

SpaceNet

Enterprises India Limited

9TH ANNUAL REPORT

2018-19

BOARD OF DIRECTORS

Name

1. Mr. Avinash Karingam
2. Mr. Gaddi Linga Murthy
3. Mr. Vasudevarao Maraka
4. Mr. Satya Srikanth Karaturi
5. Mr. Chukka Siva Satya Srinivas
6. Mrs. Chukka Lakshmi

Designation

- Whole Time Director
Executive Director
CFO & Executive Director
Independent Director
Independent Director
Woman Non-executive Director

REGISTERED OFFICE

Royal Pavilion Apartment,
H.No. 6-3-787, Flat No. 1003, Block - A,
Ameerpet, Hyderabad - 500016, Telangana, INDIA
Tel: +91-40-23540763/64, Fax: +91-40-23540763
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
Off: H.No. 6-3-664, Prestige Rai Tower
Hyderabad - 500 01

SECRETARIAL AUDITORS

M/s Kota & Associates (Formerly known as Kota Srinivas & Associates)
Company Secretaries
Flat No. 101, 1st Floor,
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

Plot No.29, Kavuri Hills, Madhapur
Hyderabad - 500 033.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 9th Annual General Meeting of the Members of M/s. Spacenet Enterprises India Limited will be held on Saturday, the 28th day of September, 2019 at 11.00 A.M. at Senior Citizen Hall 2nd Floor, Beside S.R.K Raju community hall, Madhura Nagar, Hyderabad - 500038 Telangana to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To receive, consider and adopt the audited Balance Sheet as at March 31, 2019 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. Re-Appointment of Director

To appoint a Director in place of Mr. GADDI LINGA MURTHY, who retires by rotation and being eligible, offers him for re-appointment.

SPECIAL BUSINESS

3. Appointment of Mrs. Chukka Lakshmi (DIN: 07733231) as a Woman Director and in this regard 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 Qualifications of Directors) Rules 2014, and any other applicable provisions of the Companies Act, 2013 ("Act") and the companies (Appointment & Qualification of Directors) Rules, 2014, Mrs. Chukka Lakshmi (DIN: 07733231), who was appointed as additional 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 161(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 Non-Executive Women Director of the Company liable to retire by rotation."

4. Appointment of Mr. Gaddi Linga Murthy (DIN: 02605861) as a Director and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution

"RESOLVED that in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactments (s) there of, for the time being in force), the Company hereby approves the appointment and terms of remuneration of Mr. Gaddi Linga Murthy as an Executive Director of the Company for the period from May 23, 2019 to May 22, 2022 up on the terms and conditions set out in the Explanatory Statement annexed to the notice convening this meeting, including the remuneration to be paid in the event of loss or Inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Gaddi Linga Murthy.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

5. Appointment of Mr. Vasudeva Rao Maraka (DIN: 05111313) as a Director and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution

"RESOLVED that in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactments (s) there of, for the time being in force), the Company hereby approves the appointment and terms of remuneration of Mr. Vasudeva Rao Maraka as Executive Director of the Company for the period from May 23, 2019 to May 22, 2022 upon the terms and conditions set out in the Explanatory Statement annexed to the notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Vasudeva Rao Maraka.

RESOLVED FURTHER that the Board of Directors of the Company (which terms shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

6. Appointment of Mr. Avinash Karingam (DIN: 02599266) as Wholetime Director and in this regard to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution

"RESOLVED that in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactments (s) there of, for the time being in force), the Company hereby approves the appointment and terms of remuneration of Mr. Avinash Karingam as Executive Whole time Director of the Company for the period from May 23, 2019 to May 22, 2022 upon the terms and conditions set out in the Explanatory Statement annexed to the notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Avinash Karingam.

RESOLVED FURTHER that the Board of Directors of the Company (which terms shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

7. Appointment of Mr. CHUKKA SIVA SATYA SRINIVAS (DIN: 07177166) as an Independent Director and in this regard 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, 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 there of for the time being in force), Mr. Chukka Siva Satya Srinivas (DIN: 07177166), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on May 23, 2019 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 14th AGM.

Item No. 8 To approve material related party transaction and in this regard to consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any of the Companies Act, 2013 (the "Act") read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other provisions of applicable laws/rules and subject to the approval/consent of such appropriate authorities, as may be required, under any statute for the time being in force, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution) for entering into related party transactions by the company by way of investment / disinvestment / providing any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt and/or provide inter corporate loan(s) or a combination thereof, up to an amount of Rs. 100 Crores (Rupees One Hundred Crores only) to Associate companies viz., Kling Enterprises India Limited, Stampede Enterprises India Private Limited, Stampede Capital Limited and any other related parties".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investment / disinvestment / loan(s) / guarantee(s) / security(ies) including the timing, the amount and other terms and conditions of such investment / disinvestment / loan(s) / guarantee(s) / security(ies) and further including variation of such timing, amount, terms, conditions etc. as it may, in its absolute discretion, deem appropriate for the purpose of giving effect to this Resolution".

