------------|---------------|--------------------|
| 1.   | Adroit Infotech Private Limited | Subsidiary Company     | 1,21,52,400/- | Unsecured Loan     |
| 2.   | Adroit Infotech Private Limited | Subsidiary Company     | 42,52,500/-   | Intercompany Sales |
| 3.   | Sphere Global Services FZ LLC   | Subsidiary Company     | 3,01,00,000/- | Intercompany Sales |

### 1.14 Taxes on Income

Income Tax expense Comprises Current Tax and Deferred tax charge or credit. Provision for current Tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.

## Independent Auditor's Report - Consolidated

TO THE MEMBERS OF

**SPHERE GLOBAL SERVICES LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of SPHERE GLOBAL SERVICES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used

and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and

jointly controlled entities as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date. Our opinion is not modified in respect of this matter.

## Other Matters

- (a) We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs.2288.53 lakhs as at 31st March, 2017 and total revenues of Rs.4875.8 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 1425.2 lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of subsidiaries, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and there ports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Group did not have any material foresee able losses on long-term contracts including derivative contracts; as such the questions of commenting on any material foresee able losses there on do not arise.
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

**For Niranjana & Narayan  
Chartered Accountants  
Firm Reg.No.005899S**

Date : 30.05.2017

Place: Hyderabad

**Sd/-  
P Venumadhava Rao  
Partner  
M No. 202785**

| SPHERE GLOBAL SERVICES LIMITED   |   |   |                     |
|--|---|---|---------------------|
| Plot No. A-52, Journalist Colony , Jubilee Hills , Hyderabad - 500033                    |   |   |                     |
| Consolidated Balance Sheet as at 31st March 2017   |   |   |                     |
| Particulars  | Notes   | As at March 31,2017   | As at March 31,2016 |
|  |   | Rupees  | Rupees              |
| <b>I. EQUITY AND LIABILITIES</b>   |   |   |                     |
| <b><u>(1) Shareholder's Funds</u></b>  |   |   |                     |
| (a) Share Capital  | 1   | 18,06,88,720  | 17,46,88,720        |
| (b) Reserves and Surplus   | 2   | 20,05,80,292  | 1,55,49,235         |
| <b><u>(2) Share Application money pending allotment</u></b>                              | 3   | -   | 1,25,00,000         |
| <b><u>(3) Non-Current Liabilities</u></b>  |   |   |                     |
| (a) Long-Term Borrowings   | 4   | 26,19,798   | 1,31,28,713         |
| (b) Deferred Tax Liabilities (Net)   |   | -   | -                   |
| (c) Other Long Term Liabilities  | 5   | 7,50,000  | 7,50,000            |
| (d) Long Term Provisions   | 6   | 15,59,939   | 89,70,886           |
| <b><u>(4) Current Liabilities</u></b>  |   |   |                     |
| (a) Short-Term Borrowings  | 7   | 1,92,16,757   | 66,99,665           |
| (b) Trade Payables   | 8   | 59,35,051   | 20,26,599           |
| (c) Other Current Liabilities  | 9   | 3,34,90,172   | 42,31,603           |
| (d) Short-Term Provisions  | 10  | 2,00,25,695   | 80,94,068           |
| <b>Total Equity &amp; Liabilities</b>  |   | <b>46,48,66,424</b>   | <b>24,66,39,490</b> |
| <b>II.ASSETS</b>   |   |   |                     |
| <b><u>(1) Non-Current Assets</u></b>   |   |   |                     |
| (a) Fixed Assets   |   |   |                     |
| (i) Tangible assets  | 11  | 56,67,277   | 48,46,915           |
| (ii) Intangible assets   | 11  | 5,50,087  | 69,600              |
| (b) Good Will on Consolidation   |   | 2,90,00,000   | 2,90,00,000         |
| (c) Non-Current Investment   | 12  | 2,51,90,000   | 6,25,25,707         |
| (d) Deferred tax assets (Net)  | 13  | 17,58,248   | 16,66,455           |
| (e) Long term loans and advances   | 14  | 50,13,710   | 2,10,87,433         |
| <b><u>(2) Current Assets</u></b>   |   |   |                     |
| (a) Inventories  |   | -   | -                   |
| (b) Current Investment   | 15  | -   | -                   |
| (c) Trade Receivables  | 16  | 14,40,08,442  | 9,14,86,914         |
| (d) Cash and cash equivalents  | 17  | 7,25,51,185   | 22,39,182           |
| (e) Short-term loans and advances  | 18  | 29,07,936   | 1,72,90,841         |
| (e) Other Current Assets   | 19  | 17,82,19,539  | 1,64,26,443         |
| <b>Total Assets</b>  |   | <b>46,48,66,424</b>   | <b>24,66,39,490</b> |
| <b>SIGNIFICANT ACCOUNT POLICIES &amp; NOTES TO ACCOUNTS</b>                              |   |   |                     |
| <i>The Notes referred to above, forms an integral part of these financial statements</i> |   |   |                     |
| For Niranjana & Narayan<br>Chartered Accountants<br>(Firm Registration Number : 005899S) | Sd/-<br>S. Sudha Kiran Reddy<br>Managing Director<br>DIN : 01436242 | Sd/-<br>Sunder Raj N<br>Director<br>DIN: 1679215                    |                     |
| Sd/-<br>P Venumadhava Rao<br>Partner<br>Membership Number : 202785                       | Sd/-<br>Shridhar B H<br>Chief Financial Officer                     | Sd/-<br>Akshita Surana<br>Company Secretary &<br>Compliance Officer |                     |
| Place : Hyderabad<br>Date : 30.05.2017   |   |   |                     |

