



SpaceNet

Enterprises India Limited

(Formerly known as Northgate Com Tech Ltd.)



**7TH
ANNUAL
REPORT
2016-17**

BOARD OF DIRECTORS

Name	Designation
1. Mr. Srinivasa Rao Tatipaka	Whole Time Director and CEO (W.e.f 19.06.2017)
2. Mr. Seetharama Rao Atluri	Independent Director
3. Mr. Satya Srikanth Karaturi	Additional Non Executive Director (w.e.f 14.02.2017)
4. Mr. Gunturu Narasimha Rao	Additional Independent Director (w.e.f 24.03.2017)
5. Mr. Nekkanti Venkata Krishnayya	Additional Independent Director (w.e.f 24.03.2017)
6. Ms. Renduchintala Padmavathi	Woman Non-executive Director (w.e.f 07.03.2017)

REGISTERED OFFICE:

Flat No. 302, Lotus Block, Block - B,
Sandy Springs, Manikonda,
Hyderabad - 500 089, Telangana, INDIA.
Tel: 08413202166, Fax:+91-40-23542926
URL: www.spacenetent.com

CIN : L72200TG2010PLC068624

STATUTORY AUDITORS

M/s Navitha and Associates
Chartered Accountants
#16-2-740/75, Plot No: 26,
V.K. Dhage Nagar, Dilsukhnagar,
Hyderabad - 500 060.

INTERNAL AUDITORS

M/s Gorantla & Co.
Chartered Accountants
H.No. 6-3-664, Flat No.101,
Prestige Rai Towers, B-Black,
Opp. NIMS, Punjagutta,
Hyderabad 500082

SECRETARIAL AUDITORS:

M/s Kota Srinivas & Associates
Company Secretaries
Flat No. 101, 1st Floor, Upstairs State Bank of Mysore,
Chaitanya Chamber, Chaitanyapuri, Hyderabad - 500 036.

SHARE TRANSFER AGENT:

CIL Securities Limited
214, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad - 500 001.
Phone: +91 040-2320 3155

BANKERS:

Bank of Baroda,
291/14//G/1/Bhaskar Empire, Hyderabad - 500 084.
HDFC Bank Limited
6-1-73,Seed Plaza, Lakdikapool, Hyderabad - 500 004.

TABLE OF CONTENTS

S.No.	Item	Page No
1.	Notice of the Annual General Meeting	3
2	Director's Report	17
3	Report on Corporate Governance	33
4	Management Discussion and Analysis	41
5	Auditors' Report on Consolidated Financial Statements	45
6	Consolidated Financial Statements	50
7	Auditors' Report on Standalone Financial Statements	69
8	Standalone Financial Statements	75
7	Proxy Form	95
8	Attendance Slip	96

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 7th Annual General Meeting of the Members of Spacenet Enterprises India Limited (formerly Northgate Com Tech Limited) will be held on Friday 29th Day of September, 2017 at 3.30 P.M. at Moti Nagar Community Hall, Mothi Nagar X Roads, Borabanda, Hyderabad 500018 to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To receive, consider and adopt the audited Balance Sheet as at March 31st, 2017 and the Audited Profit and Loss Account for the year ended as on that date together with the Reports of the Auditors and the Board of Directors thereon.

2. Appointment of Auditor

To re-appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications the following resolution as an ordinary Resolution:

“RESOLVED THAT subject to applicable provisions of companies Act, 2013 read with Rules made there under M/s Navitha and Associates, Chartered Accountants (Firm Regn. No.012026S) Hyderabad be and are hereby re-appointed as Statutory Auditors of the company for a block of Three (3) years from the conclusion of this Annual General Meeting until the conclusion 10th Annual General Meeting of the company in the calendar year 2020 (Subject to ratification by the members at every Annual General Meeting) at a remuneration as may mutually be agreed upon between the Board of Directors and M/s Navitha and Associates, Chartered Accountants.”

SPECIAL BUSINESS

1. Appointment of Shri Srinivasa Rao Tatipaka (DIN: 02449906) as Whole Time Director and CEO and in this regard to consider and if thought fit, to pass, with or without modification(s) the following Resolution as an ordinary resolution:

“RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the appointment of Shri Srinivasa Rao Tatipaka (DIN 02449906) as a Whole-time Director & CEO of the Company up to the date of 8th Annual General Meeting with effect from June 19th, 2017.

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

2. Appointment of Mr. Satya Srikanth Karaturi (DIN: 07733024) as Director of the company

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Satya Srikanth Karaturi (DIN: 07733024), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on February 14, 2017 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as Director of the Company whose term of office is liable to retire by rotation.”

3. Appointment of Mr. Gunturu Narasimha Rao (DIN 07733090) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Gunturu Narasimha Rao (DIN: 07733090), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on March 24, 2017 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act , be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to the conclusion of 12th AGM.”

4. Appointment of Mr. NEKKANTI VENKATA KRISHNAYYA (DIN 07733209) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Nekkanti Venkata Krishnayya (DIN: 07733209), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on March 24, 2017 and whose term of office expires at this Annual General Meeting (‘AGM’) and in respect of whom the Company has received a Notice in writing from a Member along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act , be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years up to the conclusion of 12th AGM.”

5. Appointment of Mrs. Renduchintala Padmavathi (DIN 07760361) as Women Director and in this regards to consider and, if thought fit, to pass, the following Resolution as an ordinary Resolution

“RESOLVED that pursuant to the provisions of Sections 149, 152, 164 read with the rule of the companies (Appointment and qualification of Directors) Rules 2014, and any other applicable provisions of the companies act, 2013 and the companies (Appointment & qualification of Directors) Rules, 2014 Mrs. Renduchintala Padmavathi, who was appointed as an Additional Women Director by the Board of Directors of the company pursuant to section 161(1) of the companies Act, 2013 and who holds office up to the conclusion date of this AGM and in respect of whom the company has received a notice under section 160(1) of the companies Act, 2013 from a member proposing her candidature for the office of a Director, be and is , hereby, appointed as the Women Director of the company whose term of office is liable to retire by rotation.”

Regd Office:

Flat No. 302, Lotus Block, Block-B,
Sandy Springs, Manikonda,
Hyderabad - 500 089,
Telangana, INDIA.

for and on behalf of the Board
for Specenet Enterprises India Limited

Sd/-
Srinivasa Rao Tatipaka
Whole Time Director & CEO
(DIN No. 02449906)

Date: 28 August, 2017

NOTES :

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business is annexed hereto.

2. PROXIES

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES (WHETHER MEMBER OR NOT) TO ATTEND AND VOTE INSTEAD OF HIMSELF OR HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.**

- b. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

- c. Members' voting rights shall be in proportion to his/her share of paid up equity share capital of the Company

- d. This notice ("AGM Notice") is being sent to all the members, whose names appear in the Register of Members as on 1st September, 2017.

- e. 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.

- f. Members desirous of asking any questions at the General Meeting are requested to send their questions so as to reach the Company Registered office at least Seven (7) days before the General Meeting so that the same can be suitably replied to.

- g. Members/Proxies are requested to bring their attendance slip, sent herewith, duly filled in, for attending the meeting.

- h. Proxy forms in order to be effective, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.

- i. Pursuant to Section 103 of the Companies Act, 2013 at least Thirty (30) members should be personally present to form quorum for a meeting of the Company.

The notice is being sent to all members through permitted modes, whose names appear in the Register of Members, as on 1st September, 2017.

- j. Members who have registered their e-mail Id for the receipt of documents in electronic mode are being sent AGM Notice by e-mail and others are sent by the permitted mode. Members who have received AGM Notice by e-mail and wish to vote physically can do the same by remaining present in the meeting.

- k. Documents specifically stated in the explanatory statement are open for inspection at the Registered office of the Company between 10:00 a.m. to 01:00 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of AGM.

- l. The business as set out in this AGM Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of Companies (Management and Administration) Rules, 2014 the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional. The members who wish to vote physically in the meeting (instead of e-voting) can do the same by voting in the meeting dated 29th September, 2017.

- m. The voting through an electronic means will commence on 26th September, 2017 at 9:00 a.m. and will end on 28th September, 2017 at 5:00 p.m. The members will not be able to cast their vote electronically beyond the date and time mentioned above.
- n. The Company has appointed M/s Gorantla & Co., Chartered Accountants (FRN: 016943S) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
- o. The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on 26th September, 2017 at 09.00 a.m. and ends on 28th September, 2017 at 05.00 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 (record date) of 23rd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID.
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) 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.
 - (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both 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 (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.

- (x) 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 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) 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.
- (xx) 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 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.
 - 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 linked in the login should be mailed to 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.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

- p. In case Members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/depository participant(s) or requesting physical copy]:
- i. Please follow all steps from Sl.No. (ii) to Sl.No. (xx) above, to cast vote.
 - ii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.,) are required to log on to <https://evotingindia.co.in> and register themselves as Corporates. After receiving the login details, they have to link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
 - iii. The voting period begins on 26th September, 2017 at 9:00 a.m. and will end on 28th September, 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 (record date) of 23rd September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change in subsequently.
 - iv. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com, info@northgatetech.com or rt@cilsecurities.com
- q. Kindly note that the members can opt only one mode of voting i.e. either by physical voting or e-voting. If you are opting for e-voting, then you are not eligible for physical voting. However, once the vote on resolution is cast by the shareholder by e-voting, he shall not be allowed to change it subsequently at the physical meeting.
- r. The Scrutinizer will submit his/her report addressed to the Chairman within a period not exceeding three working days from the date of conclusion of e-voting period. The result of the voting on Resolutions at the meeting shall be announced by the Chairman on 29th September, 2017. The results declared along with the Scrutinizer’s report, will be posted on the Company’s website and on [CDSL’s website] and stock exchanges on 30th September, 2017.

Regd Office:

Flat No. 302, Lotus Block, Block-B,
Sandy Springs, Manikonda,
Hyderabad - 500 089,
Telangana, INDIA.

for and on behalf of the Board
for Specenet Enterprises India Limited

Sd/-
Srinivasa Rao Tatipaka
Whole Time Director & CEO
(DIN No. 02449906)

Date: 28 August, 2017

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:

Item No 1:

The Board of Directors at its meeting held on 19th June, 2017 appointed Shri Srinivasa Rao Tatipaka (holding DIN 02449906) as Whole-time Directors and CEO of the Company with effect from June 19, 2017 on the basis of recommendation of Nomination & Remuneration Committee and subject to approval of the shareholders.

The Board therefore recommends the resolutions for your approval.

Except Shri Srinivasa Rao Tatipaka, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in resolution set out at Item No. 1.

Item No.2:

Mr. Satya Srikanth Karaturi (DIN: 07733024), was appointed as an Additional (Independent) Director of the Company With effect from February 14th, 2017 by the Board of Directors. In terms of section 161(1) of the companies act 2013, Mr. Satya Srikanth Karaturi holds office upto the date of this Annual General Meeting ('AGM') but is eligible for the appointment as a Director. The Company has received a Notice in writing along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013.

Mr. Satya Srikanth Karaturi, aged 42 Years, B.A, has 11 years of experience in Advertising campaign support, Ad trafficking, Campaign monitoring, Optimizing, & Reporting, Invoicing, Payment tracking and Content Management. Srikanth is the scalable force behind large internet properties like, Bharatstudent.com and Ad Networks like Axill.com, SMX.com, Adrope.com, Ziddu.com etc., Making his mark presence in online digital media with more than a decade experience. Srikanth has been the engine behind Digital Advertising, VOIP, Social Media and Cloud Technologies.

A Statement containing his profile is given as per Annexure 1.

Except Mr. Satya Srikanth Karaturi, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in resolution set out at Item No. 2.

Item No. 3:

Mr. Gunturu Narasimha Rao (DIN: 07733090), was appointed as an Additional (Independent) Director of the Company With effect from March 24, 2017 by the Board of Directors. In terms of section 161(1) of the companies act 2013, Mr. Gunturu Narasimha Rao holds office upto the date of this Annual General Meeting ('AGM') but is eligible for the appointment as a Director. The Company has received a Notice in writing along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013.

Mr. Gunturu Narasimha Rao has submitted a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act.

Mr. Guntur Narasimha Rao has more than 16 years of experience in business matters. He is a graduate holder and having varied experience in multimedia and designing tools in various sectors viz, print, web and visual media.

A Statement containing his profile is given as per Annexure 1.

Except Mr. Gunturu Narasimha Rao, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in resolution set out at Item No. 3.

Item No.4:

Mr. Nekkanti Venkata Krishnayya (DIN: 07733209), was appointed as an Additional (Independent) Director of the Company With effect from March 24, 2017 by the Board of Directors. In terms of section 161(1) of the companies act 2013, Mr. Nekkanti Venkata Krishnayya holds office upto the date of this Annual General Meeting (‘AGM’) but is eligible for the appointment as a Director. The Company has received a Notice in writing along with the deposit of the requisite amount under Section 160 of the Companies Act, 2013.

Mr. Nekkanti Venkata Krishnayya has submitted a declaration to the Board that he meets the criteria of independence as provided in Section 149(6) of the Act.

Mr. Nekkanti Venkata Krishnayya, Aged 34 years is a B.Tech Graduate holder and has 5 plus years of experience in online advertising industry including system analysis, data base designing, MIS and RISK MANAGEMENT.

A Statement containing his profile is given as per Annexure 1.

Except Mr. Nekkanti Venkata Krishnayya, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in resolution set out at Item No. 4.

Item No. 5:

In order to strengthen the Board and to empower women and in compliance of section 149(1) of the companies Act, 2013 board of directors has appointed Mrs. Renduchintala Padmavathi as Additional Director of the company under the provision of section 161(1) of the companies Act, 2013 with effect from 7th March 2017 to hold office upto the date of this AGM. Notice in writing from member under sec 161(1) of the companies Act 2013 has been received along with a requisite deposit proposing the appointment of Mrs. Renduchintala Padmavathi as Director. Mrs. Renduchintala Padmavathi, if appointed, will be liable to retire by rotation.

