



Important Information for Shareholders

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use electronic mode of payment facility approved by the Reserve Bank of India for making payment of dividend as may be declared in the Annual General Meeting. In pursuance to the SEBI Circular No. SEBI/HO/MIRSD/DOPI/CIR/P/2018/73 dated 20th April, 2018, the Company had sent individual letters to shareholders holding shares in physical form to update their bank details and PAN with the Company.

It has been observed that many of the shareholders holding physical shares have still not updated the said information. Such shareholders are requested to send the following documents to the Company's RTA M/s. MAS Services Limited at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi – 110020:

1. Self-attested copy of PAN card including that of joint shareholders, if any;
2. An original cancelled cheque of 1st shareholder. (Name of 1st shareholder should be printed on cheque leaf). If name of 1st shareholder is not printed on cheque leaf, photocopy of passbook or bank statement duly attested by the banker alongwith cancelled cheque (Photocopy of cheque will not be accepted/entertained).

Shareholders holding shares in dematerialisation form should check and update their bank details with their respective depository participant.

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Chairman's Statement

Dear shareholders,

It gives me great pleasure to write to you for the first time as Digispice Technologies, our new corporate identity. We have now truly transformed ourselves into a Digital Technology Services company post restructuring of our hardware businesses. Our corporate structure now stands simplified with the listco having 2 key investments: one in our fintech venture, now renamed as Spice Money Limited and the other in the form of our strategic stake in the hardware business led by the Transsion group from China.

DiGiSpice Business

In the financial year of 2018-19, we worked on building new growth engines. In the digital technologies business, we focused both on product and sector diversification. Fintech as a new category for our Telco segment and Enterprise messaging as a new category within the BFSI sector have emerged as new growth engines for us and we believe that they can be significant growth drivers for us in the short to medium term. On the Telco sector, our legacy business around VAS has been under significant revenue pressure due to stringent regulatory guidelines across most of the markets that we work in. During the year, we have signed new contracts with our telco customers to work on music apps, content management and self care platforms. Going forward we see our telco customers working on digital products and services both for their retail and enterprise customers. To tap into this opportunity, we at Digispice will be investing in building new capabilities around user experience engineering, Data analytics and Automation. In the short term, revenue growth from the Telco segment is going to continue to be challenging as we reinvent our products portfolio for this segment. We hope that our new investments will yield growth from the Telco segment in the medium to long term. In terms of geo

diversification, we are evaluating opportunities in developed markets by doing some POCs on the ground and we will plan our strategy based on progress made during the financial year 2019-20.

Spice Money

In the fintech business, Spice Money, we have been able to build further scale in terms of number of transactions and customer service points during the financial year 2018-19. As the BFSI sector looks to expand their reach into semi urban and rural India, a digital platform like Spice Money offers them a unique opportunity to leverage an asset light network to roll out micro financial services to a significantly under penetrated market.

During the year, we reached a total base of 1,50,000 customer service points covering 11,000+ pin codes. Growth in the network coupled with increasing transactions per service point led to a 160% y-o-y growth in the number of transactions processed, with a total value of approx. Rs. 15,000 crore during the year.

As we chase growth at Spice Money, being a regulated entity we will also continue to give equal focus on risk management and compliances.

I would like to thank the entire Spice employee family for their hard work and dedication over the last one year, all our partners for their strong commitment and support and most importantly to you, our shareholders, for your trust in all our endeavours. I thank you for your continued patronage and assure you of our commitment towards building long term value for all our stakeholders.