| SPHERE GLOBAL SERVICES LIMITED  |   |   |   |                     |
|---|---|---|---|---------------------|
| A-52, Road No. 70, Journalist Colony, Jubilee Hills, Hyderabad - 500033                 |   |   |   |                     |
| Statement of Profit & Loss for the year ended 31st March 2017                           |   |   |   |                     |
| Sr. No  | Particulars   | Notes   | As at March 31,2017   | As at March 31,2016 |
|   |   |   | Rupees  | Rupees              |
| I   | Revenue from operations                                   | 20  | 52,94,52,500  | 18,23,39,767        |
| II  | Other Income  | 21  | 8,25,398  | 60,13,078           |
| III   | III. Total Revenue (I +II)                                |   | 53,02,77,898  | 18,83,52,845        |
| IV  | Expenses:   |   |   |                     |
|   | Cost of materials consumed/ Services                      | 22  | 18,86,90,884  | 5,68,50,824         |
|   | Employee Benefit Expense                                  | 23  | 9,11,18,564   | 7,73,19,094         |
|   | Finance Costs   | 24  | 29,09,215   | 17,54,946           |
|   | Depreciation and Amortization Expense                     | 25  | 20,73,185   | 35,85,628           |
|   | Other Administrative Expenses                             | 26  | 5,58,74,063   | 2,90,14,022         |
|   | Total Expenses (IV)                                       |   | 34,06,65,911  | 16,85,24,514        |
| V   | Profit before exceptional and extraordinary items and tax | (III - IV)  | 18,96,11,987  | 1,98,28,331         |
| VI  | Extraordinary Items                                       | 26  | 10,069  | -                   |
| VII   | Profit before tax (V - VI)                                |   | 18,96,01,918  | 1,98,28,331         |
| VIII  | Tax expense:  |   |   |                     |
|   | (1) Current tax   |   | 3,36,62,750   | -                   |
|   | (2) Deferred tax  |   | -91,793   | -55,163             |
| IX  | Profit(Loss) from the perid from continuing operations    | (VII-VIII)  | 15,60,30,961  | 1,98,83,494         |
| X   | Earning per equity share:                                 |   |   |                     |
|   | (1) Basic   |   | 8.63  | 1.14                |
|   | (2) Diluted   |   | 8.63  | 1.14                |
| The Notes referred to above, forms an integral part of these financial statements       |   |   |   |                     |
| For Niranjan & Narayan<br>Chartered Accountants<br>(Firm Registration Number : 005899S) |   | Sd/-<br>S. Sudha Kiran Reddy<br>Managing Director<br>DIN : 01436242 | Sd/-<br>Sunder Raj N<br>Director<br>DIN: 1679215                    |                     |
| Sd/-<br>P Venumadhava Rao<br>Partner<br>Membership Number : 202785                      |   | Sd/-<br>Shridhar B H<br>Chief Financial Officer                     | Sd/-<br>Akshita Surana<br>Company Secretary &<br>Compliance Officer |                     |
| Place : Hyderabad   |   |   |   |                     |
| Date : 30.05.2017   |   |   |   |                     |

## SPHERE GLOBAL SERVICE LIMITED

Plot No. A-52, Journalist Colony , Jubilee Hills , Hyderabad - 500033

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2017

|  | PARTICULARS  | 31st March,2017   | 31st March,2016   |
|--|--|---|---|
|  |  | Rupees  | Rupees  |
| <b>A</b>   | <b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>            |   |   |
|  | Net profit /Loss before tax and extra-ordinary items         | 18,96,11,987  | 1,98,28,331   |
|  | <b>Adjustments For :</b>                                     |   |   |
|  | Depreciation   | 20,73,185   | 35,85,628   |
|  | Interest - Income  | 8,25,398  | 60,13,078   |
|  | Interest - Expenditure                                       | -   | -   |
|  | <b>Operating Profit /Loss Before working Capital Charges</b> | <b>19,25,10,570</b>   | <b>2,94,27,037</b>  |
|  | <b>Adjustments For :</b>                                     |   |   |
|  | increase/ Decrease in Short Tem Borrowings                   | 1,25,17,092   | 22,58,098   |
|  | increase/ Decrease in Trade payables                         | 39,08,452   | (15,39,456)   |
|  | increase/ Decrease in Other Current Liabilities              | 2,92,58,569   | (40,29,600)   |
|  | increase/ (Decrease) in Long Term Provisions                 | (74,10,947)   | 4,62,227  |
|  | increase/ Decrease in Short Tem Provisions                   | (2,17,31,123)   | (31,82,085)   |
|  | increase/ Decrease in Trade receivables                      | (5,25,21,528)   | 3,06,80,666   |
|  | increase/ Decrease in Inventories                            | -   | 4,46,20,566   |
|  | increase/ (Decrease) in Long Term Loans and advances         | 1,60,73,723   | (1,87,43,287)   |
|  | increase/ Decrease in Short Term Loans and advances          | 1,43,82,905   | 2,11,57,175   |
|  | increase/ Decrease in Other Current Assets                   | (16,17,93,096)  | (1,64,26,443)   |
|  | <b>Cash Generated from operations</b>                        | <b>2,51,94,616</b>  | <b>8,46,84,898</b>  |
|  | Interest Paid  | -   | -   |
|  | Direct Taxes   | -   | -   |
|  | <b>Cash Flow before Extra-ordinary Items</b>                 | <b>2,51,94,616</b>  | <b>8,46,84,898</b>  |
|  | <b>Extra-ordinary / Prior period Items</b>                   |   |   |
|  | Prior Period Expenses  | 10,069  | -   |
|  | <b>Net Cash Flow from operating Activities</b>               | <b>2,51,84,547</b>  | <b>8,46,84,898</b>  |
| <b>B</b>   | <b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>            |   |   |
|  | Purchase of Fixed Assets                                     | (33,73,938)   | (47,06,524)   |
|  | Decrease/ (Increase) in Investment                           | 3,73,35,707   | (6,25,25,707)   |
|  | Interest Received  | (8,25,398)  | (60,13,078)   |
|  | <b>Net Cash Flow From Investing Activities</b>               | <b>3,31,36,371</b>  | <b>(7,32,45,309)</b>  |
| <b>C</b>   | <b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>            |   |   |
|  | Proceeds from Issue of share capital                         | 60,00,000   | -   |
|  | (net of Share Issue Expenses)                                |   |   |
|  | Increase/(Decrease) in Share Application Money               | (1,25,00,000)   | 1,25,00,000   |
|  | Increase/(Decrease) in Long Term Borrowings                  | (1,05,08,915)   | (2,65,00,267)   |
|  | Increase/(Decrease) in Reserves                              | 2,90,00,000   | 11,13,584   |
|  | Dividend   | -   | -   |
|  | <b>Net Cash Flows from Financing Activities</b>              | <b>1,19,91,085</b>  | <b>(1,28,86,683)</b>  |
|  | <b>Net Increase / Decrease in Cash + Cash equivalents</b>    | <b>7,03,12,003</b>  | <b>(14,47,094)</b>  |
|  | <b>Opening Balance</b>                                       | <b>22,39,182</b>  | <b>36,86,276</b>  |
|  | <b>Closing Balance</b>                                       | <b>7,25,51,185</b>  | <b>22,39,182</b>  |
| For Niranjana & Narayan<br>Chartered Accountants<br>(Firm Registration Number : 0058995) |  | Sd/-<br>S. Sudha Kiran Reddy<br>Managing Director<br>DIN : 01436242 | Sd/-<br>Sunder Raj N<br>Director<br>DIN: 1679215                    |
| Sd/-<br>P Venumadhava Rao<br>Partner<br>Membership Number : 202785                       |  | Sd/-<br>Shridhar B H<br>Chief Financial Officer                     | Sd/-<br>Akshita Surana<br>Company Secretary &<br>Compliance Officer |
| Place : Hyderabad<br>Date : 30.05.2017   |  |   |   |