The company has received from Mrs. Renduchintala Padmavathi (i) consent in writing to act as a Woman Director in Form DIR-2 Pursuant to Rule 8 of companies (Appointment and qualification of Directors) Rules, 2014 and (ii) Intimation in form DIR-8 in terms of companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub section (2) of section 164 of the companies Act, 2013.

Mrs. Renduchintala Padmavathi, Aged 43 years has a Diploma in Mechanical and has 6 years of experience in business matters.

A Statement containing his profile is given as per Annexure 1.

Except Mrs. Renduchintala Padmavathi, being an appointee, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financial or otherwise, in resolution set out at Item No. 5.

Regd Office:

Flat No. 302, Lotus Block, Block-B,
Sandy Springs, Manikonda,
Hyderabad - 500 089,
Telangana, INDIA.

for and on behalf of the Board
for Specenet Enterprises India Limited

Sd/-
Srinivasa Rao Tatipaka
Whole Time Director & CEO
(DIN No. 02449906)

Date: 28 August, 2017

ANNEXURE-1

**ADDITIONAL INFORMATION PURSUANT TO REGULATION 36(3) OF
THE SEBI (LODR) REGULATION 2015:**

Name of the Director	Srinivasa Rao Tatipaka
DIN	02449906
Date of Birth	13/10/1967
Type of appointment	Whole Time Director
Date of Appointment/ Re-appointment	19/06/2017
Areas of Specialization Qualifications	20 years of experience in sales and marketing of agri commodities.
No. of Shares Held in the Company	1600
Name of Other Companies in which the appointee also holds Director ship	1. Social Media India Limited 2. Barret Commodity Traders Private limited
Chairman/member of the Committee of the Board of Directors of other Companies	2
Relation with Key Managerial Personnel and Directors	NIL
Justification for appointment	He has more than 20 years of experience in sales and marketing of agri commodities

Name of the Director	Satya Srikanth Karaturi
DIN	07733024
Date of Birth	30/07/1974
Type of appointment	Additional Director
Date of Appointment/ Re-appointment	14/02/2017
Areas of Specialization	He has 11 years of experience in Advertising campaign support, Ad trafficking, Campaign monitoring, Optimizing, & Reporting, Invoicing, Payment tracking and Content Management. Making his mark presence in online digital media with more than a decade experience. Srikanth has been the engine behind Digital Advertising, VOIP, Social Media and Cloud Technologies.
Qualifications	BA
No. of Shares Held in the Company	Nil
Name of Other Companies in which the appointee also holds Director ship	1. Kling Enterprises India Limited 2. Stampede Enterprises India Private Limited
Chairman/member of the Committee of the Board of Directors of other Companies	2
Relation with Key Managerial Personnel and Directors	Nil
Justification for appointment	He has 11 years of experience in Advertising campaign support, Ad trafficking, Campaign monitoring, Optimizing, & Reporting, Invoicing, Payment tracking and Content Management.

Name of the Director	GUNTURU NARASIMHA RAO
DIN	07733090
Date of Birth	24/03/1975
Type of appointment	Independent Director
Date of Appointment/ Re-appointment	24/03/2017
Areas of Specialization	He has more than 16 years of experience in business matters. He is a graduate holder and having varied experience in multimedia and designing tools in various sectors viz, print, web and visual media.
Qualifications	Graduate
No. of Shares Held in the Company	210
Name of Other Companies in which the appointee also holds Director ship	1. Kling Enterprises India Limited
Chairman/member of the Committee of the Board of Directors of other Companies	1
Relation with Key Managerial Personnel and Directors	NIL
Justification for appointment	He has more than 16 years of experience in business matters. He is a graduate holder and having varied experience in multimedia and designing tools in various sectors viz, print, web and visual media.

Name of the Director	NEKKANTI VENKATA KRISHNAYYA
DIN	07733209
Date of Birth	05/07/1983
Type of appointment	Independent Director
Date of Appointment/ Re-appointment	24/03/2017
Areas of Specialization	He has 5 plus years of experience in online advertising industry including system analysis, data base designing, MIS and RISK MANAGEMENT.
Qualifications	B.Tech
No. of Shares Held in the Company	Nil
Name of Other Companies in which the appointee also holds Director ship	1. Proseed India Limited 2. Barret commodities Traders Private Limited
Chairman/member of the Committee of the Board of Directors of other Companies	1
Relation with Key Managerial Personnel and Directors	NIL
Justification for appointment	He has 5 plus years of experience in online advertising industry including system analysis, data base designing, MIS and RISK MANAGEMENT.

Name of the Director	RENDUCHINTALA PADMAVATHI
DIN	07760361
Date of Birth	16/08/1973
Type of appointment	Women Director
Date of Appointment/ Re-appointment	07/03/2017
Areas of Specialization	She has 6 years of experience in business matters of Agricultural related
Qualifications	Diploma in Mechanical
No. of Shares Held in the Company	Nil
Name of Other Companies in which the appointee also holds Director ship	Proseed India Limited
Chairman/member of the Committee of the Board of Directors of other Companies	NIL
Relation with Key Managerial Personnel and Directors	NIL
Justification for appointment	She has 6 years of experience in business matters of Agricultural related

Attention of the Members:

- Members are requested to send intimations of any changes in their addresses, applications for demat of shares, applications for transfer of shares and any related correspondence to the Company's share transfer agents M/s **CIL Securities Limited**, 214, Raghava Ratna Towers, chirag Ali Lane, Hyderabad-500001, Telangana Ph: 040-23203155, Email: rta@cilsecurities.com

Sending notices and documents to shareholders through email:

- As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening general meetings, Annual Reports, etc to the email addresses of the shareholders. For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share Transfer Agents of the Company M/s **CIL Securities Limited** at their postal / email address given above. Please give the details in the attached format for registering your email ID. Those holding shares in demat form are requested to register their email IDs with their Depository Participants.

DIRECTORS REPORT

To The Members of SPACENET ENTERPRISES INDIA LIMITED

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts for the year ended 31st March, 2017.

(In Lakhs)

Particulars	Consolidated		Standalone	
	For the Year ended March 31st 2017	For the Year ended March 31st 2016	For the Year ended March 31st 2017	For the Year ended March 31st 2016
Revenue:				
Revenue from Operations	145.42	1088.47	0.21	74.41
Other income	27.51	45.49	3.59	3.28
Total Revenue	172.93	1133.96	3.80	77.69
EXPENDITURE:				
Operating Expenses	32.43	967.74	52.63	85.28
Employee benefits expenses	180.25	293.52	18.28	90.89
Finance costs	23.71	61.11	0.01	65.47
Depreciation expense	8.09	11.57	4.10	5.22
Other expenses	275.80	845.40	-	-
Total	520.28	2179.34	75.02	246.86
Profit/(Loss) Before Extraordinary items and Tax Extraordinary items	(347.35)	(1045.38)	(71.22)	(169.17)
Profit/(Loss) After Extraordinary items	-	-	-	-
Less: Tax Expense	2.64			
Profit/(Loss) After Tax and before extra ordinary items	(349.99)	(1045.38)	(71.22)	(169.17)
Extra-ordinary items		-	510.99	-
Net Profit /(loss) after Extra-ordinary items	(349.99)	(1045.38)	(582.21)	(169.17)
Earnings per share				
- Basic	(0.71)	(2.13)	(0.19)	(0.35)
-Diluted	(0.71)	(2.13)	(0.19)	(0.35)

REVIEW OF OPERATIONS:

For the financial year ended March 31st, 2017, your Company had reported total income of ₹145.42 lakhs as against ₹ 1088.47 lakhs during the previous financial year on consolidated basis. The Company incurred a consolidated Net Loss of 349.99 lakhs as against net loss of ₹ 1045.39 lakhs during the previous financial year.

DIVIDEND:

Due to the lack of profits the company has not declared any dividend.

BORROWINGS:

Please Refer Note No. 2.4 of the notes on accounts (Financial statements) indebtedness in this Report.

DIRECTORS:

During the year, Mr. Srinivasa Rao Tatipaka was appointed whole time director and CEO of the Company with effect from 19.06.2017. Mr. Satya Srikanth Karaturi was appointed as an additional non executive director with effect from 14.02.2017 and Ms. Renduchintala Padmavathi was appointed a woman non-executive director with effect from 07.03.2017. Mr. Gunturu Narasimha Rao and Mr. Nekkanti Venkata Krishnaya were appointed an additional independent director with effect from 24.03.2017.

During the year Mr. T Suresh, Mr. P. Parthasarathi and Mr. Y Ramesh has resigned from the Directorship of the company with effect from 24.03.2017 and Ms. P Naazneen has also resigned from the Directorship of the company with effect from 07.03.2017. Board has appreciated their services and kept on record the valuable services rendered by them during their tenure.

AUDITORS:

Statutory Auditors:

The Statutory Auditors, M/s Navitha and Associates, Chartered Accountants, retire at this Annual General Meeting. The Board of Directors, pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under, recommends appointment of M/s Navitha and Associates, Chartered Accountants, as Statutory Auditors of the Company for a period of block of Three (3) years from conclusion of this Annual General Meeting till the conclusion of 10th Annual General Meeting in the calendar year of 2020.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Kota Srinivas & Associates, Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure 1'.

Internal Auditors

M/s. Gorantla & Co., Chartered Accountants perform the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

PUBLIC DEPOSITS:

The Company has not accepted any deposits within the meaning of Companies Act, 2013 and the rules framed there under.

VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.spacenetent.com

RELATED PARTY TRANSACTIONS:

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. However, there were material related party transactions in terms of 34(3) and 53(f) of the SEBI (LODR) Regulations 2015. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

PARTICULARS OF EMPLOYEES:

None of the employees are in receipt of the remuneration as set out under the Companies Act, 2013 and read with Rules made there-under and as such the statement as required under the Companies Act, 2013 is not applicable.

LISTING OF SHARES

The shares of the company are listed on National Stock Exchange. The listing fee for the year 2017-18 has already been paid to the NSE.

CORPORATE GOVERNANCE:

In accordance with SEBI (LODR) Regulations 2015 a report on Corporate Governance along with the Practicing Company Secretary Certificate on compliance of conditions of Corporate Governance is annexed herewith and forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to the provisions of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- b. the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit or loss of the company for that period;
- c. the directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company has no activities relating to Conservation of Energy, Technology Absorption. Foreign Exchange earnings and Outgo during the year under review, as given below:

Foreign Exchange Earnings and Outgo:

Particulars	For the Year ended March 31	
	2017	2016
Foreign Exchange Earnings		74.41
Foreign Exchange outgo		-

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure 2”.

ACKNOWLEDGEMENTS:

Your Directors thanks all the members, banks and regulatory and governmental authorities for their continued support. We take this opportunity to place on record our sincere thanks to our Bankers, State and Central Government agencies for their timely support, co-operation and valuable guidance.

**For and on behalf of the Board
For Spacenet Enterprises India Limited**

**Sd/-
Srinivasa Rao Tatipaka**

Whole Time Director & CEO

(DIN No. 02449906)

Place : Hyderabad

Date : 28th August, 2017

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

To
The Members of
M/s. SPACENET ENTERPRISES INDIA LIMITED,
CIN: L72200TG2010PLC068624
Hyderabad.

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. SPACENET ENTERPRISES INDIALIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied to some extent 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 as per the Annexure to this secretarial audit report, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) viz.,
 - (a) The 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) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue Companies Act and Share Transfer Agents) Regulations, 1993 regarding the companies Act, and dealing with client;

We have also examined the compliances with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited/the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the financial year under review the Company has complied with the provisions of the Acts , to the extent applicable and the Rules, Regulations, Guidelines, etc., mentioned above subject to our observations as per annexure, herewith:

We further report, subject to our observations in annexure that

- i. 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. However, no Company Secretary and Chief Financial Officer have been appointed for this Company.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.
- iii. Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

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. However, need more focus for good governance.

We further report that the company, during the year under review, has

- Received Order from High Court of Judicature at Hyderabad for reduction of paid up share capital from Rs.10/- each to Rs.1/- each, pursuant to the special resolution passed on 30.9.2015.
- a. Shifted its registered office to Flat No. 302, Lotus Block, Block - B, Sandy Springs, Manikonda, Hyderabad– 500089, effective 2nd September, 2016.

We have relied on the information supplied and representation made by the Company and its officers for systems and mechanism followed by the Company for compliance under the applicable Acts, Laws and Regulations to the Company.

For KOTA SRINIAS & ASSOCIATES,

Company Secretaries,

KOTA SRINIVAS ACS: 34206 CP: 14300

Place: Hyderabad

Date: 28th August, 2017

This Report is to be read with our letter of even date

which is annexed as Annexure –I & II and forms an integral part of this Report.

ANNEXURE-I

(to the Secretarial Report of M/s. SPACENET ENTERPRISES INDIA Limited
for the FY 2016-17)

To
The Members of the
M/s. SPACENET ENTERPRISES INDIA LIMITED
CIN: L72200TG2010PLC068624
Hyderabad.

Dear Sirs,

Sub: Annexure – I to the Secretarial Audit Report to your Company for the FY 2016-17.