With Best Wishes,

Dilip Modi
Executive Chairman

COMPANY INFORMATION

DiGiSPICE Technologies Limited
(Formerly Spice Mobility Limited)

BOARD OF DIRECTORS

Mr. Dilip Modi – *Executive Chairman*

Dr. (Ms.) Rashmi Aggarwal

Mr. Subramanian Murali

Mr. Suman Ghose Hazra

Company Secretary & Compliance Officer

Mr. M. R. Bothra

KEY COMMITTEES OF THE BOARD

I) Audit Committee

Mr. Suman Ghose Hazra – Chairman

Dr. Rashmi Aggarwal

Mr. Subramanian Murali

II) Nomination and Remuneration Committee

Dr. Rashmi Aggarwal – Chairman

Mr. Subramanian Murali

Mr. Suman Ghose Hazra

III) Stakeholders Relationship Committee

Mr. Subramanian Murali – Chairman

Dr. Rashmi Aggarwal

Mr. Suman Ghose Hazra

IV) Corporate Social Responsibility Committee

Mr. Dilip Modi – Chairman

Mr. Subramanian Murali

Mr. Suman Ghose Hazra

Chief Executive Officer

Ms. Preeti Das

Chief Financial Officer

Mr. Rajneesh Arora

CIN: L72900DL1986PLC330369

Registered Office

622, 6th Floor, DLF Tower A, Jasola Distt. Centre,
New Delhi - 110025

Phone: 011-41251965

E-mail : complianceofficer@smobility.in

Website : www.digispice.com

Corporate Office

Spice Global Knowledge Park, 19A & 19B, Sector 125,
Noida, District Gautam Budh Nagar, U.P.-201301

Phone : 0120-3355131

Statutory Auditors

M/s. Singhi & Co.

(Firm Registration No. 302049E)

Chartered Accountants

Unit No. 1704, 17th Floor, Tower B,

World Trade Tower, DND Flyway,

C-01, Sector – 16, Noida – 201301

Internal Auditors

M/s. GSA & Associates

Chartered Accountants

16, DDA Flats, Ground Floor,

Panchsheel Shivalik Crossing,

Near C Block, Shivalik, New Delhi – 110017

Registrar & Share Transfer Agent

MAS Services Ltd.

T-34, 2nd Floor, Okhla Industrial Area,

Phase-II, New Delhi-110 020

Phone : 011-26387281/82/83

Fax : 011-26387384

E-mail : info@masserv.com

Bankers

HDFC Bank Limited

IndusInd Bank Limited

IDFC First Bank Limited

Symbol/Script ID at NSE /BSE

BSE and NSE Symbol : DIGISPICE

BSE Scrip ID : 517214

Green Initiative: In order to enable the Company to send various documents through electronic mode, the members of the Company are requested to register/update their e-mail addresses with the Company in case the shares are held in Physical mode and with the concerned Depository Participant in case the shares are held in Demat mode.

BOARD OF DIRECTORS

Mr. Dilip Modi Executive Chairman

Mr. Dilip Modi was appointed to the Board on 21st August, 2006 as Director and has been Chairman of the Company since 18th February, 2014.

Mr. Dilip Modi is one of India's most successful young entrepreneurs and has pioneered several new technologies in the mobility and technology sector in India. As a young entrepreneur, Mr. Modi is passionate about creating usable and affordable technologies that can help improve lives of people. Driven by his firm belief that technology can become a key enabler for achieving inclusive growth in the country, his group's current business interests in the digital technologies, fintech and mobility spaces exemplify this vision by furthering the digital and financial inclusion goals.

In the last two decades, he has created a strong portfolio of businesses within the mobility and technology sector, starting from successfully launching India's first mobile service – Modi Telstra in 1995 that also hosted the very first mobile phone call made in India. After a successful divestment of Modi Telstra in the year 2000, he launched Spice Communications in Punjab and Karnataka, which soon

became one of the most valuable and enduring brands in the two highly profitable mobile markets of the country.

As Executive Chairman of Spice Mobility, Mr. Modi leads the Group's businesses spread across Asia and Africa in the mobility & digital technologies space.