**SPHERE GLOBAL SERVICES LIMITED**

*Notes Forming Integral Part of the Balance Sheet as at 31st March 2017*

**Note : 1 Share Capital**

| Sr. No | Particulars  | As at 31st March 2017 |                     | As at 31st March 2016 |                     |
|--------|--|-----------------------|---------------------|-----------------------|---------------------|
|        |  | Number                | Rupees              | Number                | Rupees              |
|        | <b>Authorized</b><br>Equity Shares of Rs. 10/- each.                       | 3,93,15,000           | 39,31,50,000        | 3,93,15,000           | 39,31,50,000        |
|        | <b>Issued</b><br>Equity Shares of Rs. 10/- each.                           | 1,80,68,872           | 18,06,88,720        | 1,74,68,872           | 17,46,88,720        |
|        | <b>Subscribed &amp; Paid Up</b><br>Equity Shares of Rs. 10/- each.         | 1,80,68,872           | 18,06,88,720        | 1,74,68,872           | 17,46,88,720        |
|        | <b>Less:-</b> Calls In Arrears   | -                     | -                   | -                     | -                   |
|        |  | 1,80,68,872           | 18,06,88,720        | 1,74,68,872           | 17,46,88,720        |
|        | <b>Subscribed but not fully Paid Up</b><br>Equity Shares not fully Paid Up | -                     | -                   | -                     | -                   |
|        | <b>Total</b>   | <b>1,80,68,872</b>    | <b>18,06,88,720</b> | <b>1,74,68,872</b>    | <b>17,46,88,720</b> |

**Reconciliation of number of shares outstanding for the period**

| Particulars                                 | As at 31st March 2017 |              | As at 31st March 2016 |              |
|---|-----------------------|--------------|-----------------------|--------------|
|   | Number                | Rupees       | Number                | Rupees       |
| shares outstanding at beginning of the year | 1,74,68,872           | 17,46,88,720 | 1,74,68,872           | 17,46,88,720 |
| shares Issued during the year               | 6,00,000              | 60,00,000    | -                     | -            |
| shares bought back/Reduced during year      | -                     | -            | -                     | -            |
| shares outstanding at end of the year       | 1,80,68,872           | 18,06,88,720 | 1,74,68,872           | 17,46,88,720 |

**Details of share holders holding more than 5% of shares.**

| Particulars                                   | As at 31st March 2017 |              | As at 31st March 2016 |              |
|---|-----------------------|--------------|-----------------------|--------------|
|   | Number                | % of holding | Number                | % of holding |
| SoftPoint Technologies Private Limited        | 1,02,80,795           | 56.90%       | 1,02,80,795           | 56.90%       |
| Ravikaanth Portfolio services Private Limited | 1,00,000              | 0.55%        | 3,00,000              | 1.66%        |
| G.Srinivasulu                                 | -                     | -            | 7,00,004              | 3.87%        |
| Millitoons Animations Private Limited         | 5,64,106              | 3.12%        | 5,64,106              | 3.12%        |
| Cybertoons Entertainments Private Limited     | -                     | -            | 3,18,910              | 1.76%        |