1. Maintenance of secretarial record is the responsibility of the management of 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. Wherever 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

For KOTA SRINIVAS & ASSOCIATES,

Company Secretaries,

KOTA SRINIVAS

ACS: 34206

CP: 14300

Place: Hyderabad

Dated: 28/08/2017

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[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:

CIN	L72200TG2010PLC068624
Registration Date	28-05-2010
Name of the Company	Spacenet Enterprises India Limited
Category/Sub-category of the Company	IT, ITES
Address of the Registered office & contact details	Flat No. 302, Lotus Block, Block - B, Sandy Springs, Manikonda, Hyderabad Telangana 500089 India
Whether listed company	Listed on NSE
Name, Address & contact details of the Registrar & Transfer Agent, if any.	CIL Securities Limited 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad – 500001. Phone:040-23203155

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	IT & ITES – Online Advertising	6312	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Social Media India Limited	U92100TG2007PLC055089	Subsidiary	100	2(87)
2.	Globe 7 Pte Ltd	Overseas subsidiary	Subsidiary	100	2(87)
3.	Adgog UK Limited	Overseas subsidiary	Subsidiary	100	2(87)
4.	Northgate Investments Pte Ltd	Overseas subsidiary	Subsidiary	100	2(87)
5.	Globe 7 HK Ltd	Overseas subsidiary	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(1) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a)Individual/HUF	10430316	-	10430316	21.28	10061316	-	10061316	20.53	-0.75
b)Central Govt	-	-	-	-	-	-	-	-	-
c)State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	10430316	-	10430316	21.28	10061316	-	10061316	20.53	-0.75
(2) Foreign									
a)NRI -Individuals	-	-	-	-	-	-	-	-	-
b)Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10430316	-	10430316	21.28	10061316	-	10061316	20.53	-0.75
B.Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c)Alternate investment Funds	-	-	-	-	-	-	-	-	-
d)Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e)Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
f)Financial Institutions/Banks									
g)Insurance Companies	-	-	-	-	-	-	-	-	-
h)Provident Funds									
i)Others (specify)	8288492	-	8288492	16.91	-	-	-	-	-0.31
a)Cresta Fund Limited					4348906	-	4348906	8.87	

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii)Marshal Global Capital Fund Limited					956000	-	956000	1.95	
iii)Albula Investment Fund Limited					2832492	-	2832492	5.78	
Sub-total (B)(1)	8288492	-	8,28,8492	16.91	8137398	-	8,137,398	16.60	-0.31
2.Central Government State	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
3.Non Institutions									
(a) Individuals									
Palacharla Padmavathi	-	-	-	-	497000	-	497,000	1.01	
(B) NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
(c) Employee Trust	-	-	-	-	-	-	-	-	-
(d) Overseas Depositors (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e) Any Other									
i)Individual shareholders holding nominal share capital upto Rs.2 lakhs	14613013	22601	14635614	29.86	23529218	24826	23,554,044	48.05	
ii)Individual shareholders holding nominal share capital in excess of Rs 2 lakh	11317639	-	11317639	23.09	2840585	-	2840585	5.79	
Non Resident Indian	-	-	-	-	536973	-	536973	1.10	
Body Corporate	-	-	-	-	3858881	-	3858881	7.87	
Clearing Members	-	-	-	-	29393	-	29393	0.06	
iii)Any Others(specify)	4346529	-	4346529	8.87	-	-	-	-	
Sub-total(B)(3)	30277181	22601	30299782	61.82	30795050	24826	30819876	62.87	1.05
Total Public Shareholding (B)= (B)(1)+(B)(2)+B(3)	38565673	22601	38588274	78.72	38932448	24826	38957274	79.74	1.02
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Total (A+B+C)	48995989	22601	49018590	100.00	48993764	24826	49018590	100.00	0.00

(ii) Shareholding of Promoters:

S. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% of Change during the Year
		No. of Shares to total	% of total Shares of the company	% of Shares Pledged / encumbe	No. of Shares to total	% of total Shares of the company	% of Shares Pledged / encumbe red to total	
1	Meenavalli Venkata Srinivas	3254586	6.64	-	3254586	6.64	-	-
2	Meenavalli Usha Rani	3226360	6.58	-	3226360	6.58	-	-
3.	Uma Kunareddy	842652	1.72	-	780652	1.59	-	0.13
4.	Naimi Kunareddy	756266	1.54	-	756266	1.54	-	-
5.	Simi Kunareddy	2312000	4.72	-	1888200	3.85	-	0.87
6.	Meenavalli Krishna Mohan	80786	0.16	-	80786	0.16	-	-
7.	M V Laxmi	74466	0.15	-	74466	0.15	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year		Share holding at the end of the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Meenavalli Venkata Srinivas	-	-	3254586	6.64
2.	Meenavalli Usha Rani	-	-	3226360	6.58
3.	Uma Kunareddy 01.04.2016 Sale 31.03.2017	842652 62000 -	1.72 0.12 -	780652	1.59
4.	M V Laxmi	-	-	74466	0.15
5.	Simi Kunareddy 01.04.2016 Sale 31.03.2017	2195200 423800 -	4.71 0.86 -	1888200	3.85
6.	Naimi Kunareddy	-	-	756266	1.54
7.	Meenavalli Krishna Mohan	-	-	80786	0.16

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of the Share Holder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Cresta Fund Ltd	4500000	9.18%	4348906	8.87%
2.	Albula Investment Fund Ltd	2832492	5.78%	2832492	5.78%
3.	Marshal Global Capital Fund Ltd	956000	1.95%	956000	1.95%
4.	Palacharla Padmavathi	497000	1.01%	497000	1.01%
5.	VAR Quant Tech Securities Private Ltd.	413081	0.84%	413081	0.84%
6.	K Sarada Vijaya Kumari	400000	0.82%	400000	0.82%
7.	V V S Chalapathi Rao	233835	0.48%	396953	0.81%
8.	Patel Nitinkumar Gangarambhai	379036	0.77%	379036	0.77%
9.	EL Dorado Biotech Private Limited	292000	0.60%	292000	0.60%
10.	Vivek Kumar Ratakonda	3515	0.01%	280775	0.57%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	GUNTURU NARASIMHA RAO	210	0.00	210	0.00
2.	SRINIVASA RAO TATIPAKA	1600	0.00	1600	0.00
3.	SEETHARAMA RAO ATLURI	-	-	-	-
4.	SATYA SRIKANTH KARATURI	-	-	-	-
5.	NEKKANTI VENKATA KRISHNAYYA	-	-	-	-
6.	RENDUCHINTALA PADMAVATHI	-	-	-	-

V. INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtdness at the beginning of the financial year				
i) Principal Amount	56,446	92,298,650	-	99,355,096
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	56,446	92,298,650	-	99,355,096
Change in Indebtedness during the financial year				
• Addition	-	88,71,818	-	88,71,818
• Reduction	-			
Net Change	56,446	88,71,818	-	88,71,818
Indebtedness at the end of the financial year				
i) Principal Amount	-	10,11,70,468	-	10,11,70,468
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	10,11,70,468	-	10,11,70,468

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount per annum
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total(A)		
	Ceiling as per the Act		

B. Remuneration to other Directors: (Amount in ₹)

S.No	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 		NIL
	Total(1)		NIL
2.	Other Non-Executive Directors		
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 		NIL
	Total(2)		NIL
	Total(B)=(1+2)		NIL
	Total Managerial Remuneration		NIL
	Overall Ceiling as per the Act	Not Applicable	

C. Remuneration to key managerial personnel other than MD/ MANAGER/ WTD:

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of the Key Managerial Personnel	Total Amount (Rs) per annum
1	Grosssalary (a)Salary as per provisions contained in section17(1) oftheIncome-taxAct,1961	-	NIL
	(b) Value of perquisites u/s 17(2)Income-taxAct,1961		NIL
	(c) Profits in lieu of salary undersection17(3) Income- taxAct,1961		NIL
2.	Stock Option		NIL
3.	Sweat Equity		NIL
4.	Commission		
	- as% of profit		
	- others, specify...		NIL
5.	Others, please specify Total(A)		NIL
	Total	-	NIL

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES: NIL

Type Act	Section of theCompanies	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any(give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers					
in Default					
Penalty					
Punishment					
Compounding					

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The concept of Corporate Governance hinges on total transparency, integrity and accountability of the management team. Your Company has been following the Corporate Governance practices like striking out reasonable balance in the composition of Board of Directors, setting up Audit Committee and other business committees, adequate disclosures and business to be deliberated by the Board etc. Your Company is committed to follow good Corporate Governance practices and improve upon them year after year.

2. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive and Non Executive Directors with not less than Fifty percent of the Board of Directors comprising of Non Executive Directors. More than 50% of the Board consisting of Independent and Non-Executive Directors.

a) Composition and Category of Board of Directors

Category	No. of Directors	% of Total Board
Promoter and Non-Independent Director	0	
Executive Director	1	16.66%
Non-Executive Director(s)	2	33.33%
Non-Executive and Independent Director	3	50.00%
Total	6	100

b) Attendance of each Director at the Board Meetings held during year 2016-17 and at the Last Annual General Meeting:

Sl. No.	Name and Designation of the Director	Board Meetings held during the year	Board Meetings Attended during the year	Attendance at Last AGM (Yes/No)
1	Mr. Srinivasa Rao Tatipaka	7	3	-
2	Mr. Seetharama Rao Atluri	7	7	YES
3	Mr. Satya Srikanth Karaturi	7	3	-
4	Mr. Gunturu Narasimha Rao	7	1	-
5	Mr. Nekkanti Venkata Krishnayya	7	1	-
6	Mrs. Renduchintala Padmavathi	7	2	-
7	Mr. P Parthasarthi	7	6	YES
8	Mr. T Suresh	7	6	YES
9	Mr. Y Ramesh	7	6	YES
10	Ms. P Naazneen	7	5	YES

(c) Number of other Boards or Board Committees in which Directors are Member or Chairperson.

Name of the Director	Board@		Committee	
	Chairman	Director	Chairman	Member
Mr. Srinivasa Rao Tatipaka	NIL	2	NIL	1
Mr. Seetharama Rao Atluri	NIL	1	NIL	1
Mr. Satya Srikanth Karaturi	NIL	2	1	2
Mr. Gunturu Narasimha Rao	NIL	1	1	1
Mr. Nekkanti Venkata Krishnappa	NIL	2	Nil	1
Mrs. Renduchintala Padmavathi	NIL	1	NIL	NIL
Mr. P Parthasarathi	NIL	4	2	2
Mr. T Suresh	NIL	5	1	0
Mr. Y Ramesh	NIL	2	3	1
Ms. P Naazneen	NIL	-	-	-

@Directorships in Foreign Companies are excluded

d) Number of Board meetings held, dates on which held

The Board of Directors met 7 times during the year 2016-17 on 30 May 2016; 12 August 2016; 02 September 2016; 15 November 2016; 14 February 2017; 07 March 2017; and 24 March 2017.

3. AUDIT COMMITTEE

The Audit Committee was constituted in terms of Section 177 of the Companies Act, 2013 and as per the provisions of Regulation 18 of SEBI (LODR) Regulations. The Audit Committee consists of Independent Directors and provides assistance to the Board of Directors in fulfilling its overall responsibilities. The Company Secretary of the Company acts as Secretary of the Committee.

i. Brief description of terms of reference;

The terms of reference of the Audit Committee are in conformity with the provisions of Regulation 18 of SEBI (LODR) Regulation, 2015 which inter alia, including the following:

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Reviewing the adequacy of internal audit functions.
- Reviewing the quarterly and annual financial statements before submission to the Board.
- Reviewing the adequacy of internal control and their compliance thereof.
- Reviewing the company's financial and risk management policies.

ii. Composition, name of members and Chairperson

The composition of Audit Committee and details of meetings attended by its members are given below

S. No.	Name of Director	Designation in the Audit Committee	Number of Meetings during the financial year 2016-17	
			Held	Attended
1	Mr. Satya Srikanth Karaturi	Chairman	7	6
2	Mr. Gunturu Narsimha Rao	Member	7	5
3	Mr. Seetharama Rao Atluri	Member	7	7

iii. Meetings and Attendance during the year

During the Financial Year 2016-17, the Audit Committee met 6 times on the following dates: 30th May 2016; 12TH August 2016; 15th November 2016; 14th February 2017; 7th March 2017; 24th March 2017.

4. NOMINATION AND REMUNERATION COMMITTEE

The composition of Compensation / Remuneration Committee is as follows:

S.No.	Name of Director	Designation in the Committee
1.	Mr. Satya Srikanth Karaturi	Chairman
2.	Mr. Gunturu Narsimha Rao	Member
3.	Mr. Seetharama Rao Atluri	Member

(a) Brief description of terms of reference

The terms of reference of the Nomination and Remuneration Committee, inter-alia includes determination of compensation package of Executive Directors and Senior Management of the Company and to frame policies and procedures for Employee Stock Option plans approved by the members of the company.

(b) Remuneration policy

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive/ Non executive Directors. Their remuneration is determined in accordance with the experience and nature of responsibilities as well as industry standards. The same is subject to the approval of the Remuneration Committee of the Board of Directors and the members.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of Shareholders/Investors' Grievance Committee is as follows

S.No.	Name of Director	Designation in the Committee
1.	Mr. Satya Srikanth Karaturi	Chairman
2.	Mr. Nekkanti Venkata Krishnayya	Member
3.	Mr. Srinivasa Rao Tatipaka	Member
4.	Mrs. Renduchintala Padmavathi	Member

The Investors' Grievance Committee focuses on shareholders' grievances and strengthening of investor relations. The functions of the committee include the redressal of shareholders/investor complaints/grievances pertaining to transfers/transmissions of shares, dividend, and dematerialization of shares, replacement of lost/stolen/mutilated share certificates and other related issues. There are no complaints pending as on the date of this report.

The details of investor's complaints received and resolved during the financial year 2016-17 is as under.

No. of Investor's Complaints received during the financial year 2016-17	No. of Investor's Complaints resolved during the financial year 2016-17	Investor Complaints pending at the end of financial year 2016-17
NIL	NIL	NIL

6. GENERAL BODY MEETING

Details Date, Time and Venue of the Last Three Annual General Meetings of the Company

Financial year ended	Date	Venue	Time
March 31, 2016	30.09.2016	Kalinga Cultural Trust, Plot No.1269, Road No.12, Banjara Hills, Hyderabad-500034	02.30 P.M
March 31, 2015	30.09.2015	Kalinga Cultural Trust, Plot No.1269, Road No.12, Banjara Hills, Hyderabad-500034	02.30 P.M
March 31, 2014	30.09.2014	Kalinga Cultural Trust, Plot No.1269, Road No.12, Banjara Hills, Hyderabad-500034	10.30 A.M

No special resolution has been passed by the Company in the last year through postal ballot.