By Order of the Board
For **Specenet Enterprises India Limited**

Regd Office:

Royal Pavilion Apartment,
H.No. 6-3-787, Flat No. 1003,
Gaddi Linga Murthy
Block - A, Ameerpet,
Hyderabad - 500016,
Telangana, INDIA

GaddiLinga Murthy
Executive Director
(DIN No.02605861)

Date: 28th August, 2019

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 31st August, 2019.
 - 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 Registered Office of the Company 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.
 - 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.
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- l. The Company has notified closure of Register of Members and Share Transfer Books from 25th September, 2019 to 28th September, 2019 (both days inclusive).
- m. 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 28th September 2019.
- n. The voting through an electronic means will commence on 25th September, 2019 at 09.00 a.m. and will end on 27th September, 2019 at 05.00 p.m. the members will not be able to cast their vote electronically beyond the date and time mentioned above.
- o. 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.
- p. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 25th September, 2019 at 09.00 a.m. and ends on 27th September, 2019 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-of- date (record date) of 21st September, 2019 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 DP ID 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id I 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 Corporate.
 - 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.
- 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 any 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, 2018. The results declared along with the scrutinizer's report, will be posted on the company's website and on cdsi's website and stock exchanges on 29th September, 2018.

Regd Office:

Royal Pavilion Apartment,
H.No. 6-3-787, Flat No. 1003,
Gaddi Linga Murthy
Block - A, Ameerpet,
Hyderabad - 500016,
Telangana, INDIA

By Order of the Board
For **Specenet Enterprises India Limited**

GaddiLinga Murthy
Executive Director
(DIN No.02605861)

Date: 28th August, 2019

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3

Mrs. Chukka Lakshmi (DIN: 07733231) was appointed as an Additional Woman Director of the Company with effect from November 14, 2018 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mrs. Chukka Lakshmi holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a Member in writing along with requisite deposit under Section 160 of the Act, proposing her candidature for the office of Director.

Mrs. Chukka Lakshmi has given a declaration to the Board that she meets the criteria for the appointment as a woman director as per the provisions of the Companies Act, 2013.

Mrs. Chukka Lakshmi aged 44 years has a lot of business experience in the various fields. Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no. 3 of the Notice for appointment of Mrs. Chukka Lakshmi as a Non-executive Woman Director.

A statement containing her profile is given as per Annexure 1.

Except Mrs. Chukka Lakshmi, 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 the resolution set out at Item No.3

Item No.4:

Mr. GaddiLinga Murthy, aged 41years, is an Additional (Executive) Director of the Company. He holds a Master Degree in Science from IASE University, Rajasthan. He possess more than 18 years of IT experience in Financial and Telecom domain environments in all phases of Software development life cycle and expertise in delivering the software products in globally.

• Tenure of Appointment:

The appointment is for a period of 3 (Three) years with effect from May 23, 2019 to May 22, 2022

• Nature of Duties

The Executive Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be trusted to him by the Board and exercise such powers as may be assigned to him, subject to the Superintendence, Control and Directions of the Board in connection with and in the best interests of the Business of the Company and the business of any one or more of its Associate Companies and /or Subsidiaries including performing duties as assigned by the Board from time to time by serving on the Boards of such Associate Companies / Subsidiaries or any other Executive Body or a Committee of such Companies.

• Remuneration:

The Executive Director shall be entitled to remuneration as stated here under in terms of Schedule V of the Companies Act, 2013 ("the Act")

- Remuneration:(a)Basic Salary up to a Maximum of Rs. 1,00,000 per Month, with authority to the Board or a Committee there of to fix his Basic Salary with in the said Maximum amount; (b) Commission and / or Incentive Remuneration based on performance criteria to be laid down by the Board; and (c) Benefits, Perquisites and Allowances as may be determined by the Board from time to time over and above the Basic Salary within the Limits allowed under the Companies Act, 2013 read with Schedule V of the said Act.
- Minimum Remuneration: Not with standing any thing to the contrary here in contained wherein any Financial Year during the currency of the tenure of Executive Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, Benefits, Perquisites, Allowances and Incentive Remuneration as specified above with in the Limits allowed under the Companies Act, 2013 read with Schedule V of the said Act.

In compliance with the applicable provisions of the Companies Act, 2013, read with Schedule V of the Act, the term sand conditions of the appointment of Mr. Gaddi Linga Murthy as specified above, are now placed before the members for their approval.

Other than Mr. Gaddi Linga Murthy, none of the Directors / Key Managerial Personnel (KMP) or relatives of director sand KMP, are concerned or interested in the Resolution at Item No. 4 of the Notice.