Mr. Dilip Modi has also been closely involved in industry forums and has held the position of Chairman of the Cellular Operators Association of India (COAI) and has also had the honour of being the youngest ever President of ASSOCHAM (Associated Chambers of Commerce), working on key industry programs such as "Making Inclusive Transformation Happen". His efforts in the industry were duly recognized as he was conferred the "Youth Icon Award" by the Gujarat Chamber of Commerce and Industry.

An alumnus of the prestigious Imperial College in London, Mr. Modi completed his Master's in Business Administration with a specialization in Finance. He also holds a First Class Bachelor of Science Degree in Management Technology from Brunel University, London.

Dr. (Ms.) Rashmi Aggarwal Independent Director

Dr. Rashmi Aggarwal was appointed as additional director on 2nd November, 2018 as an Independent Director.

She started her career as an advocate in the Punjab and Haryana High Court and Supreme Court of India before joining academics. Dr. Aggarwal is presently associated with IMT Ghaziabad since 2007. She is currently a faculty in the area of Economics, Environment and Policy at IMT Ghaziabad and visiting faculty with IIMs and Management Institutes in France and Dubai.

Dr. Aggarwal research domains are predominately in the area of Corporate Laws, Corporate Governance, Cybercrimes, Labour Laws and Intellectual Property Rights with more

than 70 reputed publications to her credit, including books, international research publications, book chapters, book reviews and case studies. Dr. Aggarwal has presented her research work in national and international conferences in India and abroad including USA, Japan, UK, Hong Kong, UAE and Italy. She has designed and delivered numerous executive training programmes both as a facilitator and Program Director for In-company and Open Company and conducts workshops and training programs for Higher Education accreditation.

Dr. Rashmi Aggarwal is Bachelor of Science, Law Graduate, Masters' in Law and PhD (Patents Law) from Law Department, Punjab University, Chandigarh.

BOARD OF DIRECTORS

Mr. Subramanian Murali Non Executive Director

Mr. Subramanian Murali was appointed to the Board on 7th May, 2015 as Non Executive Director.

He was associated with leading organizations such as A.F. Ferguson and HCL Group of companies in several senior positions.

Over more than 34 years of experience in industries like IT, Office automation, Telecom and Mobility, he has gained extensive knowledge and expertise in the areas of fund raising, M&As, Business restructuring, Process Re-engineering, Business turnarounds, Corporate Finance and management.

Presently, Mr. Murali is Executive Director-Finance of Spice

Connect Group and oversees the entire Group's Finance function. He has been associated with the group for 11 years and is actively involved in Shareholders value creation, Business planning, Corporate Finance, Capital allocation, Treasury management, Management review and overall productivity of all resources within the Spice Connect Group.

His association with the group helped in managing different business cycles ranging from start ups, steady state growth, rapid and exponential growth, slow downs and closures.

Mr. Murali is a Fellow Member of the Institute of Chartered Accountants of India ("ICAI").

Mr. Suman Ghose Hazra Independent Director

Mr. Suman Ghose Hazra was appointed to the Board on 7th May, 2015 as an Independent Director.

Mr. Ghose is a former General Counsel and Executive Vice President – Legal of HCL Infosystems Ltd.

Mr. Hazra began his career in the year 1976 as Zonal Accounts Officer of Tata Iron & Steel Co. Ltd. He specializes in area of Taxation including Income Tax, Sales Tax / VAT, Excise Tax, Service Tax, Custom Duty, Merger, Acquisition, Disinvestment and successfully handled CBI and FEMA/FERA cases. He has helped several Indian companies in the process of acquisition and sale.

He has actively issued necessary guidelines to various regions/ plant on all India basis for the compliance with the various statutory requirements under Indirect Taxation. He has also participated as a member in the High Powered Committee on Electronic Commerce and Taxation appointed by the Central Board of Taxes, Department of Revenue, Ministry of Finance, New Delhi.

He was a Legal Consultant and Senior Advisor to MAIT.

Mr. Ghose is a Fellow Member of the Institute of Chartered Accountants of India ("ICAI"). He is a Law Graduate also.