7. DISCLOSURES

- I. The summary of the materially significant relating party transactions is given in the Notes to the Accounts appearing in this Annual Report. However, none of the related party transactions have potential conflict with the interests of the Company at large, as all the transactions were entered into on an arms-length basis.
- II. The Company has complied with all the requirements of the Listing Agreement of the Stock exchanges as well as regulations and guidelines of SEBI. No penalties have been levied or strictures have been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets, in the last three years. There were no non-compliances by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital Market during the last three financial years.
- III. The Company has complied with the requirements relating to Corporate Governance as mandated by Listing Agreements with the Stock Exchanges and also with the non-mandatory requirements as Remuneration Committee, Disclosures, Communication and General Information to the shareholders.

8. MEANS OF COMMUNICATION

The main source of information to the shareholders is the annual report of the Company, which includes, inter alia, Directors' Report and the Report of Board of Directors on Corporate Governance, Management Discussion and Analysis Report and the audited financial results together with the auditor's report. Pursuant to Clause 51 of the Listing Agreement, all data related to quarterly financial results, shareholding pattern etc., are hosted on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre, within the time frame prescribed in this regard. The quarterly / audited results are also published for the information of the shareholders in "The Financial Express" (English Language) and "Andhra Prabha" (Telugu Language) daily newspapers, intimation to Stock Exchanges as required under the Listing Agreements and through press releases.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by clause 2 sub-clause (e) of Regulation 34 SEBI (LODR) Regulation 2015, Management Discussion and Analysis Report is annexed to the Directors' Report.

10. GENERAL SHAREHOLDERS INFORMATION:

i. Annual General Meeting :

- | | |
|---------------------------|--|
| Date | : September 29th , 2017 |
| Time | : 3.30 P.M. |
| Venue | : Moti Nagar Community Hall, Mothi Nagar X Roads,
Borabanda, Hyderabad 500018 |
| ii. Financial Year | : 1st April, 2016 to 31st March, 2017 |
| iii. Date of Book Closure | : 25th September, 2017 to 29th September, 2017
(Both days inclusive) |

- iv. Listing on Stock Exchange : I.National Stock Exchange
v. Stock Symbol & Code : SPCENET
vi. Market price data : High / Low during the each month in the financial year 2016-17 and performance in comparison to broad based indices, NSE's Nifty.

Month & Year	NSE			
	Stock (Rs)		NIFTY	
	High	Low	High	Low
Apr-16	1.65	1.5	7,992.00	7,516.85
May-16	1.65	1.25	8,213.60	7,678.35
Jun-16	1.85	1.3	8,308.15	7,927.05
Jul-16	1.85	1.75	8,674.70	8,287.55
Aug-16	No Records	No Records	8,819.20	8,518.15
Sep-16	No Records	No Records	8,968.70	8,555.20
Oct-16	No Records	No Records	8,806.95	8,506.15
Nov-16	No Records	No Records	8,669.60	7,916.40
Dec-16	No Records	No Records	8,274.95	7,893.80
Jan-17	1.3	0.5	8,672.70	8,133.80
Feb-17	1.9	1.35	8,982.15	8,537.50
Mar-17	1.5	0.6	9,218.40	8,860.10

iv. Registrar and Transfer Agent:

CIL Securities Limited
214, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad-500001
Phone: +91 040-23203155
Email ID: rta@cilsecurities.com

vii. Share Transfer System:

Share transfers are registered and returned within a period of fifteen days from the date of receipt, if the documents are in order in all respects.

viii. Distribution of shareholding:

No. Of Shares From	Upto	No. Of Holders	% Held	No. Of Shares	Held%
0	500	12776	69.82	2369169	4.83
501	1000	2350	12.84	2030891	4.14
1001	2000	1331	7.27	2130879	4.35
2001	3000	576	3.15	1509823	3.08
3001	4000	258	1.41	946183	1.93
4001	5000	262	1.43	1262385	2.58
5001	10000	351	1.92	2678327	5.46
10001	49018590	394	2.15	36090933	73.63
		18298	100.00	49018590	100.00

ix. Dematerialization of shares and Liquidity:

As on 31 March 2017, 99.94% of the paid up equity capital of the Company has been dematerialized and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialization.

ISIN: INE970N01019

x. Address for correspondence:

Spacenet Enterprises India Limited

Flat No. 302, Lotus Block, Block-B,

Sandy Springs, Manikonda,

Ranga Reddy Dist., Telangana, Hyderabad - 500 089, India

11. WHISTLE BLOWER POLICY:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct of their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

CERTIFICATE ON CORPORATE GOVERNANCE

(As per Regulation 34 read with Schedule V of the SEBI (LODR) Regulation, 2015)

To
The Members of Spacenet Enterprises India Limited

We have examined the compliance of conditions of Corporate Governance by Spacenet Enterprises India Limited for the year ended March 31, 2017, as stipulated in Regulation 34 read with Schedule V of the SEBI (LODR) Regulation, 2015 of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation 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 has complied with the conditions of Corporate Governance as stipulated in the Regulation 34 read with Schedule V of the SEBI (LODR) Regulation, 2015.

We state that in respect of Investor Grievances no such Grievances are pending for a period exceeding one month against the Company as per the record maintained by the Shareholders/Investors Grievance Committee.

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

For KOTA SRINIVAS & ASSOCIATES
Company Secretaries

CS. K. Srinivas

Date : 28 August, 2017

CP No. 14300

Place: Hyderabad

ACS No. 34206

**DECLARATION ON CODE OF CONDUCT BY
THE EXECUTIVE DIRECTOR OF THE COMPANY**

I hereby declare that all the members of the Board and senior Management of the Company have complied with all the provisions of the Code of Conduct.

For and on behalf of the Board
For Spacenet Enterprises India Limited

Place: Hyderabad

T. Srinivasa Rao

Date: 28th August, 2017

Whole Time Director & CEO

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Online Advertising Industry:

India Outlook:

In India the interpretation and consumption of data in digital market has been rapidly increasing at the rate twice that of the World rate. i.e., around 40000 petabytes in 2010 to increase by 2.3million petabytes in the year 2020.

The Digital India programme enumerates the enormous projects that the government has planned and which aim at promoting rigorous internet penetration by connecting 1 billion population and efficient delivery of services electronically through mobile.

The market is expected to see a strong resurgence of growth-related projects across verticals with the liberalization of the Information Technology market, digital-commerce and social media, the quantitative impact of Datacenter traffic is apparent.

Global Outlook:

With the penetration of the internet and increasing popularity of digital platforms, digital advertising has grown to become one of the most important forms of advertising. Digital advertising revenue worldwide is forecast to increase at a fast pace in the coming years. More than 143 billion U.S. dollars were spent on digital advertising in 2014. By 2020, this figure is projected to add up to nearly 268 billion U.S. dollars.

The United States is the largest digital advertising market in the world, as the country had the highest revenue in the digital advertising market in 2015 – an estimate of 64 billion U.S. dollars. About a quarter of all ad expenditures in the country were devoted to digital advertising. Digital advertising spending in the U.S. is projected to grow in the next few years, as sources expect the total spending on digital advertising to reach nearly 94 billion U.S. dollars by 2019. In terms of industries, the retail industry invests the most on digital advertising in the country. As of 2015, this particular industry accounted for 22 percent of all digital advertising spending in the U.S. The automotive and the financial services industry held about 12 percent of the share each.

Search advertising is the most profitable and most promising digital ad format in the U.S., accounting for the majority of the digital advertising revenue generated in the country. Considering search advertising is one of the major revenue streams for digital advertisers, it is no surprise Google, the leading search engine in the world, has by far the highest net digital advertising revenue amongst online companies in the U.S., with healthy growth projections for the future. While Google generated about 67 billion U.S. dollars in revenue through its digital advertising channels, Facebook's digital revenue stood at 17 billion U.S. dollars. Facebook leads the display advertising market though, leaving Google and Chinese e-commerce company Alibaba behind. In the U.S., Facebook generated about five billion U.S. dollars from digital display in 2014; this figure is projected to double by 2017.

The use of mobile for advertising is also a growing trend in the country, as mobile is forecast to become the main device for digital advertisers by 2017. Full-screen interactive ad formats on smart phones had the highest recall rate in the country; 58 percent of American internet users remember those ads. When this type of ad was encountered on a desktop device, for instance, only 38 percent of internet users stated remembering the ad. Brand advertising recall rate for full-screen interactive ads displayed on tablet and smart phone is also high in comparison to other formats. Another advantage of using mobile ads is the low percentage of ad blocking software use on mobile devices amongst American internet users. Whereas

41 percent of internet users in the U.S. use ad blocking software on their laptop or desktop computer, only 11 percent used on their mobile devices.

Financial Highlights:

(In Lakhs)

Particulars	For the Year ended March 31st 2017	For the Year ended March 31st 2016
Revenue:		
Revenue from Operations	145.42	1088.47
Other income	27.51	45.49
Total Revenue	172.93	1133.96
EXPENDITURE:		
Operating Expenses	32.43	967.74
Employee benefits expenses	180.25	293.52
Finance costs	23.71	61.11
Depreciation expense	8.09	11.57
Other expenses	275.80	845.40
Total	520.28	2179.34
Profit/(Loss) Before Extraordinary items and Tax Extraordinary items	(347.35)	(1045.38)
Profit/(Loss) After Extraordinary items	-	-
Less: Tax Expense	2.64	
Profit/(Loss) After Tax and before extra ordinary items	(349.99)	(1045.38)
Extra-ordinary items	-	-
Net Profit /(loss) after Extra-ordinary items	(349.99)	(1045.38)
Earnings per share		
– Basic	(0.71)	(2.13)
–Diluted	(0.71)	(2.13)

Income from operations

The revenues Decreased to ₹145.42 lakhs in FY'17 from ₹ 1088.47 lakhs in FY'16.

Net Profit/Loss:

During the FY'17 the company recorded loss of ₹ 349.99 lakhs against Loss of ₹ 1045.39 lakhs in FY'16.

Risk Management

Risk is attached to everything including business. The factors affecting the risk differ from business to business. The Company however, foresees various risks from competitors, unorganized sectors operating in the Industry, fluctuations in foreign exchanges rates, commodities rates, interest rate, commercial risk, change in Government policies and regulations and decision of the Management about the business which may effect overall profitability of the Company. However the Company has framed the policies so as to have minimum effect and to overcome the risks of the Business.

Internal Control systems and their adequacy

The Company has adequate internal control systems supplemented by internal audits by professional firms commensurate with its size and nature of business to ensure to safeguard and protect the interests and assets of the Company.

Cautionary Note

Statements in the Management Discussion and Analysis outlining the Company's estimates, perceptions and expectations may be forward looking statements within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed herein above due to certain factors which may be beyond the control of the Company.

CEO/CFO Certificate

To,

**The Shareholders and the Board of Directors.
SPACENET ENTERPRISES INDIA LIMITED
(Formerly Northgate Com Tech Limited)**

I, Srinivasa Rao Tatipaka, Whole Time Director & CEO of SPACENET ENTERPRISES INDIA LIMITED certify that:

- 1) We have reviewed the financial statements and the cash flow statement for the year ended 31 March, 2017 (hereinafter referred to as 'the year') and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
- 2) There are, to the best our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of Company's code of conduct.
- 3) We accept overall responsibility for establishing and maintaining the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
- 4) We have indicated to the auditors and to the audit Committee:
 - a) Significant changes in internal controls over financial reporting during the year;
 - b) Significant changes in the accounting policies during the year;
 - c) There have been no instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

Place : Hyderabad
Date : 28th August, 2017

Srinivasa Rao Tatipaka
Whole Time Director & CEO
(DIN No. 02449906)

INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s SPACENET ENTERPRISES INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying Consolidated Financial Statements of M/S SPACENET ENTERPRISES INDIA LIMITED (“the Holding Company”) and its subsidiaries (collectively referred to as “the Company” or “the group”), comprising of the Balance Sheet as at 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 Holding Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company 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. This responsibility also 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; and 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Consolidated 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 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 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. 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We did not audit the financial statements of two subsidiaries, which are 1. Northgate Investments Pte Limited 2. Adgog UK Limited and two step down subsidiaries 1. Globe7 Pte Limited 2. Globe7 HK Limited, included in the consolidated financial statements year to date, whose consolidated financial statements reflect total assets of ` 1,308.82 lakhs, as at 31st March 2017 and total revenue of ₹ 160.09 lakhs as at 31st March, 2017. These interim financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

These financial statements and other financial information have been audited by other Auditors whose report has been furnished to us by the Management and our opinion on the year ended financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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 Company as at March 31, 2017, and its consolidated Profit and its consolidated Cash Flow for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we 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 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;
 - 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 written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group

Companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a Director of that company in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Audit Report - “Annexure A”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group Companies do not have any pending litigations which would impact its consolidated financial position.