**Note : 2 Reserve & Surplus**

| Sr. No | Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--------|--|-----------------------|-----------------------|
|        |  | Rupees                | Rupees                |
|        | <b>a) Capital reserve</b>  |                       |                       |
|        | Share Premium A/c<br>Rs.40/- premium per Equity Share for 6.00 Lac Shares. | 2,40,00,000           | -                     |
|        | Share warrants forfeiture  | 50,00,000             | -                     |
|        | <b>b) General Reserves</b>   |                       |                       |
|        | <b>Surplus (Profit &amp; Loss Account)</b>                                 |                       |                       |
|        | Balance brought forward from previous year                                 | 1,55,49,234           | - 60,48,994           |
|        | <b>Add:-</b> Net Profit / (Net Loss) for the current year                  | 15,60,31,058          | 2,15,98,229           |
|        | <b>Add:-</b> Transfer from Reserves  | -                     | -                     |
|        | <b>Add:-</b> Transfer from Share Capital                                   | -                     | -                     |
|        | <b>Less:-</b> Increase in Liabilities                                      | -                     | -                     |
|        | <b>Less:-</b> Assets Written off   | -                     | -                     |
|        | <b>Less:-</b> Transfer to Reserves   | -                     | -                     |
|        | <b>Total</b>   | <b>20,05,80,292</b>   | <b>1,55,49,235</b>    |



## SPHERE GLOBAL SERVICES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March 2017

### Note : 3 Share Application Money Pending for Allotment

| Sr. No | Particulars                                   | As at 31st March 2017<br>Rupees | As at 31st March 2016<br>Rupees |
|--------|---|---------------------------------|---------------------------------|
|        | Share Application Money Pending for Allotment | -                               | 1,25,00,000                     |
|        | <b>Total</b>                                  | <b>-</b>                        | <b>1,25,00,000</b>              |

### Note : 4 Long Term Borrowings

| Sr. No | Particulars   | As at 31st March 2017<br>Rupees | As at 31st March 2016<br>Rupees |
|--------|---|---------------------------------|---------------------------------|
|        | Unsecured Loans                                       | 26,19,798                       | 1,31,28,713                     |
|        | <b>Less:-</b> Converted into Equity by issue (If any) | -                               | -                               |
|        | <b>Total</b>  | <b>26,19,798</b>                | <b>1,31,28,713</b>              |

### Note : 5 Other Long Term Liabilities

| Sr. No | Particulars               | As at 31st March 2017 | As at 31st March 2016 |
|--------|---------------------------|-----------------------|-----------------------|
|        | Security Deposit Received | 7,50,000              | 7,50,000              |
|        | <b>Total</b>              | <b>7,50,000</b>       | <b>7,50,000</b>       |

### Note : 6 Long Term Provisions

| Sr. No | Particulars              | As at 31st March 2017<br>Rupees | As at 31st March 2016<br>Rupees |
|--------|--------------------------|---------------------------------|---------------------------------|
|        | Leave Encashment Payable | 4,03,001                        | 2,54,382                        |
|        | Gratuity Payable         | 11,56,938                       | 6,08,971                        |
|        | Other provisions         | -                               | 81,07,533                       |
|        | <b>Total</b>             | <b>15,59,939</b>                | <b>89,70,886</b>                |

### Note : 7 Short Term Borrowings

| Sr. No | Particulars  | As at 31st March 2017<br>Rupees | As at 31st March 2016<br>Rupees |
|--------|--|---------------------------------|---------------------------------|
|        | <b>Short Term Loan From Bank-Secured</b>                     |                                 |                                 |
|        | HDFC Bank 50200014595182 (H)<br>(Secured Against Book Debts) | 76,97,881                       | 66,49,505                       |
|        | <b>Loans from Related Parties</b>                            |                                 |                                 |
|        | Sudhakiran Reddy ( Loan)                                     | 52,98,362                       | -                               |
|        | Unsecured and considered good                                | 62,20,514                       | 50,160                          |
|        | <b>Less:-</b> Converted into Equity by issue (If any)        | -                               | -                               |
|        | <b>Total</b>   | <b>1,92,16,757</b>              | <b>66,99,665</b>                |

## SPHERE GLOBAL SERVICES LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March 2017

### Note : 8 Trades Payable

| Sr. No | Particulars                    | As at 31st March 2017<br>Rupees | As at 31st March 2016<br>Rupees |
|--------|--------------------------------|---------------------------------|---------------------------------|
| 1      | Sundry Creditors for Services: | 59,35,052                       | 20,26,599                       |
|        | <b>Total</b>                   | <b>59,35,052</b>                | <b>20,26,599</b>                |

### Note : 9 Other Current Liabilities

| Sr. No | Particulars              | As at 31st March 2017<br>Rupees | As at 31st March 2016<br>Rupees |
|--------|--------------------------|---------------------------------|---------------------------------|
|        | - Statutory dues         | 92,35,190                       | 30,13,731                       |
|        | - Expenses payable       | 73,93,012                       |                                 |
|        | - Other payables         | 1,14,60,275                     | 12,17,872                       |
|        | - Advance from Customers | 54,01,695                       | -                               |
|        | <b>Total</b>             | <b>3,34,90,172</b>              | <b>42,31,603</b>                |

### Note : 10 Short Term Provisions

| Sr. No | Particulars                    | As at 31st March 2017<br>Rupees | As at 31st March 2016<br>Rupees |
|--------|--------------------------------|---------------------------------|---------------------------------|
|        | Provision For Employee benefit | 78,44,767                       | 68,73,693                       |
|        | Provident Fund & ESI Payable   | 6,57,022                        | 8,62,571                        |
|        | Vat Payable                    | -                               | 5,354                           |
|        | Rent Payable                   | -                               | 3,16,745                        |
|        | Other Payables                 | 85,350                          | 46,413                          |
|        | Provision for Tax              | 1,14,38,556                     | -                               |
|        | <b>Total in</b>                | <b>2,00,25,695</b>              | <b>80,94,068</b>                |

