

DIRECTOR'S REPORT

To  
**The Members,**  
**Globalspace Technologies Limited**  
**Address:** 605, 6th Floor, Rupa Solitaire Building,  
 Millennium Business Park, Navi Mumbai - 400710

Your Directors have pleasure in presenting the 10th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2020.

**1. FINANCIAL STATEMENTS & RESULTS:**

**a. Financial Results (Standalone and Consolidated):**

The Company's performance during the year ended 31st March, 2020 as compared to the previous financial year, is summarized below:

**Standalone Balance Sheet:**

(Amount in Rupees)

Particulars	For the financial year ended 31st March, 2020	For the financial year ended 31st March, 2019
Income	24,91,74,069/-	15,51,20,275/-
Less: Expenses	19,38,70,092/-	13,57,42,184/-
Profit/ (Loss) before tax	5,53,03,977/-	1,93,78,091/-
Less: Provision for tax	Nil	Nil
Current Tax	1,33,17,000/-	41,09,000/-
Deferred Tax	3,00,658/-	(37,39,831/-)
Income Tax of earlier years w/off	Nil	80,99,510/-
Exception Income	Nil	Nil
Exception expenditure	Nil	Nil
Profit after Tax	4,16,86,318/-	1,09,09,412/-

**APPROPRIATION :**

Particulars	For the financial year ended 31st March, 2020	For the financial year ended 31st March, 2019
Interim Dividend	Nil	Nil
Final Dividend	Nil	Nil
Tax on distribution of dividend	Nil	Nil
Transfer of General Reserve	Nil	Nil
Balance carried to Balance sheet	4,16,86,318/-	1,09,09,412/-

**Consolidated Balance Sheet :**

**(Amount in Rupees)**

<b>Particulars</b>	<b>For the financial year ended 31st March, 2020</b>	<b>For the financial year ended 31st March, 2019</b>
Income	25,92,21,951/-	15,51,20,075/-
Less: Expenses	21,56,13,203/-	13,57,42,184/-
Profit/ (Loss) before tax	4,36,08,748/-	1,93,78,091/-
Less: Provision for tax	Nil	Nil
Current Tax	1,33,17,000/-	41,09,000/-
Deferred Tax	5,34,330/-	(37,39,831/-)
Income Tax of earlier years w/off	Nil	80,99,510/-
Exception Income	Nil	Nil
Exception expenditure	Nil	Nil
Profit after Tax	2,97,57,418/-	1,09,09,412/-

**APPROPRIATION :**

<b>Particulars</b>	<b>For the financial year ended 31st March, 2020</b>	<b>For the financial year ended 31st March, 2019</b>
Interim Dividend	Nil	Nil
Final Dividend	Nil	Nil
Tax on distribution of dividend	Nil	Nil
Transfer of General Reserve	Nil	Nil
Balance carried to Balance sheet	2,97,57,418/-	1,09,09,412/-



## **B. OPERATIONS :**

During the year under review, the Company has reported a Consolidated Profit before tax at Rs. 4,36,08,748/-.  
The Company reported Standalone Profit before Tax at Rs. 5,53,03,977/- as against Rs. 1,93,78,091/- in the previous year.  
The Company continues to be engaged in the activities pertaining to Information Technology and Communication industry, including providing of customized software solutions and other support services to enterprises.  
There was no change in nature of the business of the Company, during the year under review.

## **C. DIVIDEND :**

With a view to conserve resources, your Directors have thought it prudent not to recommend any dividend for the financial year under review.

## **D. UNPAID DIVIDEND & IEPF :**

The Company has not transferred any amount to the Investor Education & Protection Fund (IEPF) and no amount is lying in Unpaid Dividend A/c of the Company.

## **E. TRANSFER TO RESERVES:**

The Company has not transferred any amount to General Reserve.

## **F. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES :**

The performance and financial position / salient features of the financial statement of each of the subsidiaries, associates and joint venture companies for the year ended 31st March 2020, and also the details of companies which have become or ceased as subsidiary, associates and joint ventures, during the year under review, if applicable, is given in Form AOC-1 and is attached and marked as **Annexure I** and forms part of this Report.

## **G. DEPOSITS :**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

## **H. LOANS FROM DIRECTORS OR DIRECTORS' RELATIVES :**

During the financial year under review, the Company has not borrowed amount(s) from Directors

## **I. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES :**

The details of transactions/contracts/arrangements referred to in Section 188(1) of Companies act 2013 entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis, the same are furnished in Form AOC-2 and is attached as **Annexure III** and forms part of this report.

## **J. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure IV** which forms part of this Report.

## **K. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

Pursuant to Regulation 17 to 27, clause (b) to (i) of Regulation 46 and Para C, D & E of Schedule V of SEBI (Listing Obligations and Disclosures Requirements), 2015, the corporate governance report together with Auditor certificate on compliance of the same is annexed hereto and marked as **Annexure VII**. And Management Discussion and Analysis report as **Annexure VI**.