For Navitha And Associates

Chartered Accountants

Firm Registration Number: 012026S

Navitha.K

Proprietor

Membership Number: 221085

Place: Hyderabad

Date: 30.05.2017

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of M/s SPACENET ENTERPRISES INDIA LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/S SPACENET ENTERPRISES INDIA LIMITED (“the Holding Company”) as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Navitha And Associates

Chartered Accountants

Firm Registration Number: 012026S

Navitha.K

Proprietor

Membership Number: 221085

Place: Hyderabad

Date: 30.05.2017

Consolidated Balance sheet as at 31 March 2017

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	49,018,590	490,185,900
Reserves and surplus	2.2	(239,483,793)	(649,282,162)
		(190,465,203)	(159,096,262)
Non-current liabilities			
Long term provisions	2.3	-	399,596
		-	399,596
Current liabilities			
Short-term borrowing	2.4	126,666,527	121,571,287
Trade payables	2.5	65,794,782	332,183,839
Other current liabilities	2.6	41,997,760	38,607,758
Short term provisions	2.7	-	32,594
		234,459,069	492,395,478
Total		43,993,866	333,698,812
ASSETS			
Non current assets			
Fixed assets	2.8		
- Tangible assets		496,816	1,505,427
- Intangible assets		405,330	458,837
Other non current assets	2.9	11,683,325	14,789,525
		12,585,471	16,753,789
Current Assets			
Trade receivables	2.10	20,942,570	306,434,525
Cash and bank balances	2.11	2,654,558	2,804,257
Short term loan and advances	2.12	7,811,267	7,706,241
		31,408,395	316,945,023
Total		43,993,866	333,698,812

Significant accounting policies and notes to consolidated financial statements

1 & 2

The notes referred to above form an integral part of consolidated financial statements.

As per our report of even date attached

for Navitha & Associates

Chartered Accountants

Firm Registration No:012026S

for and on behalf of the Board

Spacenet Enterprises India Limited

Navitha K

Proprietor

Membership No: 221085

T. Srinivasa Rao

Director

DIN: 02449906

G. Narasimha Rao

Director

DIN: 07733090

N. Venkata Krishnayya

Director

DIN: 07733209

Place: Hyderabad

Date: 30 May 2017

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue			
Revenue from operations	2.13	14,541,474	108,846,632
Other income	2.14	2,751,599	4,548,648
Total revenue		17,293,073	113,395,280
Expenses			
Operating expenses	2.15	3,243,223	96,773,522
Employee benefits expense	2.16	18,025,865	29,351,762
Finance costs	2.17	2,371,466	6,110,585
Depreciation and amortisation	2.8	809,552	1,157,578
Other expenses	2.18	27,580,122	84,540,285
Total expenses		52,030,228	217,933,732
Profit/(Loss) before extraordinary items and tax		(34,737,155)	(104,538,452)
Extraordinary items		-	-
Profit/(Loss) before tax		(34,737,155)	(104,538,452)
Tax expense			
- Earlier year's tax		263,963	-
- Current tax		-	-
- MAT entitlement		-	-
Loss for the year		(35,001,118)	(104,538,452)
Earnings per share - par value ₹1 per share (previous year par value ₹10)	2.21		
Basic		(0.71)	(2.13)
Diluted		(0.71)	(2.13)
Significant accounting policies and notes to consolidated financial statements	1 & 2		

The notes referred to above form an integral part of consolidated financial statements.

As per our report of even date attached

for Navitha & Associates

Chartered Accountants

Firm Registration No:012026S

for and on behalf of the Board

Spacenet Enterprises India Limited

Navitha K

Proprietor

Membership No: 221085

T. Srinivasa Rao

Director

DIN: 02449906

G. Narasimha Rao

Director

DIN: 07733090

N. Venkata Krishnayya

Director

DIN: 07733209

Place: Hyderabad

Date: 30 May 2017

Consolidated Cash Flow Statement for the year ended 31 March, 2017

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No.	For the Year ended 31 March, 2017	For the Year ended 31 March, 2016
I. Cash flows from operating activities			
Loss before tax		(34,737,155)	(104,538,452)
Adjustments:			
Depreciation and amortisation		809,552	1,157,578
Interest expense		2,371,466	6,110,585
Bad and doubtful debts written off		17,389,457	1,841,028
Bad and doubtful advance written off		1,356,613	-
Creditors written back		(2,542,317)	(925,925)
Fixed assets discarded/written off, net		314,535	-
Interest income		(159,282)	(90,493)
Unrealised foreign exchange gain / (loss)		4,829,795	(2,131,026)
Operating cash flow before working capital changes		(10,367,336)	(98,576,705)
(Increase)/Decrease in trade receivable		268,102,498	76,617,768
(Increase)/Decrease in loans and advances		3,001,173	101,712,686
Increase/(Decrease) in current liabilities and provisions		(263,431,244)	(82,386,866)
Operating cash flow after working capital changes and taxes		(2,694,909)	(2,633,117)
Taxes paid		(263,963)	-
Net cash used in operating activities		(2,958,872)	(2,633,117)
II. Cash flows from investing activities			
Purchase of fixed assets		(73,883)	-
Interest received on deposits and inter corporate deposit		159,282	90,493
Net cash from in investing activities		85,399	90,493
III. Cash flows from financing activities			
Proceeds from avalliment of cash credit facility, net		5,095,240	8,789,936
Interest paid		(2,371,466)	(6,110,585)
Net cash used in financing activities		2,723,774	2,679,351
Net increase in cash and cash equivalents		(149,699)	136,727
Cash and cash equivalents at the beginning of the year		2,804,257	2,667,530
Cash and cash equivalents at the end of the year		2,654,558	2,804,257

As per our report of even date attached

for Navitha & Associates

Chartered Accountants

Firm Registration No:012026S

for and on behalf of the Board

Spacenet Enterprises India Limited

Navitha K

Proprietor

Membership No: 221085

T. Srinivasa Rao

Director

DIN: 02449906

G. Narasimha Rao

Director

DIN: 07733090

Place: Hyderabad

Date: 30 May 2017

N. Venkata Krishnayya

Director

DIN: 07733209

1. Significant Accounting Policies

Company Overview

Spacenet Enterprises India Limited (“the Company”) is a public entity domiciled in India and is primarily engaged in the business of online advertising through web exchanges and out of home advertising. It’s shares are listed on NSE. The Company together with its subsidiaries are collectively referred to as “the Group”.

The following are the subsidiaries :

Name of the Company	Country of incorporation	Percentage of Holding as at	
		31 March 2017	31 March 2016
<i>Subsidiaries (held directly)</i>			
Northgate Investments Pte Limited	Singapore	100%	100%
Adgog UK Limited	United Kingdom	100%	100%
<i>Subsidiaries (held indirectly)</i>			
Globe7 Pte Limited	Singapore	100%	100%
Social Media India Limited	India	100%	100%
Globe7 HK Limited *	Hong Kong	100%	100%

* Filed petition for winding up on 21 March 2012

a) Basis of preparation of Consolidated Financial Statements

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the 2013 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 the existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, ‘Consolidated Financial Statements. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain / loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interests have been excluded. Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company.

b) Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts

1. Significant Accounting Policies continued...

of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

d) Fixed Assets and Depreciation

Tangible asset and capital work-in-progress

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises the cost of fixed asset that are not yet ready for their intended use at the reporting date.

Intangible asset

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

1. Significant Accounting Policies continued...

Depreciation and Amortization

Depreciation on tangible and intangible assets is provided on the straight-line 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 straight-line 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 assets as follows:

Years

Furniture, fixtures and office equipment	10
Computer equipment	3
Office equipment	5
Vehicles	10

e) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long Term Investments are carried at cost less diminution in value other than temporary determined separately for each individual investment. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

f) Taxes on Income

- i. Tax expense comprises current year income tax and deferred income tax charges or credit for the year.
- ii. Current year income tax charge will be calculated based on assessable profits of the company determined in accordance with the provisions of Income Tax Act, 1961. It will also includes, income tax charge provided if any, for such disallowances made on completion of assessment proceedings pending appeals, as considered appropriate depending on the merits of each case.
- iii. Deferred income tax charge or credit pertaining to future tax consequences attributable to timing difference between the financial statement determination of income and their recognition for tax purposes will be recognised. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in income using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

iv. Minimum Alternate Tax (MAT) Credit entitlement:

MAT Credit entitlement represents amounts paid in a year under Section 115 JA of the Income Tax Act, 1961 (IT Act), in excess of the tax payable, computed on the basis of normal provisions of the IT Act.

Such excess amount can be carried forward for set off against future tax payments for five succeeding years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date the Company will pay normal income tax during the specified period,

1. Significant Accounting Policies continued...

when such credit would be adjusted, the same has been disclosed as “MAT Credit entitlement, under “Short Term Loans and Advances” in balance sheet with a corresponding credit to the profit and loss account, as a separate line item.

Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

g) Earnings Per Share

- i. The basic earnings per share is calculated considering the weighted average number of equity shares outstanding during the year.
- ii. The diluted earnings per share is calculated considering the effects of potential equity shares on net profits after tax for the year and weighted average number of equity shares outstanding during the year.

h) Revenue Recognition

Online advertisement revenues are generated from several offerings including the display of graphical advertisements (“CPM”) and the display of text based links to an advertiser’s website, from which leads are secured by advertisers (i.e., when an internet user provides a name, address or other information for a sales follow-up by the advertiser) or a sale is secured by the advertiser for their products or services (i.e., when an internet user makes a purchase through the advertisement displayed or other defined actions on the part of an internet user) (“CPA”).

Group’s revenues are derived principally from CPM on the Internet. Revenue from these services are recognised as “impressions” are delivered at the rate agreed with the advertiser. An “impression” is delivered when an advertisement appears in pages viewed by users.

Group recognises revenues from CPA, based on the specified number of defined actions resulting from the advertisement, i.e., lead generation, sale or other specifically defined action, during a specified period of time, at the agreed rate with the advertiser.

In addition to delivering CPM advertising on the Group’s websites, Group also generates revenues from CPM and CPA on other publisher websites. The Group pays these publishers for the revenues generated from the display of these advertisements on their websites. These payments are called traffic acquisition costs (“TAC”). The revenues derived from these arrangements that involve traffic supplied by other publishers are reported gross of the payment to them. These revenues are reported gross due to the fact that Group is the primary obligor to the advertisers who are the customers of the Group.

The Group recognises advertisement revenue as and when the related advertisement is displayed, in accordance with the terms of the related agreements. Further, in all cases, revenue is recognised only when it is measurable and the collectability of the same is reasonably assured.

Dividend income is recognised when the right to receive payment is established. Interest on bank deposits and loans are recognised on the time proportion method using the underlying interest rates.

1. Significant Accounting Policies continued...

i) Leases

Leases of assets under which all risks and rewards of ownership are affectively retained by lesser are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis over the period of lease.

j) Provisions, Contingent Liabilities and Contingent Assets

Provisions, involving substantial degree of estimation in measurement, are recognised when there is present obligation as a result of past events and if it is probable that there will be an outflow of resources. Contingent liabilities, which are possible or present obligations that may be probably will not require outflow of resources, are not recognised but are disclosed in the notes to the financial statements. Contingent Assets are neither recognised nor disclosed in financial statements.

k) Cash and Cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist principally of cash on deposits with banks.

l) Cash flow statement

Cash flows are reported using the indirect method, whereby profit or loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

m) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

2. Notes to Consolidated financial statements

(All amounts in Indian rupees, except share data and where otherwise stated)

2.1: Share Capital

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
Authorised:		
Equity shares		
50,000,000 (previous year : 50,000,000) equity of ₹1 each. (previous year: ₹10 each)	50,000,000	500,000,000
	<u>50,000,000</u>	<u>500,000,000</u>
Issued, subscribed and fully paid up		
49,018,590 (previous year : 49,018,590) equity shares of ₹1 each (previous year ₹1 each) fully paid up	49,018,590	490,185,900
	<u>49,018,590</u>	<u>490,185,900</u>

i. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ₹1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. The reconciliation of the number of equity shares outstanding is set out below:

<u>Particulars</u>	<u>As at 31 March 2017</u>		<u>As at 31 March 2016</u>	
	<u>No. of shares</u>	<u>Amount in ₹</u>	<u>No. of Shares</u>	<u>Amount in ₹</u>
Shares outstanding at the beginning of the year	49,018,590	49,018,590	49,018,590	490,185,900
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>49,018,590</u>	<u>49,018,590</u>	<u>49,018,590</u>	<u>490,185,900</u>

iii. The details of shareholder holding more than 5% equity shares is set below:

<u>Particulars</u>	<u>As at 31 March 2017</u>		<u>As at 31 March 2016</u>	
	<u>No. of shares held</u>	<u>% of Holding</u>	<u>No. of shares held</u>	<u>% of Holding</u>
Cresta Fund Limited	4,348,906	8.87	4,500,000	9.18
Meenavalli Venkata Srinivas	3,254,586	6.64	3,254,586	6.64
Meenavalli Usha Rani	3,226,360	6.58	3,226,360	6.58
Albula Investment Fund Limited	2,832,492	5.78	2,832,492	5.78

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.2 Reserves and Surplus

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
General reserve	120,682,325	120,682,325
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(816,766,131)	(712,227,679)
Less: Capital reduction	441,167,310	-
Add: Net loss for the year	(35,001,118)	(104,538,452)
Balance at the end of the year	(410,599,939)	(816,766,131)
Foreign currency translation reserve		
Balance at the beginning of the year	46,801,600	49,802,076
Add: Translation of foreign subsidiaries with non-integral operations	3,632,221	(3,000,432)
Balance at the end of the year	50,433,821	46,801,644
Total	(239,483,793)	(649,282,162)

2.3 Long term provisions

Provision for employee benefits

Gratuity	-	364,700
Compensated absences	-	34,896
	<u>-</u>	<u>399,596</u>

2.4 Short term borrowing

Secured loan from bank repayable on demand - Cash credit *	86,531,102	86,531,101
Secured loan from bank against vehicle	51,785	56,446
Un secured loan**	40,083,640	34,983,740
	<u>126,666,527</u>	<u>121,571,287</u>

* Cash credit amounting to ₹ 80,000,000 availed for working capital purposes to be repayable on demand with interest rate of base rate + 5.50 % for outstanding amounting up to ₹ 80,000,000 and base rate + 7.50 % for cash credit outstanding over and above ₹ 80,000,000. The said cash credit is secured by hypothecation of book debts along with personal guarantee of Mr. M.Venkata Srinivas and Mr. K.Bhaskar Reddy and Corporate guarantee of M/s. Globe 7 Pte Limited, Singapore (step down subsidiary) and Proseed India Limited (formerly Greenfire Agri Commodities Limited).