| NOTE NO: 11 Fixed Assets for the year 2016-17 (In Rupees) |                          |                        |                          |                          |                    |                        |                          |                          |                    |                        |                        |
|---|--------------------------|------------------------|--------------------------|--------------------------|--------------------|------------------------|--------------------------|--------------------------|--------------------|------------------------|------------------------|
| SL NO   | DESCRIPTION              | GROSS BLOCK            |                          |                          |                    | DEPRECIATION           |                          |                          | NET BLOCK          |                        |                        |
|   |                          | VALUE AT THE BEGINNING | ADDITION DURING THE YEAR | DELETION DURING THE YEAR | VALUE AT THE END   | VALUE AT THE BEGINNING | ADDITION DURING THE YEAR | DELETION DURING THE YEAR | VALUE AT THE END   | VALUE AS ON 31-03-2017 | VALUE AS ON 31-03-2016 |
| 1   | <b>TANGIBLE ASSETS</b>   |                        |                          |                          |                    |                        |                          |                          |                    |                        |                        |
|   | Computers                | 1,87,78,011            | 13,95,085                | -                        | 2,01,73,096        | 1,81,12,626            | 4,69,026                 | -                        | 1,85,81,652        | 15,91,444              | 6,65,385               |
|   | Furniture & Fixtures     | 20,71,422              | -                        | -                        | 20,71,422          | 12,80,274              | 1,70,879                 | -                        | 14,51,153          | 6,20,269               | 7,91,148               |
|   | Electrical Equipment     | 56,720                 | -                        | -                        | 56,720             | 24,930                 | 8,230                    | -                        | 33,160             | 23,560                 | 31,790                 |
|   | Office Equipment         | 5,39,859               | 2,49,900                 | -                        | 7,89,759           | 4,69,837               | 63,520                   | -                        | 5,33,357           | 2,56,402               | 70,022                 |
|   | Genset                   | 3,37,417               | -                        | -                        | 3,37,417           | 2,38,720               | 32,898                   | -                        | 2,71,618           | 65,799                 | 98,897                 |
|   | Motor Vehicle            | 33,00,000              | 4,72,046                 | -                        | 37,72,046          | 1,69,521               | 4,92,723                 | -                        | 6,62,244           | 31,09,802              | 31,30,479              |
|   | <b>TOTAL</b>             | <b>2,50,83,429</b>     | <b>21,17,031</b>         | <b>-</b>                 | <b>2,72,00,460</b> | <b>2,02,95,907</b>     | <b>12,37,276</b>         | <b>-</b>                 | <b>2,15,33,183</b> | <b>56,67,277</b>       | <b>47,87,522</b>       |
| 2   | <b>INTANGIBLE ASSETS</b> |                        |                          |                          |                    |                        |                          |                          |                    |                        |                        |
|   | Computer Software        | 5,41,559               | 7,07,000                 | -                        | 12,48,559          | 4,71,959               | 2,26,513                 | -                        | 6,98,472           | 5,50,087               | 69,600                 |
|   | Goodwill                 | 2,90,00,000            | -                        | -                        | 2,90,00,000        | -                      | -                        | -                        | -                  | 2,90,00,000            | 2,90,00,000            |
|   | <b>TOTAL</b>             | <b>2,95,41,559</b>     | <b>7,07,000</b>          | <b>-</b>                 | <b>3,02,48,559</b> | <b>4,71,959</b>        | <b>2,26,513</b>          | <b>-</b>                 | <b>6,98,472</b>    | <b>2,95,50,087</b>     | <b>2,90,69,600</b>     |
|   | <b>Grand Total</b>       | <b>5,46,24,988</b>     | <b>28,24,031</b>         | <b>-</b>                 | <b>5,74,49,019</b> | <b>2,07,67,867</b>     | <b>14,63,789</b>         | <b>-</b>                 | <b>2,22,31,656</b> | <b>3,52,17,363</b>     | <b>3,38,57,121</b>     |

**SPHERE GLOBAL SERVICES LIMITED**

*Notes Forming Integral Part of the Balance Sheet as at 31st March 2017*

**Note : 12 Non-current Investments**

| Sr. No | Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--------|--------------|-----------------------|-----------------------|
|        |              | Rupees                | Rupees                |
|        | Investments  | 2,51,90,000           | 6,25,25,707           |
|        | <b>Total</b> | <b>2,51,90,000</b>    | <b>6,25,25,707</b>    |

**Note : 13 Deferred Tax Net**

| Sr. No | Particulars         | As at 31st March 2017 | As at 31st March 2016 |
|--------|---------------------|-----------------------|-----------------------|
|        |                     | Rupees                | Rupees                |
|        | Deferred Tax Assets | 16,66,455             | 8,76,640              |
|        | Current year DTL    | 91,793                | 7,89,815              |
|        | <b>Total</b>        | <b>17,58,248</b>      | <b>16,66,455</b>      |

**Note : 14 Long Term Loans and Advances**

| Sr. No | Particulars                  | As at 31st March 2017 | As at 31st March 2016 |
|--------|------------------------------|-----------------------|-----------------------|
|        |                              | Rupees                | Rupees                |
|        | <b>Security Deposits</b>     |                       |                       |
|        | - Electricity Deposit        | 1,50,000              | 1,50,000              |
|        | - Sales Tax Deposit          | 6,000                 | 6,000                 |
|        | - Rent Deposit               | 27,63,030             | 8,40,000              |
|        | - Other Deposit              | 6,59,500              | 31,08,146             |
|        | - Unsecured, considered good | 14,35,180             | 1,69,83,287           |
|        | <b>Total</b>                 | <b>50,13,710</b>      | <b>2,10,87,433</b>    |

**Note : 15 Current Investments**

| Sr. No | Particulars             | As at 31st March 2017 | As at 31st March 2016 |
|--------|-------------------------|-----------------------|-----------------------|
|        |                         | Rupees                | Rupees                |
|        | Adroit Infotech Pvt Ltd | -                     | -                     |
|        | Sphere Globle INC       | -                     | -                     |
|        | <b>Total</b>            | <b>-</b>              | <b>-</b>              |