The Board commends the Special Business set out at Item No.4 of the Notice for approval by the shareholders.

Item No.5:

Mr. Vasudeva Rao Maraka, aged 42 years, is an Additional (Executive) Director of the Company. He holds a Master Degree in Computer Applications and has vast Experienced and driven Operations Director with a proven track record of helping to lead companies by ensuring that they are functioning well both sales and operations. He possess excellent communication skills, allowing for the cultivation of positive and mutually beneficial business relationships, while keeping strong ethics at the forefront of his goals.

• Tenure of Appointment:

The appointment is for a period of 3 (Three) years with effect from May 23, 2019 to May 22, 2022

• Nature of Duties

The Executive Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be trusted to him by the Board and exercise such powers as may be assigned to him, subject to the Superintendence, Control and Directions of the Board in connection with and in the best interests of the Business of the Company and the business of any one or more of its Associate Companies and / or Subsidiaries including performing duties as assigned by the Board from time to time by serving on the Boards of such Associate Companies / Subsidiaries or any other Executive Body or a Committee of such Companies.

• Remuneration:

The Executive Director shall been titled to remuneration as stated here under in terms of Schedule V of the Companies Act, 2013 ("the Act")

- **Remuneration:**

- (a) Basic Salary upto a Maximum of Rs.1,00,000 per Month, with authority to the Board or a Committee there of to fix his Basic Salary within the said Maximum amount;
- (b) Commission and / or Incentive Remuneration based on performance criteria to be laid down by the Board; and (c) Benefits, Perquisites and Allowances as may be determined by the Board from time to time over and above the Basic Salary within the Limits allowed under the Companies Act , 2013 read with Schedule V of the said Act.

- **Minimum Remuneration:**

Not with standing anything to the contrary here in contained where in any Financial Year during the currency of the tenure of Executive Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, Benefits, Perquisites, Allowances and Incentive Remuneration as specified above within the Limits allowed under the Companies Act, 2013 read with Schedule V of the said Act.

In compliance with the applicable provisions of the Companies Act, 2013, read with Schedule V of the Act, the terms and conditions of the appointment of Mr. Vasudeva Rao Maraka as specified above, are now placed before the members for their approval.

Other than Mr. Vasudeva Rao Maraka, none of the Directors / Key Managerial Personnel (KMP) or relatives of directors and KMP, are concerned or interested in the Resolution at Item No.5 of the Notice.

The Board commends the Special Business set out at Item No.5 of the Notice for approval by the shareholders.

Item No.6:

Mr. Avinash Karingam, aged 43 years, is an Additional Whole time (Executive) Director of the Company. He holds a Master's in Applied Mathematics and Ph.D in Mathematics (fluid Dynamics) and has research experience in quantitative financial and computational engineering. He has specialized in quantitative models, product management and quantitative risk management.

- **Tenure of Appointment:**

The appointment is for a period of 3 (Three) years with effect from May 23, 2019 to May 22, 2022

- **Nature of Duties**

The Executive Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board and exercise such powers as may be assigned to him, subject to the Super intendence, Control and Directions of the Board in connection with and in the best interests of the Business of the Company and the business of any one or more of its Associate Companies and / or Subsidiaries including performing duties as assigned by the Board from time to time by serving on the Boards of such Associate Companies / Subsidiaries or any other Executive Body or a Committee of such Companies.

- **Remuneration:**

The Whole time (Executive) Director shall be titled to remuneration as stated here under in terms of Schedule V of the Companies Act, 2013 ("the Act")

- Remuneration:(a)Basic Salary upto a Maximum of Rs. 1,00,000 per Month, with authority to the Board or a Committee there of to fix his Basic Salary with in the said Maximum amount; (b) Commission and /or Incentive Remuneration based on performance criteria to be laid down by the Board; and (c) Benefits, Perquisites and Allowances as may be determined by the Board from time to time over and above the Basic Salary within the Limits allowed under the Companies Act, 2013 read with Schedule V of the said Act.
- Minimum Remuneration: Not with standing anything to the contrary here in contained where in any Financial Year during the currency of the tenure of Executive Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, Benefits, Perquisites, Allowances and Incentive Remuneration as specified above with in the Limits allowed under the Companies Act, 2013 read with Schedule V of the said Act.

In compliance with the applicable provisions of the Companies Act, 2013, read with Schedule V of the Act, the terms and conditions of the appointment of Mr. Avinash Karingam as specified above, are now placed before the members for their approval.

Other than Mr.Avinash Karingam, none of the Directors / Key Managerial Personnel (KMP) or relatives of directors and KMP, are concerned or interested in the Resolution at Item No.6 of the Notice.

The Board commends the Special Business set out at Item No.6 of the Notice for approval by the shareholders.