** Unsecured loan amounting to ₹ 15,000,000 availed to repay the adhoc limits taken by the company for working capital purposes received from Mr Venkata Srinivas Meenavalli, Mr P.Srinivasu and Mr Shaik Gouse to be repayable on demand.

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.5 Trade payables

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
Trade payables		
- Amounts due to Micro, Small and Medium Enterprises (Refer note : 2.26)	-	-
- Others	65,794,782	332,183,839
	<u>65,794,782</u>	<u>332,183,839</u>

2.6 Other current liabilities

Advance from customers	24,327,941	18,067,548
Employee payables	340,413	725,795
Statutory liabilities	1,086,518	2,189,476
Provision for expenses	16,242,888	17,624,939
	<u>41,997,760</u>	<u>38,607,758</u>

2.7 Short term provisions

Provision for employee benefits

Gratuity	-	19,254
Compensated absences	-	13,340
	<u>-</u>	<u>32,594</u>

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.8 Fixed Assets

Particulars	Gross Block				Depreciation /Amortisation				Net Block	
	As at April 1st, 2016	Additions	Foreign Exchange Adjustment	Deletions	As at March 31st, 2017	For the year	Foreign Exchange Adjustment	On Deletions	As at March 31st, 2017	As at March 31st, 2016
Tangible Fixed Assets										
Computers	10,843,997	73,883	(62,341)	1,381,658	9,473,881	468,534	(95,917)	1,336,167	79,579	486,145
Furniture and Fixtures	435,000	-	-	435,000	-	32,773	-	391,627	-	76,146
Office Equipment	769,555	-	-	769,555	-	100,394	-	498,394	-	371,555
Vehicles	1,918,131	-	-	-	1,918,131	154,344	-	-	1,500,894	571,581
Total	13,966,683	73,883	(62,341)	2,586,213	11,392,012	756,045	(95,917)	2,226,188	10,895,196	1,505,427
Intangible Fixed Assets										
Computer Software	178,043,467	-	2,132,531	179,640,931	535,067	53,507	2,132,531	179,640,931	405,330	458,837
Total	178,043,467	-	2,132,531	179,640,931	535,067	53,507	2,132,531	179,640,931	405,330	458,837
Grand Total	192,010,150	73,883	2,070,190	182,227,144	11,927,079	809,552	2,036,614	181,867,119	11,024,933	1,964,264
Previous Year 2015 - 16	181,482,937	-	10,527,213	-	192,010,150	1,157,578	10,470,693	-	1,964,264	3,065,322

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.9 Other non current assets

<u>Particulars</u>	<u>As at 31 March 2017</u>	<u>As at 31 March 2016</u>
Unsecured, considered good		
Security deposit	78,369	1,691,694
Prepaid expenses	592,551	696,988
Advance tax	11,012,405	12,400,843
	<u>11,683,325</u>	<u>14,789,525</u>

2.10 Trade receivables

Outstanding for a period more than six months from the date they are due for payment		
- Considered good	18,253,626	18,253,626
- Considered doubtful	74,930,383	74,930,383
Other debts, considered good	2,688,944	288,180,899
	<u>95,872,953</u>	<u>381,364,908</u>
Less: Provision for doubtful debts	74,930,383	74,930,383
	<u>20,942,570</u>	<u>306,434,525</u>

2.11 Cash and bank balances

Cash and cash equivalents		
Cash on hand	22,818	142,475
Balance with banks		
- in current accounts	1,631,740	1,661,782
	<u>1,654,558</u>	<u>1,804,257</u>
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months	1,000,000	1,000,000
	<u>2,654,558</u>	<u>2,804,257</u>

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.12 Short term loan and advances

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
Unsecured, considered good		
Advances given to vendors	39,070	430,570
MAT credit	6,554,078	6,554,083
VAT receivable	51,249	64,047
Others advances	1,166,870	657,541
	<u>7,811,267</u>	<u>7,706,241</u>

<u>Particulars</u>	<u>For the Year ended</u> <u>31 March 2017</u>	<u>For the Year ended</u> <u>31 March 2016</u>
--------------------	---	---

2.13 Revenue from operations

Revenue from advertisements	14,541,474	108,846,632
	<u>14,541,474</u>	<u>108,846,632</u>

2.14 Other income

Interest on fixed deposits	159,282	90,493
Foreign exchange gain, net	-	2,984,835
Creditors written back	2,542,317	925,925
Miscellaneous income	50,000	547,395
	<u>2,751,599</u>	<u>4,548,648</u>

2.15 Operating expenses

Cost of advertisement space	3,243,223	83,465,494
Media exchange tech fee	-	13,308,028
	<u>3,243,223</u>	<u>96,773,522</u>

2.16 Employee benefits expense

Salaries	17,270,798	28,304,704
Contribution to provident fund and other funds	503,113	485,633
Staff welfare expenses	251,954	561,425
	<u>18,025,865</u>	<u>29,351,762</u>

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	For the Year ended 31 March 2017	For the Year ended 31 March 2016
2.17 Finance cost		
Interest on secured loan	2,371,466	6,110,585
	2,371,466	6,110,585
2.18 Other expenses		
Rent	2,740,413	5,936,891
Professional charges	1,726,634	4,283,727
Rates and taxes	999,251	2,895,171
Communication expenses	1,112,887	1,853,260
Power and fuel	647,640	1,417,513
Printing and stationery	68,980	102,527
Repairs and maintenance	316,115	378,055
Travelling expenses	54,392	829,829
Bank charges	136,212	626,233
Foreign exchange Loss, net	16,885	-
Fixed assets written off/ discarded	314,535	-
Advance written off	1,356,613	-
Provision for advances	-	62,908,094
Bad debts written off	17,389,457	494,345
Provision for debtors	-	1,346,683
Miscellaneous expenses	700,108	1,467,957
	27,580,122	84,540,285
2.19 Capital commitments and contingent liabilities		
Capital Commitments	-	-
Contingent liabilities		
i. Disputed Income Tax liability for which the Group has preferred an appeal	5,397,120	3,880,810
	5,397,120	3,880,810

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.20 Deferred tax

In view of carry forward of losses under tax laws in the current year, the Group is unable to demonstrate virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, which is as required under AS 22 'Accounting for taxes on income'. Accordingly, no deferred tax asset has been recognised as at the year-end.

<u>Particulars</u>	<u>For the Year ended</u> <u>31 March 2017</u>	<u>For the Year ended</u> <u>31 March 2016</u>
--------------------	---	---

2.21 Earnings Per Share

The computation of earnings per share is set out below:

Loss for the year	(350,01,118)	(104,538,452)
Shares		
Number of shares at the beginning of the year	49,018,590	49,018,590
Add: No. of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	49,018,590	49,018,590
Weighted average number of equity shares outstanding during the year for the purpose of Basic and diluted earnings per share.	49,018,590	49,018,590
Earnings per share ₹ 1 each (previous year in ₹ 10 each)		
- Basic	(0.71)	(2.13)
- Diluted	(0.71)	(2.13)

2.22 Related Party Disclosures

- A) Entities where control exists : None
- B) Key Managerial Personnel (KMP)
- i. T. Srinivasa Rao – Director
 - ii. D.V.S.S.Lakshminarayana – Whole time Director
- C) Enterprises where principal shareholders/management personnel have control or significant influence (Significant interest entities)(SIE)
- i. Proseed India Limited, India
(formerly Green Fire Agri Commodities Limited)

Particulars of related party transactions

I. Following is the summary of significant related party transactions:

Un-secured Loan		
- Loan taken from Mr. Venkata S Meenavalli	4,575,400	19,203,000
Mr. P.Srinivasu	-	700,000
-Repayment of loan to Mr Venkata S Meenavalli	1,845,500	1,992,000
-Interest on loan taken from : Mr Venkata S Meenavalli	2,370,000	2,370,000
Remuneration		
- D.V.S.S. Lakshminarayana	1,075,000	1,407,000

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

II. The Group has the following amounts due from/to the related parties

<u>Particulars</u>	<u>As at 31 March 2017</u>	<u>As at 31 March 2016</u>
Un-secured Loan		
- Loan taken from Mr. Venkata S Meenavalli	23,778,400	19,203,000
Mr. P. Srinivasu	700,000	700,000
- Loan taken from: Mr. Venkata S Meenavalli	15,605,240	15,080,740
- Remuneration payable to		
Mr. D.V.S.S. Lakshminarayana	55,923	79,453

2.23 Segment information

The Company is in the business of providing Advertisement services. The Company does not make any distinction amongst the services rendered accordingly there is only one business segment.

2.24 Operating Lease

The Group leases offices, residential facilities and vehicles under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental expense under those leases was ₹ 2,740,413 (previous year ₹ 5,936,891).

2.25 Auditors' remuneration (included in professional fees, excluding service tax):

<u>Particulars</u>	<u>For the Year ended 31 March 2017</u>	<u>For the Year ended 31 March 2016</u>
Statutory audit fees	410,011	889,809
Other services	20,000	20,000
Out of pocket expenses	-	-
Total	430,011	909,809

2.26 Disclosure under Section 22 of the Micro, Small and Medium enterprises Development Act, 2006 (MSMED)

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

2. Notes to Consolidated financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.27 Specified Bank Notes

As per MCA Notification G.S.R.308 (E) dated. March 31, 2017 issued by the Ministry of Corporate Affairs, the Company needs to provide the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016. The term 'Specified Bank Notes' shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the November 8, 2016. The details is provided in the table below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	14,129	14,129
(+) Permitted receipts	-	39,000	39,000
(-) Permitted payments	-	44,535	44,535
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	8,594	8,594

2.28 Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary, to correspond with the current year classification/ disclosure.

As per our report of even date attached

for Navitha & Associates

Chartered Accountants

Firm Registration No:012026S

for and on behalf of the Board

Spacenet Enterprises India Limited

Navitha K

Proprietor

Membership No: 221085

T. Srinivasa Rao

Director

DIN: 02449906

G. Narasimha Rao

Director

DIN: 07733090

Place: Hyderabad

Date: 30 May 2017

N. Venkata Krishnayya

Director

DIN: 07733209

ANNEXURE-A

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 /associates companies/ joint ventures

Part-A: Subsidiaries

(all amounts in Indian Rupees, except share data and where otherwise stated)

(₹ lacs)

Particulars	Name of the Subsidiary				
	Adgog UK Limited	Northgate Investments Pte Limited	Globe7 Pte Ltd	Social Media India Limited	Globe7 HK Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2016 to 31-3-2017	01-04-2016 to 31-3-2017	01-04-2016 to 31-3-2017	01-04-2016 to 31-3-2017	01-04-2016 to 31-3-2017
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP	USD	USD	INR	USD
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	81.29	64.56	64.56	-NA-	64.56
Share capital	48.78	66,670.32	66,651.94	2,944.69	756.69
Reserves & Surplus	(44.79)	(65,406.31)	(67,181.63)	(2,957.98)	(870.31)
Total Assets	7.30	1,267.72	33.32	1,150.83	0.48
Total Liabilities	3.31	3.71	563.01	1,164.12	114.10
Investments	-	-	-	-	-
Turnover	18.54	-	126.67	-	-
Profit before taxation	(58.88)	6.01	(189.44)	(33.82)	-
Provision for taxation	-	-	-	2.64	-
Profit after taxation	(58.88)	6.01	(189.44)	(36.46)	-
Proposed Dividend	-	-	-	-	-
% of share holding	100%	100%	100%	100%	100%

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

- Names of subsidiaries which are yet to commence operations -Nil
- Name of subsidiaries which have been liquidated or sold during the year -Nil

For and on behalf of the Board

T. Srinivasa Rao
Director

G.Narasimha Rao
Director

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Members of
M/s Spacenet Enterprises India Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 and cash flows of the Company 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. This responsibility also 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; and 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.