**Note : 16 Trade Receivables**

| Sr. No | Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--------|--|-----------------------|-----------------------|
|        |  | Rupees                | Rupees                |
|        | Trade receivables outstanding for a period less than six months from the date they are due for payment |                       |                       |
|        | - Unsecured, considered good   | 11,29,78,680          | 1,55,49,235           |
|        | <b>Less:-</b> Provision for doubtful debts   | -                     | -                     |
|        |  | 11,29,78,680          | 2,65,37,690           |
|        | Trade receivables outstanding for a period more than six months from the date they are due for payment |                       |                       |
|        | - Unsecured, considered good   | 22,59,57,359          | 6,86,24,615           |
|        | - Unsecured, considered doubtful   | 3,10,29,763           | 6,49,49,225           |
|        | <b>Less:-</b> Provision for doubtful debts   | -                     | -                     |
|        |  | 3,10,29,763           | 6,49,49,225           |
|        | <b>Total</b>   | <b>14,40,08,442</b>   | <b>9,14,86,915</b>    |

## SPHERE GLOBAL SERVICE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March 2017

### Note : 17 Cash & Cash Equivalent

| Sr.<br>No | Particulars  | As at 31st March<br>2017 | As at 31st March<br>2016 |
|-----------|--|--------------------------|--------------------------|
|           |  | Rupees                   | Rupees                   |
| 1         | <b>Cash-in-Hand</b>  |                          |                          |
|           | Cash Balance   | 1,62,660                 | 9,97,351                 |
|           | <b>Sub Total (A)</b>   | <b>1,62,660</b>          | <b>9,97,351</b>          |
| 2         | <b>Bank Balance</b>  |                          |                          |
|           | This includes Bank deposits with more than 12 months maturity<br>cheques, drafts on hand |                          |                          |
|           | Balances with banks  |                          |                          |
|           | - On current accounts  | 7,23,88,525              | 12,41,831                |
|           | - On Deposits  | -                        | -                        |
|           | <b>Sub Total (B)</b>   | <b>7,23,88,525</b>       | <b>12,41,831</b>         |
|           | <b>Total [ A + B ]</b>   | <b>7,25,51,185</b>       | <b>22,39,182</b>         |

### Note :18 Short Terms Loans and Advances

| Sr.<br>No | Particulars                          | As at 31st March<br>2017 | As at 31st March<br>2016 |
|-----------|--------------------------------------|--------------------------|--------------------------|
|           |                                      | Rupees                   | Rupees                   |
|           | Other Short Terms Loans and Advances |                          |                          |
|           | - Salary Advance                     | 2,62,580                 | 1,12,615                 |
|           | - Interest Receivable                | 13,71,833                | 8,81,894                 |
|           | - Advance to Creditors               | 56,250                   | 49,250                   |
|           | TDS receivables                      | 12,17,273                | 1,62,47,082              |
|           | <b>Total ( a + b + c )</b>           | <b>29,07,936</b>         | <b>1,72,90,841</b>       |

### Note :19 Other Current Assets

| Sr.<br>No | Particulars                         | As at 31st March<br>2017 | As at 31st March<br>2016 |
|-----------|-------------------------------------|--------------------------|--------------------------|
|           |                                     | Rupees                   | Rupees                   |
|           | Capital workin progress Revenue a/c | 4,47,68,959              | -                        |
|           | Prepaid Expenses                    | 2,21,434                 | 1,36,001                 |
|           | Prepaid Taxes                       | 2,06,26,102              | 48,03,999                |
|           | Others                              | 11,26,03,045             | 1,14,86,443              |
|           | <b>Total</b>                        | <b>17,82,19,540</b>      | <b>1,64,26,443</b>       |

## SPHERE GLOBAL SERVICE LIMITED

### Notes Forming Integral Part of the Provisional Balance Sheet as at 31st March 2017

#### Note : 20 Revenue from Operations

| Sr. No | Particulars          | As at 31st March 2017 | As at 31st March 2016 |
|--------|----------------------|-----------------------|-----------------------|
|        |                      | Rupees                | Rupees                |
|        | Sales of Rights      | -                     | 6,20,25,707           |
|        | Export Services      | 4,11,66,285           | 1,31,83,083           |
|        | Income From Services | 43,64,48,201          | 9,43,27,952           |
|        | Sale of Licenses     | 3,90,10,000           | 1,26,01,358           |
|        | Project Charges      | 17,26,733             | 1,31,667              |
|        | Support Charges      | 20,30,526             | 70,000                |
|        | T&M Charges          | 90,70,756             | -                     |
|        | <b>Total</b>         | <b>52,94,52,500</b>   | <b>18,23,39,767</b>   |

#### Note : 21 Other Income

| Sr. No | Particulars                  | As at 31st March 2017 | As at 31st March 2016 |
|--------|------------------------------|-----------------------|-----------------------|
|        |                              | Rupees                | Rupees                |
|        | Discount Received            | -                     | 200                   |
|        | Interest Income              | 7,50,587              | 2,79,270              |
|        | Other Income                 | 72,364                | 57,33,608             |
|        | Foreign Exchange Fluctuation | 2,447                 | -                     |
|        | <b>Total</b>                 | <b>8,25,398</b>       | <b>60,13,078</b>      |

#### Note : 22 Cost of Material Consumed

| Sr. No | Particulars   | As at 31st March 2017 | As at 31st March 2016 |
|--------|---|-----------------------|-----------------------|
|        |   | Rupees                | Rupees                |
|        | <b>Stock of Animation &amp; Feature Film IP Rights &amp; Comics</b> |                       |                       |
| 1      | Opening Stock   | -                     | 4,46,20,566           |
|        | Add:- PURCHASES OF RAW MATERIALS AND STORES                         | -                     | 91,72,859             |
|        | Purchase cost of Licenses/ Services                                 | 18,86,90,884          | 30,57,399             |
|        | <b>Sub-total</b>  | <b>18,86,90,884</b>   | <b>5,68,50,824</b>    |
| 2      | Closing Stock   | -                     | -                     |
|        | <b>Total</b>  | <b>18,86,90,884</b>   | <b>5,68,50,824</b>    |