## **L. ANNUAL RETURN :**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31st March 2020 made under the provisions of Section 92(3) of the Act is attached as **Annexure II** which forms part of this Report. Further the Company has placed its Annual Return as at 31st March 2020), referred to in Section 92(3) in MGT-7 format on the below mentioned web-address:- [www.globalspace.in](http://www.globalspace.in).

## **M. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES :**

Details of Loans, investment and guarantees covered under section 186 of Companies Act, 2013, forms part of the notes to the standalone financial statement of the company.

## **N. DISCLOSURES UNDER SECTION 134(3)(L) OF THE COMPANIES ACT, 2013 :**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

## **O. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS :**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

## **P. MATERIAL CHANGES AND COMMITMENTS, IF ANY :**

The Company is very pleased to inform you that the company had applied for migration from the SME Board to the Main Board on Bombay Stock Exchange and the application was approved by the Bombay Stock Exchange vide its letter dated February 14, 2020.

**2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A) BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL :**

**i. Appointment -**

No appointment of Director took place in the financial year 2019-20. However in the current financial year pursuant to the Migration of our Company from SME Board to Main Board w.e.f. February 14, 2020 following appointments were made to comply with the provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure) Regulation, 2015:

1. Mr. Amitabh Sinha was appointed as the Additional Executive Director w.e.f. June 24, 2020.
2. Ms. Nilayini Vamatheva was appointed as the Additional Independent Director w.e.f. July 4, 2020.

**ii. Resignation -**

1. Mr. Nurani Venkitakrishnan Kaliasam (DIN: 06672569) was liable to retirement by rotation and were supposed to be re-appointed as a Director at the Annual General Meeting but he had not offered himself for re-appointment in the Annual General Meeting therefore his good office ceased with effect from September 27, 2019 as per Section 152(6) of Companies Act, 2013.
2. Ms. Nilayini Vamatheva (DIN: 08770012) had resigned as the Additional Independent Director w.e.f. July 24, 2020.

**iii. Retirement by rotation -**

In accordance with the provisions of the Act, none of the Independent Directors were liable to retire by rotation. As per the provisions of Section 152 of the Companies Act, 2013, Mrs. Beauty Krishnamurari Singh (holding DIN: 03481024) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends the re-appointment of Mrs. Beauty Krishnamurari Singh as a Director of the Company. The detailed profile of Mrs. Beauty Krishnamurari Singh, recommended for re-appointment is mentioned in the Notice for the AGM in pursuance to Secretarial Standards-2 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**B) DECLARATIONS BY INDEPENDENT DIRECTORS :**

The Company has received the necessary declarations from each of the Independent Directors of the Company pursuant to Section 149(7) and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Each of them meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES :**

**A) BOARD MEETINGS :**

The Board of Directors met 4 times during the financial year ended 31st March 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The details the meetings of the Board and its Committees held during the year under review are stated in the Corporate Governance Report **Annexure VII**.

The Company has complied with the applicable Secretarial Standards in respect of all the above Board meetings.

**B) AUDIT COMMITTEE :**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 are as follows:

<b>Mr. M. V. Subramanian</b>	<b>Chairman</b>
<b>Mr. Venkatesh S. Vastare</b>	<b>Member</b>
<b>Mr. Krishna Murari Singh</b>	<b>Member</b>

For details of the Audit committee meetings held for the financial year 2019-20 and powers & role of the Audit Committee are included in the Corporate Governance Report **Annexure VII**.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

**C) NOMINATION AND REMUNERATION COMMITTEE :**

The Nomination & Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 are as follows:

<b>Mr. Venkatesh S. Vastare</b>	<b>Chairman</b>
<b>Mrs. Beauty KrishnaMurari Singh</b>	<b>Member</b>
<b>Mr. M.V. Subramanian</b>	<b>Member</b>

For details of the Nomination & Remuneration committee meetings held for the financial year 2019-20 and powers & role of the Nomination & Remuneration Committee are included in the Corporate Governance Report **Annexure VII**.

In terms of the applicable provisions of the act, read with the rules framed thereunder and the SEBI Regulations, the Board has placed a policy for appointment, removal and remuneration of Directors, Key Managerial Personnel and Senior Managerial personnel and also on Board diversity, succession planning and Evaluation of Directors . The remuneration paid to Directors, KMP of the company are as per the terms laid down under NRC Policy of the company.