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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said 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 March 31, 2017, and its Loss 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**"
a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we 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 it 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 afore said 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 as on March 31, 2017, and 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) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - h) The Company had disclosed the particulars relating to the Specified Bank Notes during the period 8.11.2016 to 30.12.2016 in its Financial Statements

For Navitha And Associates

Chartered Accountants

Firm Registration Number: 012026S

Navitha.K

Proprietor

Membership Number: 221085

Place: Hyderabad

Date: 30.05.2017

“Annexure A” referred to in the Independent Auditors’ Report to the shareholders of M/s Spacenet Enterprises India Limited on the accounts for the year ended 31st March 2017

- i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (a) The Fixed Assets have been physically verified by the management in a phased manner, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (b) In our opinion and according to the information and explanations given to us, the Company does not hold any immovable property and thus Paragraph 3(i)(c) of the order is not applicable.
- ii) The company does not hold any physical inventories. Accordingly, matters specified in clause (ii) of paragraph 3 of the Order do not apply to the Company.
- iii) According to the information and explanation given to us, the company has not granted loans to companies firms, other parties covered under the register maintained under section 189 of the Companies Act 2013.
- iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- v) According to information and explanation given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (v) of Paragraph 3 of the Order are not applicable to the Company.
- vi) According to information and explanation given to us, the maintenance of Cost Records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, Cess and any other statutory dues applicable to the company have been paid generally regularly with the appropriate authorities during the year, except for few delays. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 which are outstanding for 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 Sales tax which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Income-tax, Service tax, Value added tax and Duty of excise have not been deposited by the Company except as stated hereunder:-

Sl. No.	Name of the Statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax	Tax Demand	2,971,230	AY 2012-13	CIT ,Appeals
2.	Income Tax	Tax Demand	909,580	AY 2013-14	CIT ,Appeals
3	Income Tax	Tax Demand	1,516,310	AY 2014-15	CIT, Appeals

- viii) In our opinion and according to the information and explanations given to us, the Company did not avail any loan either from banks/financial institutions or issued any debentures during the current year.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans
- x) Based upon the 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) Based upon the audit procedures performed and the information and explanations given by the management, the company has not paid any managerial remuneration during the year under review and hence provisions of Sec 197 read with Schedule V to the Companies Act does not apply.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company.
- xiii) According to information and explanation given to us and the records of the Company examined by us, transactions with 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 applicable.
- xiv) 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.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order is not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For Navitha And Associates
Chartered Accountants
Firm Registration Number: 012026S

Navitha.K
Proprietor
Membership Number: 221085

Place: Hyderabad
Date: 30.05.2017

**“Annexure B” to the Independent Auditor’s Report of
even date on the Financial Statements of M/s Spacenet Enterprises India Limited**

Report on the internal financial controls under clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s Spacenet Enterprises India Limited (the Company) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Navitha And Associates

Chartered Accountants

Firm Registration Number: 012026S

Navitha.K

Proprietor

Membership Number: 221085

Place: Hyderabad

Date: 30.05.2017

Balance sheet as at 31st March 2017

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	49,018,590	490,185,900
Reserves and surplus	2.2	(173,852,131)	(556,796,424)
		(124,833,541)	(66,610,524)
Non-current liabilities			
Long-term provision	2.3	-	234,808
Long-term borrowing	2.4	101,170,468	99,355,096
		101,170,468	99,589,904
Current liabilities			
Trade payables	2.5	329,317	1,369,670
Other current liabilities	2.6	24,827,288	19,871,877
Short-term provisions	2.7	-	9,516
		25,156,605	21,251,063
Total		1,493,532	54,230,443
ASSETS			
Non current assets			
Fixed assets			
- Tangible assets	2.8	342,957	971,678
- Intangible assets	2.8	405,330	458,837
Non current investments	2.9	-	51,099,492
Other non current assets	2.10	86,398	1,131,818
		834,685	53,661,825
Current Assets			
Trade receivables		-	-
Cash and bank balances	2.11	386,220	84,491
Short term loan and advances	2.12	272,627	484,127
		658,847	568,618
Total		1,493,532	54,230,443
Significant accounting policies and Notes to accounts	1 & 2		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached

for Navitha & Associates

Chartered Accountants

Firm Registration No:012026S

for and on behalf of the Board

Spacenet Enterprises India Limited

Navitha K

Proprietor

Membership No: 221085

T. Srinivasa Rao

Director

DIN: 02449906

G. Narasimha Rao

Director

DIN: 07733090

N. Venkata Krishnayya

Director

DIN: 07733209

Place: Hyderabad

Date: 30 May 2017

Statement of Profit and Loss for the year ended 31st March 2017

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue			
Income from operations	2.13	20,372	7,440,975
Other income	2.14	359,026	327,947
Total revenue		379,398	7,768,922
Expenses			
Operating expenses	2.15	5,263,300	8,527,641
Employee benefits expense	2.16	1,828,655	9,089,424
Finance costs	2.17	1,466	6,546,669
Depreciation and amortisation expense	2.8	409,502	522,474
Total expenses		7,502,923	24,686,208
Profit/ (Loss) before extraordinary items and tax		(7,123,525)	(16,917,286)
Extraordinary items (refer Note.2.27)		51,099,492	-
Profit/ (Loss) before tax		(58,223,017)	(16,917,286)
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Profit/ (Loss) for the year		(58,223,017)	(16,917,286)
Earnings per share - par value ₹1			
per share (previous year par value ₹10/-)	2.23		
- Basic		(1.19)	(0.35)
- Diluted		(1.19)	(0.35)
Significant accounting policies and Notes to accounts	1 & 2		

The notes referred to above form an integral part of financial statements.

As per our report of even date attached

for Navitha & Associates

Chartered Accountants

Firm Registration No:012026S

for and on behalf of the Board

Spacenet Enterprises India Limited

Navitha K

Proprietor

Membership No: 221085

T. Srinivasa Rao

Director

DIN: 02449906

G. Narasimha Rao

Director

DIN: 07733090

N. Venkata Krishnayya

Director

DIN: 07733209

Place: Hyderabad

Date: 30 May 2017

Cash Flow Statement for the year ended 31st March, 2017

(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
I. Cash flows from operating activities:		
Net profit/(loss) before taxation:	(7,123,525)	(16,917,286)
<i>Adjustments for operating activities:</i>		
Depreciation and amortisation	409,502	522,474
Fixed assets discarded	272,727	-
Finance costs	1,466	6,546,669
Operating profit before working capital changes	(6,439,830)	(9,848,143)
Adjustments for		
Decrease/(increase) in trade receivables	-	6,797,308
Decrease/(increase) in loans and advances and other assets	1,256,920	202,204
Increase/(decrease) in provisions	(244,325)	(240,538)
Increase/(decrease) in trade payables and current liabilities	3,915,058	(1,559,028)
Cash generated from operations	(1,512,177)	(4,648,197)
Income taxes paid	-	-
Net cash flow from operating activities (A)	(1,512,177)	(4,648,197)
II. Cash flows from investing activities	-	-
Net cash flow used in investing activities (B)	-	-
III. Cash flows from financing activities		
Proceeds from intercorporate deposit, net	1,815,372	11,148,284
Interest paid	(1,466)	(6,546,669)
Net cash used in financing activities (C)	1,813,906	4,601,615
Net increase in cash and cash equivalents (A+B+C)	301,729	(46,582)
Cash and cash equivalents at the beginning of the year	84,491	131,073
Cash and cash equivalents at the end of the year (refer note: 2.11)	386,220	84,491

As per our report of even date attached

for Navitha & Associates

Chartered Accountants

Firm Registration No:012026S

for and on behalf of the Board

Spacenet Enterprises India Limited

Navitha K

Proprietor

Membership No: 221085

T. Srinivasa Rao

Director

DIN: 02449906

G. Narasimha Rao

Director

DIN: 07733090

N. Venkata Krishnayya

Director

DIN: 07733209

Place: Hyderabad

Date: 30 May 2017

1. Significant Accounting Policies

Background and overview

Spacenet Enterprises India Limited (“the Company”) is a public entity domiciled in India and is primarily engaged in providing Information Technology Services and online advertising services. It’s shares are listed on NSE.

The following are the subsidiaries

Name of the Company	Country of incorporation	Percentage of Holding as at	
		31 March 2017	31 March 2016
Subsidiaries (held directly)			
Northgate Investments Pte Limited	Singapore	100%	100%
Adgog UK Limited	United Kingdom	100%	100%
Subsidiaries (held indirectly)			
Globe7 Pte Limited	Singapore	100%	100%
Social Media India Limited	India	100%	100%
Globe7 HK Limited *	Hong Kong	100%	100%

* Filed petition for winding up on 21 March 2012

(a) Basis of preparation of financial statements

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the 2013 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 the existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

(c) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle; or
- it is held primarily for the purpose of being traded; or

1. Significant Accounting Policies continued...

- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle; or
- b. it is held primarily for the purpose of being traded; or
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

(d) Depreciation and amortization

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/ amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to 1 April, 2014, the carrying amount as on 1 April, 2014 is depreciated over the remaining useful life based on an evaluation:

(e) Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the balance sheet.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date, are disclosed as capital advances.

1. Significant Accounting Policies continued...

(f) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

(g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

(h) Foreign exchange transactions

Foreign currency transactions during the year are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(i) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Information Technology services is billed on a 'cost plus mark up' basis, on services performed and is recognised based on the terms of the IT services agreement with, Globe 7 Pte Limited, Singapore.

Dividend income is recognised when the unconditional right to receive the income is established. Interest on bank deposits and loans to subsidiaries are recognised on the time proportion method using the underlying interest rates.

(j) Employee benefits

Provision for gratuity, which is a defined benefit scheme, is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company recognises the net

1. Significant Accounting Policies continued...

obligation of the gratuity plan in the balance sheet as an asset or liability respectively in accordance with AS-15 “Employee Benefits”.

Long term compensated absences is accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.

Contributions to the employees’ provident fund are charged to the statement of profit and loss. Such contributions are made to the authorities administering the fund.

(k) Employee stock option schemes

In accordance with the Securities and Exchange Board of India guidelines (“the Guidelines”), the excess of the market price of shares, at the date of grant of options under the Employee stock option schemes, over the exercise price is treated as employee stock compensation and amortised over the vesting period.

(l) Earnings per share

The basic earnings per share (“EPS”) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax (including post tax effect of any extraordinary items) for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, unless they are anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares arising out of employee stock options are issued have been adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

(m) Taxes on income

Income tax expense comprise of current tax and deferred tax.

Current tax

The current charge for the income taxes is calculated in accordance with the relevant tax laws applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realised. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to

1. Significant Accounting Policies continued...

set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

(n) Provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

(o) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

(p) Leases

Lease payments (excluding cost for services and maintenance) on operating leases, are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. The lease term is the non- cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment and the exercise of such option at the inception of the lease is reasonably certain.

(q) Cash flow statement

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

2. Notes to financial statements

(All amounts in Indian rupees, except share data and where otherwise stated)

2.1 Share Capital

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
Authorised:		
Equity shares		
50,000,000 (previous year : 50,000,000) equity of ₹1 each. (previous year ₹10 each)	50,000,000	500,000,000
	<u>50,000,000</u>	<u>500,000,000</u>
Issued, subscribed and fully paid up 49,018,590 (previous year : 49,018,590 equity shares of ₹10) equity shares of ₹1 each fully paid up	49,018,590	490,185,900
	<u>49,018,590</u>	<u>490,185,900</u>

Hon'ble High Court of Hyderabad Judicature for State of Telangana and Andhra Pradesh, vide its order dated 7th June 2016 approved the petition No 68 of 2016 for reduction of share capital of the company. The company has filed from INC 28 with Registrar of Companies, Hyderabad and the same has been registered on 11 August 2016. With effect from Registered date 11th August, 2016 the face value of the Company's shares have been reduced from ₹ 10/- per share to ₹ 1/- per share.

i. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ₹1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. The reconciliation of the number of equity shares outstanding is set out below:

<u>Particulars</u>	<u>As at 31 March 2017</u>		<u>As at 31 March 2016</u>	
	<u>Number of shares</u>	<u>Amount in ₹</u>	<u>Number of Shares</u>	<u>Amount in ₹</u>
Shares outstanding at the beginning of the year	49,018,590	49,018,590	49,018,590	490,185,900
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>49,018,590</u>	<u>49,018,590</u>	<u>49,018,590</u>	<u>490,185,900</u>

iii. The details of shareholder holding more than 5% equity shares is set below:

<u>Particulars</u>	<u>As at 31 March 2017</u>		<u>As at 31 March 2016</u>	
	<u>No. of shares held</u>	<u>% of Holding</u>	<u>No. of shares held</u>	<u>% of Holding</u>
Cresta Fund Limited	4,348,906	8.87	4,500,000	9.18
Meenavalli Venkata Srinivas	3,254,586	6.64	3,254,586	6.64
Meenavalli Usha Rani	3,226,360	6.58	3,226,360	6.58
Albula Investment Fund Limited	2,832,492	5.78	2,832,492	5.78

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.2 Reserves and Surplus

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
General reserve account	120,682,325	120,682,325
Balance in statement of profit and loss		
Balance at the end of beginning of the year	(677,478,749)	(660,561,463)
Less: Capital reduction (as per the Honble High court order)	441,167,310	-
Add: Profit/ (Loss) for the year transferred from statement of profit and loss	(58,223,017)	(16,917,286)
Balance at the end of the year	(294,534,456)	(677,478,749)
	<u>(173,852,131)</u>	<u>(556,796,424)</u>

2.3 Long term provisions

Provision for employee benefits

Compensated absences	-	14,730
Gratuity	-	220,078
	-	234,808

2.4 Long-term borrowing

Secured loans

Vehicle loan from HDFC Bank	-	56,446
-----------------------------	---	--------

Un-secured loans

Inter corporate deposit from related party	76,692,068	79,395,650
Unsecured loan from Directors	24,478,400	19,903,000
	101,170,468	99,355,096

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.5 Trade payables

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
Trade payables		
- Amounts due to Micro, Small and Medium Enterprises (Refer note : 2.28)	-	-
- Others	329,317	1,369,670
	<u>329,317</u>	<u>1,369,670</u>

2.6 Other current liabilities

Provision for expenses	93,633	125,987
Employee payables	83,261	402,802
Statutory dues including provident fund	322,453	1,275,540
Advance from customers	24,327,941	18,067,548
	<u>24,827,288</u>	<u>19,871,877</u>

2.7 Short term provisions

Provision for employee benefits

Compensated absences	-	5,482
Gratuity	-	4,034
	<u>-</u>	<u>9,516</u>

2. Notes to financial statements (Continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

2.8 Fixed assets

Particulars	Gross Block			Depreciation /Amortisation				Net Block	
	As at 01.04.2016	Additions during the year	Deletions during the year	As at 31.03.2017	As at 01.04.2016	Charges for the year	On Deletions	As at 31.03.2017	As at 31.03.2016
Tangible Assets (Owned)									
Computers and related assets	3,109,064	-	-	3,109,064	2,965,947	143,117	-	3,109,064	143,117
Furniture and fixtures	435,000	-	435,000	1,035,955	358,854	32,773	391,627	-	76,146
Vehicles	1,035,955	-	-	1,035,955	605,118	87,880	-	342,957	430,837
Office equipment	688,085	-	688,085	-	366,507	92,225	458,732	-	321,578
Total	5,268,104	-	1,123,085	4,145,019	4,296,426	355,995	850,359	3,802,062	971,678
Previous year	5,268,104	-	-	5,268,104	3,827,607	468,819	-	971,678	1,440,497
Intangible Assets (Owned)									
Computer Software	535,067	-	-	535,067	76,230	53,507	-	129,737	458,837
Total	535,067	-	-	535,067	76,230	53,507	-	129,737	458,837
Previous year	535,067	-	-	535,067	22,575	53,655	-	76,230	512,492
Grand Total	5,803,171	-	1,123,085	4,680,086	4,372,656	409,502	850,359	3,931,799	1,430,515
Previous year	5,803,171	-	-	5,803,171	3,850,182	522,474	-	4,372,656	1,952,989