#### Note : 23 Employment Benefit Expenses

| Sr. No | Particulars                             | As at 31st March 2017 | As at 31st March 2016 |
|--------|---|-----------------------|-----------------------|
|        |   | Rupees                | Rupees                |
| 1      | Salaries & Wages                        | 8,64,13,987           | 7,24,85,553           |
|        | Contribution to Provident & Other Funds | 25,07,166             | 21,66,359             |
|        | Staff Welfare Expenses                  | 21,97,411             | 26,67,182             |
|        | <b>Total</b>                            | <b>9,11,18,564</b>    | <b>7,73,19,094</b>    |

#### Note : 24 Finance Costs

| Sr. No | Particulars                           | As at 31st March 2017 | As at 31st March 2016 |
|--------|---------------------------------------|-----------------------|-----------------------|
|        |                                       | Rupees                | Rupees                |
| 1      | Interest on Term loan and cash credit | 26,66,544             | 16,59,692             |
|        | Bank Charges & Commission             | 2,42,671              | 95,254                |
|        | <b>Total</b>                          | <b>29,09,215</b>      | <b>1,37,18,553</b>    |

#### Note : 25 Depreciation & Amortised Cost

| Sr. No | Particulars  | As at 31st March 2017 | As at 31st March 2016 |
|--------|--------------|-----------------------|-----------------------|
|        |              | Rupees                | Rupees                |
| 1      | Depreciation | 58,18,431             | 1,54,73,499           |
|        | <b>Total</b> | <b>20,73,185</b>      | <b>35,85,628</b>      |

## SPHERE GLOBAL SERVICE LIMITED

*Notes Forming Integral Part of the Provisional Balance Sheet as at 31st March 2017*

### **Note : 26 Other Administrative Expenses**

| Sr. No | Particulars                                    | As at 31st March 2017 | As at 31st March 2016 |
|--------|--|-----------------------|-----------------------|
|        |  | Rupees                | Rupees                |
| 1      | Advertisement Expenditure                      | 98,996                | 77,026                |
| 2      | Annual Listing Fee,Custody Fee & Demat Charges | 7,38,025              | 12,18,639             |
| 3      | Audit Fee                                      | 2,00,000              | 1,10,000              |
| 4      | Bank Charges                                   | 6,154                 | 26,982                |
| 5      | Books & Periodicals                            | 8,121                 | 7,623                 |
| 6      | Business Promotion Expenses                    | 9,43,423              | 9,87,082              |
| 7      | Commission Expenses                            | -                     | 6,87,763              |
| 8      | Electricity Charges                            | 15,97,761             | 10,88,318             |
| 9      | ESOP Application Fee                           | 2,00,000              | -                     |
| 10     | E Voting Charges                               | 59,258                | 76,961                |
| 11     | Fuel & Diesel                                  | 34,124                | 4,120                 |
| 12     | Insurance Exp                                  | 1,45,182              | 1,49,080              |
| 13     | Interest on Late Payments                      | 89,442                | 47,121                |
| 14     | Internet Expenses                              | 4,67,483              | 3,59,795              |
| 15     | Misc. Expenses                                 | 76,578                | 53,557                |
| 16     | Office Maintenance                             | 16,36,952             | 14,36,487             |
| 17     | Office Rent                                    | 92,73,596             | 65,94,855             |
| 18     | Placement charges                              | -                     | 1,54,105              |
| 19     | Postage & Courier Expenses                     | 11,67,434             | 84,575                |
| 20     | Printing & Stationary                          | 4,86,651              | 4,59,497              |
| 21     | Professional Consulting Fee                    | 1,57,38,087           | 73,53,731             |
| 22     | Rates & Taxes                                  | 20,03,296             | 2,52,707              |
| 23     | Reimbursement of Expenses                      | -                     | 12,120                |
| 24     | Repair & Maintenance Expenses                  | 3,76,527              | 1,66,728              |
| 25     | ROC Compliance & Filing Fee                    | 82,300                | 55,425                |
| 26     | RTA Charges                                    | -                     | 1,45,378              |
| 27     | Telephone Expenses                             | 2,97,909              | 84,954                |
| 28     | Difference in Exchange                         | 4,42,933              | 2,29,698              |
| 29     | Travelling & Conveyance Expenses               | 1,47,04,984           | 63,13,831             |
| 30     | Other Admn Expenses                            | 49,98,847             | 12,35,260             |
|        |  | <b>5,58,74,063</b>    | <b>2,90,14,022</b>    |

### **Note : 27 Extraordinary Items**

| Sr. No | Particulars           | As at 31st March 2017 | As at 31st March 2016 |
|--------|-----------------------|-----------------------|-----------------------|
|        |                       | Rupees                | Rupees                |
|        | Prior-Period Expenses | 10,069                | -                     |
|        |                       | -                     | -                     |
|        |                       | <b>10,069</b>         | <b>-</b>              |

## ATTENDANCE SLIP

### SPHERE GLOBAL SERVICES LIMITED

CIN: L72300TG1990PLC011129

Reg. Office: Plot no. A-52, Road No. 70, Journalist Colony, Jubilee Hills, Hyderabad –500 033  
Email: cs@sphereglobal.in, Website: www.sphereglobal.in, Tel: 040 23552284, Fax: 040 23552285

(To be handed over at the registration counter situated near the entrance of the meeting venue)  
27th Annual General Meeting – August 30, 2017

|  |  |
|--|--|
| 1. Full Name and registered address of the member (in BLOCK LETTERS) |  |
| 2. Full name of the proxy (in BLOCK LETTERS)                         |  |
| 3. Folio number / DP id., Client ID*                                 |  |
| 4. Number of equity shares held                                      |  |

I / We , being the registered shareholder / proxy for the registered shareholder\*\* of the Company, hereby record my / our presence at the 27th Annual General Meeting of the company held on Wednesday, August 30, 2017, at 09:00 a.m., at ICWAI Bhavan, Beside Dena Bank, Sanath Nagar, Hyderabad, Telangana 500018 and at any adjournment(s) thereof.

