



SPHERE GLOBAL SERVICES LIMITED

26th
ANNUAL REPORT

2015 - 2016

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CORPORATE INFORMATION

Board of Directors

S Sudhakiran Reddy	- Managing Director	
PrakashTripathi	- Director	(Resigned w.e.f. 30.05.2016)
Ramakrishna Bhaskar	- Director & CFO	(Resigned w.e.f. 22.03.2016)
Sunder Raj Nyaypathi	- Independent Director	
SRS Srivastava	- Independent Director	(Resigned w.e.f.07.10.2015)
SuneethaVishnupanthulu	- Independent Director	(Resigned w.e.f. 23.03.2016)
Devender Reddy K	- Independent Director – Additional	(Appointed w.e.f. 1.11.2015)
SunithaKuchakulla	- Independent Director –Additional	(Appointed w.e.f. 21.05.2016)

Key Managerial Person

S Sudhakiran Reddy	(Managing Director)
Prakash Tripathi	(Whole Time Director)
Ramakrishna Bhaskar	(Wholetime Director and CFO)
AkshitaSurana	(Company Secretary & Compliance Officer)

BOARD COMMITTEES

AUDIT:

S Sudhakiran Reddy
SRS Srivastava*
SunderRaj N
Devender Reddy K**

(*Resigned w.e.f. 07.10.2015**Appointed w.e.f. 01.11.2015)

Nomination & Remuneration:

SunderRaj N
SRS Srivastava*
SuneethaVishnupanthulu**
Devender Reddy K***
Sudhakiran Reddy

(*Resigned w.e.f. 07.10.2015 ** Resigned w.e.f. 23.03.2016 ***Appointed w.e.f. 01.11.2015)

Stakeholders and Relationship:

Mr.SunderRaj N
Mr.Sudhakiran Reddy
Mr.Devender Reddy K

Statutory Auditors

Niranjan& Narayan
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:

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 26th Annual General Meeting (AGM) of the Members of **SPHERE GLOBAL SERVICES LIMITED** (the Company) will be held on Friday, 30th September, 2016 at 02.00 p.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, 2016, 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, 2016.
2. To appoint a Director in place of Mr. S Sudhakiran Reddy (DIN: 01436242), who retires by rotation and being eligible offers himself for re-appointment.
3. 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 27th Annual General Meeting, and to fix their remuneration for the financial year ending March 31, 2017.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mrs. Suneeta Kuchakulla (DIN: 07502066), who was appointed as an Additional Director with effect from 21.05.2016 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 her 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 she shall not be liable to retire by rotation.”

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

“RESOLVED THAT Mr. Devender Reddy K (DIN: 07329194), who was appointed as an Additional Director with effect from 01/11/2015 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 her 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 she shall not be liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, read with Schedule V to the Act, consent of the members be and is hereby accorded for revision in the remuneration of Mr. S Sudhakiran Reddy as the Managing Director of the Company upto a sum of Rs. 11,00,000/- (Rupees Eleven Lakhs) per year, whether paid as salary, allowance(s), perquisites or a combination thereof, with effect from October 01, 2016 for a period of three years or till the date of his remaining tenure as Managing Director, whichever is earlier.

RESOLVED FURTHER THAT payment towards the following perquisites will not be included in the aforesaid limit of remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Encashment of leave at the end of tenure

RESOLVED FURTHER THAT in case of inadequacy of profit in any financial year, the remuneration payable to the Managing Director shall be limited to the extent, as provided under of Part-II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee of the Company be and is hereby authorized to fix and vary the remuneration from time to time within the aforesaid limit to the extent it may deem appropriate.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Nomination and Remuneration Committee) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution."

7. 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-2016", (hereinafter referred to as the "SGSLE SOP'S -2016"), 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 "SGSLE SOP'S -2016" 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 "SGSLE SOP'S -2016"

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 "SGSLE SOP'S -2016" 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.

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, 2016 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 September, 2016 forms part of the notice.
8. The Register of Members and Share Transfer Books will remain closed from 23rd September, 2016 to 30th September, 2016 (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. No Dividend on equity shares as recommended by the Board of Directors for the financial year ended March 31, 2016.
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 Clause 35B of the Listing Agreement, the Company is pleased to provide facility to the members to exercise their right to vote at the 26th 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. Manoj Kumar Koyalkar M/s AGR Reddy & Co., 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. 23rd September, 2016. 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. 23rd September, 2016 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 or can vote through ballot paper to be downloaded from the Company's website 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 September 25, 2016
End of Remote e-voting: Up to 5.00 p.m. (IST) on September, 29th, 2016
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 and on the website of CDSL at 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. September, 30th 2016.
27. Instructions and other information relating to Remote e-voting:
 - (i) The voting period begins on 25th September, 2016 at 09:00 a.m and ends on 29th day of September, 2016 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 23.09.2016, 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.
 - (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 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>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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. 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.
DOB	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.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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).

- (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.