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty First Annual Report together with the Audited Financial Statements of the Company for the financial year ended on 31st March, 2019.

FINANCIAL RESULTS

The consolidated and standalone financial performance of the Company for the financial year ended 31st March, 2019 is summarized below:—

(Amount in Rs. Lakhs)

PARTICULARS	For the Financial Year ended 31.03.2019		For the Financial Year ended 31.03.2018	
	Consolidated	Standalone	Consolidated	Standalone
Total revenue from continuing operations	39,505.04	17,226.37	29,373.98	15,569.98
Earnings before finance costs, tax, depreciation & amortization and exceptional items from continuing operation	3,379.73	1,128.82	1,887.55	(906.82)
Share of (profit)/loss of associates and a joint venture	(116.55)	-	(78.60)	-
Depreciation and amortization expense	1,797.07	894.13	1,697.16	934.10
Finance costs	262.15	186.08	205.37	169.27
Exceptional items	0.09	170.82	(6,746.23)	(4,871.58)
Profit/(Loss) before tax from continuing operations	1,204.05	219.43	(6,839.81)	(6,881.77)
Tax expenses				
Current Income Tax	1,128.34	235.90	816.40	174.11
Income Tax adjustment for earlier years (net)	5.68	(53.25)	116.31	19.83
Deferred tax charge/ (credit)	(847.26)	(760.11)	(126.77)	(142.14)
Profit/(Loss) for the Year from continuing operation	917.29	796.89	(7,645.75)	(6,933.57)
Profit/(Loss) for the Year from discontinued operation	(9.15)	-	3,176.04	-
Total Profit/ (Loss) for the year	908.14	796.89	(4,469.71)	(6,933.57)
Other comprehensive income for the year	83.33	(3.39)	131.38	6.32
Total comprehensive income for the year	991.47	793.50	(4,338.33)	(6,927.25)
Share of Minority in profits / (losses)	308.12	-	(915.00)	-
Profit / (Loss) for the year attributable to equity shareholders	683.35	793.50	(3,423.33)	(6,927.25)

Pursuant to the Comprehensive Scheme of Arrangement between Spice Mobility Limited (SML), Spice Digital Limited (SDL), Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective Shareholders and Creditors, as approved by the Hon'ble National Company Law Tribunal, New Delhi, Principal Bench, the assets and liabilities of Digital Technology Services (DTS) Business of SDL and the amalgamating companies (Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited) were transferred to and vested with the Company with effect from the appointed date viz. April 01, 2017. Accordingly, the previous year figures have been regrouped and/or rearranged wherever required to align with disclosure parameters of the Amalgamated Company.

BOARD'S REPORT

PERFORMANCE REVIEW AND STATE OF THE COMPANY AFFAIRS

After the implementation of the Comprehensive Scheme of Arrangement, the Company is now in the business of Digital Technology Services (DTS Business) and is engaged in Enterprise Solutions encompassing Telco Support Solutions, Government Centric Solutions, Enterprise Messaging, Mobility Software Solutions, Traditional VAS etc. with “data” being the core of service delivery and is also providing managed services to mobile operators in India. The Company is also engaged in similar Service business through its subsidiaries in Africa, Bangladesh, Indonesia, etc.

The Company through its wholly owned subsidiary ‘Spice Money Ltd’ is also engaged in Financial Technology Services (Fintech Business).

The Company, at the standalone level, has earned a total Income of Rs. 17226.37 lakhs for the year ended 31st March, 2019 (Previous year Rs. 15569.98 lakhs). The Company has earned a profit of approx. Rs.796.89 lakhs for the year ended 31st March 2019 as against a loss of Rs. 6933.57 lakhs in the previous year ended 31st March, 2018.