\_\_\_\_\_  
\*\*Member's / Proxy's signature

\* Applicable for investors holding shares in electronic form

\*\* Strike-off whichever is not relevant.

#### ELECTRONIC VOTING PARTICULARS

| EVEN (E-voting Event Number) | User ID | Password |
|------------------------------|---------|----------|
|                              |         |          |

#### Notes:

- Please read the instructions to exercise e-voting option printed under Note number 27 to the Notice convening the 27th Annual General Meeting of the Company printed in the accompanying Annual Report for 2017.
- Members are requested to bring their copy of the Annual Report and this Attendance Slip at the Annual General Meeting.

## PROXY FORM

### SPHERE GLOBAL SERVICES LIMITED

(formerly known as Color Chips (India) Limited)

Registered office: Plot No. A-52, Journalist Colony, Jubilee Hills -500033, Hyderabad, Telangana.

Tel: +91-40-2355 2284/85/86 Fax: +91-40-2355 2283 Email: cs@sphereglobal.in, website : www.sphereglobal.in

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

|                    |  |
|--------------------|--|
| Name of the Member |  |
| Registered Address |  |
| E Mail Id          |  |
| Folio No/Client ID |  |
| DP ID              |  |

I/We, being the member(s) of \_\_\_\_\_ shares of Sphere Global Services Limited, hereby appoint:

|                   |  |
|-------------------|--|
| Name of the Proxy |  |
| Address           |  |
| E Mail Id         |  |
| Signature         |  |

*or failing him/her*

|                   |  |
|-------------------|--|
| Name of the Proxy |  |
| Address           |  |
| E Mail Id         |  |
| Signature         |  |

*or failing him/her*

|                   |  |
|-------------------|--|
| Name of the Proxy |  |
| Address           |  |
| E Mail Id         |  |
| Signature         |  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Wednesday, August 30 2017, at 09:00 a.m., at ICWAI Bhavan, Beside Dena Bank, Sanath Nagar, Hyderabad, Telangana 500018 and at any adjournment thereof in respect of such resolutions as are indicated below:



I wish my above proxy to vote in the manner as indicated in the box below:

| Sl. No. | Resolution (s)   | No. of Equity shares held by me | I/We assent to the resolution (For) | I/We Dissent to the resolution (Against) | I/We abstain to the resolution (Abstain) |
|---------|--|---------------------------------|-------------------------------------|--|--|
| 1.(a)   | <b>Ordinary Business:</b><br>Adoption of audited financial statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon                                     |                                 |                                     |  |  |
| 1.(b)   | Adoption of the audited consolidated financial statements of the Company for the financial year ended March 31, 2017   |                                 |                                     |  |  |
| 2.      | To approve final dividend @5% i.e, Rs. 0.50 per equity share for the year ended 31st March,2017  |                                 |                                     |  |  |
| 3.      | Re-appointment of Mr.SudhaKiran Reddy as Director  |                                 |                                     |  |  |
| 4.      | Ratification of re-appointment of Statutory Auditor  |                                 |                                     |  |  |
| 5.      | <b>Special Business :</b><br>Approval of the scheme of amalgamation between sphere global services limited (transferee company) and adroit infotech limited (transferor company) and their respective shareholders and creditors |                                 |                                     |  |  |
| 6.      | Approval of appointment of Mr. Seetha Rama RaoThunuguntla as Independent Director  |                                 |                                     |  |  |
| 7.      | Approval o f appointment of Patlola Venkatalakshma Reddy as Independent Director   |                                 |                                     |  |  |
| 8.      | Appointment of ESOPS Scheme 2017   |                                 |                                     |  |  |
| 9.      | Approval for further Issuance of Securities  |                                 |                                     |  |  |

Place :

Date :

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder

|                         |
|-------------------------|
| Affix Revenue<br>Stamps |
|-------------------------|

Signature of shareholder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not to be a member of the Company.
- (3) Please put a 'X' in the Box in the appropriate column against the respective resolution. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she think appropriate.

## FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE

To  
Venture Capital And Corporate Investments Private Limited  
12-10-167,  
Bharat Nagar  
Hyderabad, 500018

**Company: SPHERE GLOBAL SERVICES LIMITED**  
**(Formerly known as Color Chips (India) Limited)**

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : \_\_\_\_\_  
DP ID / Client ID / Regd. Folio No. : \_\_\_\_\_  
PAN No. : \_\_\_\_\_  
E-mail Address : \_\_\_\_\_

Date:  
Place:

(Signature of Member)



## BOOK - POST



[www.sphereglobal.in](http://www.sphereglobal.in)

TO

IF UNDELIVERED PLEASE RETURN TO:



### **SPHERE GLOBAL SERVICES LIMITED**

**Registered Office :**

A-52, Road No 70, Journalist Colony, Jubilee Hills, Hyderabad -500033

Tel: +91-40-2355 2284/85/86 Fax: +91-40-2355 2283

CIN : L36999TG1990PLC011129

E mail : [cs@sphereglobal.in](mailto:cs@sphereglobal.in) Website: [www.sphereglobal.in](http://www.sphereglobal.in)