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.9 Non-trade, long term investments (unquoted)

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
<i>Investment in equity instruments- subsidiaries</i>		
145,304,595 (previous year: 145,304,595) ordinary shares of SGD 1 each fully paid-up of Northgate Investments Pte Limited, at cost	4,262,121,261	4,262,121,261
60,000 (previous year : 60,000) ordinary shares of GBP 1 each fully paid-up of Adgog UK Limited , at cost	<u>4,135,200</u>	<u>4,135,200</u>
	4,266,256,461	4,266,256,461
Less: Long term investments written off	(4,266,256,461)	(4,215,156,969)
	<u>-</u>	<u>51,099,492</u>

2.10 Other non current assets

Unsecured, considered good		
Other loans and advances		
Rental deposits	77,150	1,040,000
Telephone deposits	-	28,800
Other deposits	-	2,000
Prepaid expenses	9,248	7,018
Other receivables	-	54,000
	<u>86,398</u>	<u>1,131,818</u>

2.11 Cash and bank balances

Cash and cash equivalents		
Cash on hand	9,346	265
Balance with banks in current accounts	376,874	84,226
	<u>386,220</u>	<u>84,491</u>

2.12 Short term loan and advances

Others		
Advance tax (TDS receivable,net)	272,627	272,627
Other advance	-	211,500
	<u>272,627</u>	<u>484,127</u>

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.13 Income from operations

<u>Particulars</u>	<u>For the year ended 31 March 2017</u>	<u>For the year ended 31 March 2016</u>
Income from Information Technology Services	20,372	7,440,975
	<u>20,372</u>	<u>7,440,975</u>

2.14 Other income

Foreign exchange gain, net	-	46,456
Creditors/provisions no long required	309,026	-
Miscellaneous Income	50,000	281,491
	<u>359,026</u>	<u>327,947</u>

2.15 Operating expenses

Communication expenses	417,335	874,940
Power and fuel	598,485	1,333,687
Rent	1,740,000	3,216,000
Repairs and maintenance	312,756	373,836
Rates and taxes, excluding, taxes on income	922,463	781,006
Interest on TDS	48,222	5,070
Insurance charges	22,957	20,889
Traveling and conveyance	1,438	57,896
Legal and professional fees	417,228	680,584
Content creation charges	-	28,333
Advertisement charges	74,710	105,583
Bank charges	1,028	8,767
Subscriptions	14,308	5,046
Fixed Assets written off	272,727	-
Deposits written off	28,169	-
Printing and stationery	60,474	69,974
Miscellaneous expenses	331,000	966,030
	<u>5,263,300</u>	<u>8,527,641</u>

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.16 Employee benefits expense

<u>Particulars</u>	<u>For the year ended</u> <u>31 March 2017</u>	<u>For the year ended</u> <u>31 March 2016</u>
Salaries	1,465,570	8,422,152
Contribution to provident fund and other funds	123,411	249,839
Staff welfare expenses	239,674	417,433
	<u>1,828,655</u>	<u>9,089,424</u>

2.17 Finance cost

Interest on inter-corporate deposit	-	6,520,261
Interest on Hypothication of vehicle loan	1,466	26,408
	<u>1,466</u>	<u>6,546,669</u>

2.18 Contingent liabilities

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
The Company has received an income tax assessment order for the financial year 2011-12, 2012-13 and 2013-14 wherein demands have been raised on account of certain disallowances, adjustments made by the income tax department. The Company has filed an appeal before CIT-IV and CIT-III, Hyderabad against the order.	5,397,120	3,880,810

2.19 Deferred tax

In view of carry forward of losses under tax laws in the current year, the Company is unable to demonstrate virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised, which is as required under AS 22 'Accounting for taxes on income'. Accordingly, no deferred tax asset has been recognised as at the year-end.

2.20 Lease commitments

The Company leases office facilities under cancellable and non-cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total rental expense under cancellable operating leases was ₹ 17,40,000 (Previous year: ₹ 32,16,000) and under non-cancellable portion was ₹ Nil (Previous year: ₹ Nil), which has been disclosed as lease rent.

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.21 Earnings in foreign currency (on accrual basis)

<u>Particulars</u>	<u>For the year ended</u> <u>31 March 2017</u>	<u>For the year ended</u> <u>31 March 2016</u>
Revenues from Information Technology Services	-	7,440,975
	<u>-</u>	<u>7,440,975</u>

2.22 Auditors' remuneration

(included in legal and professional fees, excluding service tax):

Statutory audit fees	80,000	80,000
Other services	20,000	20,000
Out of pocket expenses	-	-
	<u>100,000</u>	<u>100,000</u>

2.23 Earnings per share (EPS)

The computation of earnings per share is set out below:

Profit/ (Loss) for the year	<u>(58,223,017)</u>	<u>(16,917,286)</u>
Shares		
Number of shares at the beginning of the year	49,018,590	49,018,590
Add: No. of equity shares issued during the year	<u>-</u>	<u>-</u>
Total number of equity shares outstanding at the end of the year	49,018,590	49,018,590
Weighted average number of equity shares outstanding during the year for the purpose of Basic and diluted earnings per share.	49,018,590	49,018,590
Earnings per share (in ₹1)		
- Basic	(1.19)	(0.35)
- Diluted	(1.19)	(0.35)

2.24 Segment information

The Company's activity primarily falls within in a single primary business segment viz, providing Information Technology Enabled Services. Hence no business segment information is provided.

2.25 Related parties

A) Entities which exercises control over the Company : None

B) Entities over which the Company exercises control

Subsidiaries

i. Northgate Investments Pte Limited

ii. Adgog UK Limited

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

Step-down subsidiaries

- i. Globe7 Pte Limited
- ii. Social Media India Limited
- iii. Globe7 HK Limited
- C) Key Managerial Personnel
 - i. T. Srinivasa Rao – Director

Particulars of related party transactions

I. Following is the summary of significant related party transactions:

<u>Particulars</u>	<u>For the year ended</u> <u>31 March 2017</u>	<u>For the year ended</u> <u>31 March 2016</u>
Revenue from information Technology		
Services to subsidiary		
Globe7 Pte Limited	--	7,440,975
Inter corporate deposit ('ICD')		
taken from step down subsidiary		
Social Media India Limited	697,457	196,000
Repayment of ICD to step down subsidiary		
Social Media India Limited	3,401,039	15,265,737
Interest accrued on loan taken		
Social Media India Limited	-	6,520,261
Loan taken from		
Venkata Srinivas Meenavalli	4,575,400	1,920,300
P. Srinivasu	-	700,000

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

II. The Company has the following amounts due from/to the related parties

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
Long-term borrowing		
- Social Media India Limited	76,692,068	79,395,650
Investments (Gross)		
- Northgate Investments Pte Limited	-	4,262,121,261
- Adgog UK Limited	-	4,135,200
Long-term borrowing		
- Venkata Srinivas Meenavalli	23,778,400	19,203,000
- P. Srinivasu	700,000	700,000

2.26 Employee benefits - Gratuity

The following table sets out the status of the gratuity plan as required under Accounting standard (AS) 15 "Employee Benefits" prescribed by Companies (Accounting Standards) Rules, 2006, ('the Rules'):

<u>Particulars</u>	<u>As at</u> <u>31 March 2017</u>	<u>As at</u> <u>31 March 2016</u>
Obligations at the beginning of the year		
Present value of obligation as at the beginning of the year	-	430,613
Service cost	-	32,262
Interest cost	-	34,449
Benefits settled	-	-
Actuarial (gain)/loss	-	(273,212)
Obligations at the end of the year	<u>-</u>	<u>224,112</u>
Change in plan assets		
Plan assets at the beginning of the year, at fair value	-	1,644,894
Actuarial gain/(loss)	-	-
Expected return on plan assets	-	137,349
Contributions	-	-
Benefits settled	-	-
Plan assets at the end of the year, at fair value	<u>-</u>	<u>1,782,243</u>

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

Reconciliation of present value of the obligation and the fair value of plan assets

Present value of defined benefit obligations at the end of the year	-	224,112
Fair value of the plan assets at the end of the year	-	1,782,243
Asset recognised in the balance sheet	-	2,006,355

Gratuity cost for the year

Service cost	-	32,262
Interest cost	-	34,449
Expected return on plan assets	-	(137,349)
Actuarial loss/(gain)	-	(273,212)
Net gratuity cost	-	(343,850)

Assumptions

Interest rate	-	9%
Expected rate of salary increase	-	10%
Attrition rate	-	6.75%

Discount rate: The discount rate is based on the gross redemption yield on medium to long term risk free investments.

Salary escalation: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Attrition rate: The attrition rate is the expected employee turnover for the future periods, adjusted to the current economic environment.

2.27 Extraordinary Items

During the year the company has written off the investments made into its foreign subsidiary companies Northgate Investments Pte Ltd, Singapore and Adgog UK Limited, UK for an amount of ₹ 4,262,121,261 and ₹ 4,135,200/- respectively and it is aggregating to ₹4,266,256,461/-. The investments is written off in the books because lack of revenue and high expenses, Changes in markets and customer base, economic slowdowns. Spending too much money in an attempt to generate revenues is result in loss.

2.28 Disclosure under Section 22 of the Micro, Small and Medium enterprises Development Act, 2006 (MSMED)

Based on the information available with the Company, no creditors have been identified as “supplier” within the meaning of “Micro, Small and Medium Enterprises Development (MSMED) Act, 2006”.

2. Notes to financial statements (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

2.29 Specified Bank Notes

As per MCA Notification G.S.R.308 (E) dated. March 31, 2017 issued by the Ministry of Corporate Affairs, the Company needs to provide the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016. The term 'Specified Bank Notes' shall have the same meaning as provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the November 8th, 2016. The details is provided in the table below.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	13,394	13,394
(+) Permitted receipts	-	39,000	39,000
(-) Permitted payments	-	44,535	44,535
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	7,859	7,859

2.30 Previous year figures

Previous year figures have been regrouped / reclassified wherever necessary, to correspond with the current year classification/ disclosure.

As per our report of even date attached

for Navitha & Associates

Chartered Accountants

Firm Registration No:012026S

for and on behalf of the Board

Spacenet Enterprises India Limited

Navitha K

Proprietor

Membership No: 221085

T. Srinivasa Rao

Director

DIN: 02449906

G. Narasimha Rao

Director

DIN: 07733090

Place: Hyderabad

Date: 30 May 2017

N. Venkata Krishnayya

Director

DIN: 07733209

SPACENET ENTERPRISES INDIA LIMITED

PROXY FORM MGT 11

Flat No. 302, Lotus Block, Block-B, Sandy Springs,
Manikonda, Hyderabad, Telangana - 500 089 India.

CIN: L72200TG2010PLC068624, www.spacenetent.com

(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(s) :

Registered Address :

E-mail Id :

Folio No /Client ID :

DP ID :

I/We, being the member(s) of shares of the above named company. Hereby
appoint

1. Name :

E-mail Id :

Address :

Signature or failing him

2. Name :

E-mail Id :

Address :

Signature or failing him

3. Name :

E-mail Id :

Address :

Signature or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 7th Annual General Meeting of the Company, to be held on the 29th day of September, 2017 at 03.30 p.m. at Moti Nagar Community Hall, Mothi Nagar X Roads, Borabanda, Hyderabad 500018. Telangana and at any adjournment thereof, in respect of such resolutions set out in the AGM Notice convening the meeting, as are indicated below:

Sl.No.	Resolution(s)	Vote	
		For	Against
1.	Adoption of Financial Statements and Reports thereon for the Financial Year ended 31st March, 2017		
2.	Appointment of M/s. Navitha and Associates, Chartered Accountants as Statutory Auditor of the Company and fix their remuneration		
3.	Appointment of Mr. T. Srinivasa Rao as a Wholetime Director and CEO		
4.	Appointment of Mr. Satya Srikanth Karaturi as a Director of the Company		
5.	Appointment of Mr. Guntur Narasimha Rao as an Independent Director		
6.	Appointment of Mr. Nekkanti Venkata Krishnayya as an Independent Director		
7.	Appointment of Mrs. Renduchintala Padmavathi as a Woman Director		

Signed this..... day of..... 2017

Signature of Shareholder

Signature of Proxy Holder(s)

Revenue
Stamps

Note: The 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.

SPACENET ENTERPRISES INDIA LIMITED

Flat No. 302, Lotus Block, Block-B, Sandy Springs,
Manikonda, Hyderabad, Telangana - 500 089 India.

CIN: L72200TG2010PLC068624, www.spacenetent.com

ATTENDANCE SLIP

(to be handed over at the Registration Counter Joint holder may obtain additional slip at the venue)

DP ID		Folio No	
Client ID		No. of Shares	

I/We hereby record my/our presence at the 7th Annual General Meeting of the Company being held on Friday 29th day of September, 2017 at 03.30 p.m at Moti Nagar Community Hall, Mothi Nagar X Roads, Borabanda, Hyderabad 500018, Telangana.

Signature of the Member/Proxy

**AGM Venue
Route Map**



Book - Post

If undelivered please return to:

SpaceNet
Enterprises India Limited

(Formerly known as Northgate Com Tech Ltd.)

SPACENET ENTERPRISES INDIA LIMITED
Flat No. 302, Lotus Block, Block-B, Sandy Springs,
Manikonda, Hyderabad, Telangana - 500 089 India.
CIN: L72200TG2010PLC068624, www.spacenetent.com