The Company, at the consolidated level achieved a total income of Rs. 39505.04 lakhs for the year ended 31st March, 2019 as against Rs. 29373.98 lakhs for the previous year ended 31st March, 2018. The profit after tax at the consolidated level for the year ended on 31st March, 2019 is Rs. 917.29 lakhs (Previous Year loss of Rs. 7645.75 lakhs). In the previous year, the loss includes Rs. 6746.23 lakhs on account of exceptional items pertaining to “Discontinued Operations” and other one-time charges.

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company, as of March 31, 2019 has 24 subsidiaries and 3 associates (including one associate of its subsidiary company). The highlights of the principal subsidiaries are given below:

- (a) **Spice Money Ltd. (Formerly known as Spice Digital Ltd.)** - This Company is in the fintech business conducted through retail network, enabling domestic Money transfer, Bill payments, Ticketing etc. operating under licenses from RBI, UIADI, IRCTC like PPI (Pre-paid instruments), Bharat Bill Payment System (BBPS), AUA/KUA, Ticketing etc. It achieved consolidated revenue of Rs. 14373 lakhs for the year ended 31st March, 2019 (31st March 2018- Rs. 6057 lakhs) and reported a consolidated loss of Rs. 433 lakhs vis-a-vis profit of Rs. 6 lakhs in the previous year ended 31st March, 2018.
- (b) **S Global Services Pte. Ltd. (Formerly SGIC Pte. Ltd.)** - This Company is incorporated in Singapore and is in the business of Value Added Services and Digital Technology & Solutions and has a global presence, operating through its subsidiaries, both direct and step down subsidiaries. It achieved consolidated revenue of Rs. 9673.11 lakhs for the year ended 31st March, 2019 (31st March, 2018 Rs. 9467.95 lakhs). It reported a consolidated Profit after Tax for the year ended 31st March, 2019 of Rs. 1280.85 lakhs (31st March, 2018 Rs. 400.51 lakhs).
- (c) **Spice Digital Bangladesh-** This Company is incorporated in Bangladesh and is in the business of Value Added Services and Digital Technology & Solutions. It achieved revenue of Rs. 299.34 lakhs for the year ended 31st March, 2019 (31st March, 2018 Rs. 208.13 lakhs) and Profit after Tax for the year ended 31st March, 2019 of Rs. 49.09 lakhs (31st March, 2018 Rs. 26.63 lakhs).

The detailed performance and financial position of each of the subsidiaries and associate companies are given in Form AOC-I attached to the Consolidated Financial Statements for the year ended 31st March, 2019 and forms an integral part of the Annual Report.

COMPREHENSIVE SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND ITS SUBSIDIARY COMPANIES

The Hon'ble National Company Law Tribunal (NCLT), Principal Bench, New Delhi, vide its Order dated 20th May, 2019 sanctioned the Comprehensive Scheme of Arrangement (“Comprehensive Scheme” or “Scheme”) between Spice Mobility Limited (SML), Spice Digital Limited (SDL), Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited and their respective Shareholders and Creditors.

The said Scheme has been made effective from 1st June, 2019 with appointment date as 1st April, 2017. As per the terms of the aforesaid Scheme, DTS Business Undertaking of SDL has been demerged into the Company and Spice IOT Solutions Private Limited, Mobisoc Technology Private Limited and Spice Labs Private Limited, the subsidiary companies, have got amalgamated with the Company. The implementation of the said Scheme has resulted into consolidation of similar businesses into SML making it a Digital Technology Service Business Company.

Consequently, the two step – down subsidiary companies, S Global Services Pte. Limited, Singapore (SGS) and Spice Digital Bangladesh Limited, which were earlier subsidiaries of SDL and associates of SDL, have become direct subsidiaries/associates of Spice Mobility Limited.