The salient features of the Remuneration Policy and changes therein are attached as Annexure V and the Remuneration Policy is available on Company's website and can be accessed in the link provided herein below: [www.globalspace.in](http://www.globalspace.in)

**D) STAKEHOLDERS RELATIONSHIP COMMITTEE :**

During the year under review, Mr. Nurani Venkitakrishnan Kailasam resigned as Non-Executive Director from the Company with effect from September 27, 2019 due to Pre-Occupation which leads to the reconstitution of the Stakeholder Relationship Committee as enunciated below:

<b>Mrs. Beauty Krishnamurari Singh</b>	<b>Chairman</b>
<b>Mr. Krishna Murari Singh</b>	<b>Member</b>
<b>Mr. M.V. Subramanian</b>	<b>Member (Appointed w.e.f December 10, 2019)</b>

Mrs. Beauty Krishnamurari Singh has been appointed the Chairman of the Stakeholders' Relationship Committee. The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

For details of the meetings held for the financial year 2019-20, please refer to the Corporate Governance Report, which forms part of this report in **Annexure VII**.

**E) VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES :**

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Board of Directors.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

**F) RISK MANAGEMENT POLICY :**

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/ strategic business plans and in periodic management reviews.

**G) ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD :**

The Board has carried out an annual performance evaluation of its own performance, and of the directors individually, as well as the evaluation of all the committees i.e. Audit, Nomination and Remuneration, Stakeholders Relationship, Committee of Directors.

The Board adopted a formal evaluation mechanism for evaluating its performance and as well as that of its Committees and individual directors, including the Chairman of the Board the exercise was carried out by feedback survey from each directors covering Board functioning such as composition of Board and its Committees, experience and competencies, governance issues etc. The 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 attendance, contribution at the meeting etc.

**4. AUDITORS AND REPORTS :**

The matters related to Auditors and their Reports are as under:

**a) OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020:**

The observations / qualifications / disclaimers made by the Statutory Auditors in their report for the financial year ended 31st March 2020 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**b) SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2020** [only if debentures are listed OR the unlisted public company has paid up capital of Rs. 50 crores or more as on 31.03.2019 or the unlisted public company has turnover of Rs. 250 crores or more during the financial year 2018-19]:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practising Company Secretary. M/s MMJB & Associates LLP, had been appointed to issue Secretarial Audit Report for the financial year 2019-20.

The Secretarial Audit Report issued by M/s MMJB & Associates LLP, Practising Company Secretaries in Form MR-3 for the financial year 2019-20 forms part to this report as **Annexure VIII**. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**c) STATUTORY AUDITORS :**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Tolia & Associates, Chartered Accountants, was appointed as the Statutory auditors of the Company for the period of 5 years from the conclusion of the AGM held on 26th September 2016 till the conclusion of ensuing AGM to be held in the F.Y. 2021-22, subject to the ratification of the said appointment at every AGM. The Board after confirming their eligibility hereby recommends the ratification of M/s. Tolia & Associates, Chartered Accountants, as the Statutory Auditors of the Company.

**d) MAINTENANCE OF COST RECORDS :**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

**e) REPORTING OF FRAUDS BY STATUTORY AUDITORS UNDER SECTION 143(12) :**

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143(12) of the Act read with Companies (Accounts) Rules, 2014.

**5. OTHER DISCLOSURES :**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL :**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

**b. DIRECTOR'S RESPONSIBILITY STATEMENT :**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2020, the Board of Directors hereby confirms that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit/loss of the Company for that year;
- iii. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts of the Company have been prepared on a going concern basis
- v. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

**c) DISCLOSURE REGARDING INTERNAL COMPLAINTS COMMITTEE :**

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the company has received Complaints which are enunciated below:

Sr. No.	Number of Complaints received	Date of receipt of Complaints
NIL	NIL	NIL

**d) DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013 :**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**e) DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013 :**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**f) DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**g) DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

**h) COVID-19 IMPACT :**

The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown in economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

During this challenging time, the Company's focus is on supporting customers, employees and the local communities in which we operate along with safeguarding the interest of all the Stakeholders.

The Company is remotely operational and has instructed its staff to Work from Home since 17th March, 2020 and the Company has made all the necessary arrangements to ensure the staff is able to deliver on projects for the Company's clients.

The Company has also provided the brief impact of COVID-19 pandemic on the company pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, to the stock exchange vide its letter dated June 2, 2020.

## 6. ACKNOWLEDGEMENTS AND APPRECIATION :

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company

**For and on behalf of the  
GlobalSpace Technologies Limited,**

Sd/-  
**Krishna Murari Singh**  
**Managing Director**  
**DIN : 03160366**

**Address :** F/702, Hawre Panchwati Plaza,  
Plot no. 92-96, Sector-5, Opp Police Station,  
Ghansoli, Navi Mumbai – 400701.

Sd/-  
**Beauty Krishnamurari Singh**  
**Director**  
**DIN : 03481024**

**Address :** F/702, Hawre Panchwati Plaza,  
Plot no. 92-96, Sector-5, Opp Police Station,  
Ghansoli, Navi Mumbai – 400701.

**Date :** 02 December, 2020.

**Place :** Navi Mumbai