BOARD'S REPORT

INCREASE IN AUTHORISED SHARE CAPITAL

Pursuant to the sanction of Comprehensive Scheme of Arrangement, the Authorised Shares Capital of the Company has been increased from Rs. 99,00,00,000 (Rupees Ninety Nine Crores only) divided into 33,00,00,000 (Thirty Three Crores) Equity Shares of Rs. 3/- each to Rs. 124,05,00,000/- (Rupees One Hundred Twenty Four Crores and Five Lakhs only) divided into 41,35,00,000 (Forty One Crores and Thirty Five Lakhs) Equity Shares of Rs. 3/- each and accordingly the Clause V of the Memorandum of Association of the Company stands altered.

INCREASE IN ISSUED SHARE CAPITAL AND ALLOTMENT OF SHARES

As per the Comprehensive Scheme of Arrangement, the Board of Directors of the Company in its meeting held on 14th June 2019 has issued and allotted 38,083 (Thirty Eight Thousand Eighty Three) Equity Shares of Rs.3/- each to the shareholders of Spice Digital Ltd and Spice Labs Private Limited towards consideration as provided in the said Scheme as detailed hereunder:

- i. 25,090 fully paid up equity shares of the face value of Rs. 3/- each to the shareholder of Spice Digital Limited as a consideration for demerger of DTS Business into Spice Mobility Limited and for remaining business of Spice Digital Limited, and
- ii. 12,993 fully paid up equity shares of the face value of Rs. 3/- each to the shareholder of Spice Labs Private Limited as a consideration towards amalgamation of Spice Labs Private Limited into Spice Mobility Limited.

Consequent to the issue and allotment of the said 38,083 Equity Shares of Rs. 3/- each, the paid-up and issued equity share capital of the Company has increased from Rs. 68,35,91,946 (Rupees Sixty Eight Crores Thirty Five Lakhs Ninety One Thousand Nine Hundred and Forty Six only) divided into 22,78,63,982 (Twenty Two Crores Seventy Eight Lakhs Sixty Three Thousand Nine Hundred and Eighty Two) Equity Shares of Rs. 3/- each to Rs. 68,37,06,195/- (Rupees Sixty Eight Crores Thirty Seven Lakhs Six Thousand One Hundred and Ninety Five only) divided into 22,79,02,065 (Twenty Two Crores Seventy Nine Lakhs Two Thousand and Sixty Five) Equity Shares of Rs. 3/- each.

CHANGE IN OBJECT CLAUSE

Pursuant to the Comprehensive Scheme of Arrangement, the main Object Clause III (A) of the Memorandum of Association of the Company has been altered and amended to include the objects as required to carry on the business activities of DTS Business Undertaking and other related businesses.

CHANGE IN NAME OF THE COMPANY

After the implementation of the Scheme of Arrangement, the DTS Business of SDL has been demerged into the Company and is now being carried out directly by the Company. The Company has launched its digital initiatives in the last 12 months under the "DiGiSPICE" brand and moving towards making it a leading Next GEN digital services and product Company. Accordingly, to reflect properly the new business of the Company in its name, the Board of Directors of the Company decided to change the name of the Company from Spice Mobility Limited to DiGiSPICE Technologies Limited. As required under the applicable laws, the Company obtained the requisite approval of the shareholders by way of a Special Resolution passed through Postal Ballot. The Registrar of Companies, Delhi has approved the change in name of the Company and issued a new Certificate of Incorporation on 8th August, 2019 effecting the change of name of the Company from Spice Mobility Limited to **DiGiSPICE Technologies Limited**.

TRANSFER OF AMOUNT TO RESERVES

The Company has not transferred any amount to the Reserve during the Financial Year ended 31st March, 2019.

DIVIDEND

The Board of Directors has recommended a dividend of 15% (Rs. 0.45/- per Equity Share of Rs.3/- each) on the Equity Shares for the financial year 2018-19. The Independent Non-Promoter Trust, has waived-off its rights to receive dividend on its entire holding in the Company. The said dividend, if approved by the shareholders, would involve a cash outflow of Rs. 953.78 lakhs (excluding tax).

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) as amended from time to time, all shares in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years or more are liable to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.