Item No.7

Mr. Chukka Siva Satya Srinivas (DIN: 07177166) was appointed as an Additional Independent Director of the Company with effect from May 23, 2019 by the Board of Directors. In terms of Section161(1) of the Companies Act, 2013,Mr. Chukka Siva Satya Srinivas holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a Member in writing along with requisite deposit under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. Chukka Siva Satya Srinivas has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

Mr. Chukka Siva Satya Srinivas, aged 51 years, has more than 25 years of experience in MIS and risk Management. Accordingly, the Board recommends the passing of the Ordinary Resolution asset out in the Item no.7 of the Notice for appointment of Mr. Chukka Siva Satya Srinivas, asaDirector. AstatementcontaininghisprofileisgivenasperAnnexure1.

Except Mr. Chukka Siva Satya Srinivas,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 the resolution set out at Item No.7

Item No. 8**Transactions with Related parties under Section 188 of the Companies Act, 2013:**

The provisions of Section 188 of the Companies Act, 2013 that govern the related party transactions require a company to obtain prior approval of the Board of Directors and in case the paid up share capital of the Company is Rs.10 Crore or more, the prior approval of shareholders by way of special resolution. Though, the Paid-up Share Capital of the company is less than Rs.10 Crores, the company would like to obtain the approval of the members. Also Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Since the proposed transactions are between the holding and Associate companies which fall under the ambit of related party as per Section 2(76) of the Companies Act, 2013 the company seeks the consent of members for proceeding to transact with the companies mentioned in Item No.6 of the resolution.

Your Company being a Associate company of the companies referred to in resolution at item no.6 and hence a related party and therefore may be deemed to be concerned in the said resolution. It comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations. Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with TSL in the financial year 2019-20.

None of the directors or Key Managerial Persons are concerned or interested, financial or otherwise in the resolution except to the extent of their shareholding in the said Associate companies.

Regd Office:

Royal Pavilion Apartment,
H.No. 6-3-787, Flat No. 1003,
Gaddi Linga Murthy
Block - A, Ameerpet,
Hyderabad - 500016,
Telangana, INDIA

By Order of the Board
For **Specenet Enterprises India Limited**

GaddiLinga Murthy
Executive Director
(DIN No.02605861)

Date: 28th August, 2019

Annexure 1
EXPLANATORY STATEMENTS AS PER SEBI LODR Regulations

Name of the Director	Chukka Lakshmi
DIN	07733231
Date of Birth	18-10-1973
Type of appointment	Independent Director
Date of Appointment/ Re-appointment	14th November, 2018
Areas of Specialization	Business Experience
Qualifications	Under graduate
No. of Shares Held in the Company	Nil
List of Directorship held in outside Public Limited Companies	STAMPEDE CAPITAL LIMITED PROSEED INDIA LIMITED
Chairman/member of the Committee of the Board of Directors of this Company	3
Chairman/member of the Committee of the Board of Directors of other Companies	6
Relation with Key Managerial Personnel and Directors	Nil
Justification for appointment	Her business expertise to be used for the overall business development of the Company.

Name of the Director	GaddiLinga Murthy
DIN	02605861
Date of Birth	04-04-1978
Type of appointment	Executive Director
Date of Appointment / Re-appointment	23rd May, 2019
Areas of Specialization	He has 18 years of IT experience in Financial and Telecom domain environments in all phases of software development life cycle.
Qualifications	M.Sc
No. of Shares Held in the Company	Nil
List of Directorship held in outside Public Limited Companies	Nil
Chairman/member of the Committee of the Board of Directors of this Company	1
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	Had more than 18 years of business experience which will helpful for the Company.

Name of the Director	VasudevaRaoMaraka
DIN	02605861
Date of Birth	12-03-1977
Type of appointment	Executive Director
Date of Appointment / Re-appointment	23rd May, 2019
Areas of Specialization	He has vast experienced and driven Operational Director with a proven track record of helping to lead companies by ensuring that they are functioning well both sales and operations .
Qualifications	M.C.A
No. of Shares Held in the Company	Nil
List of Directorship held in outside Public Limited Companies	Nil
Chairman/member of the Committee of the Board of Directors of this Company	Nil
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	Expertise in Company's Business Model.

Name of the Director	Avinash Karingam
DIN	02599266
Date of Birth	14-05-1976
Type of appointment	Whole time Director
Date of Appointment / Re-appointment	23rd May, 2019
Areas of Specialization	He has specialized in quantitaive models, product management and quantitative risk management.
Qualifications	M.Sc
No. of Shares Held in the Company	Nil
List of Directorship held in outside Public Limited Companies	STAMPEDE CAPITAL LIMITED
Chairman/member of the Committee of the Board of Directors of this Company	Nil
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	His experienced to be used for the overall business development of the company.

Name of the Director	Chukka Siva SatyaSrinivas
DIN	07177166
Date of Birth	06-07-1968
Type of appointment	Independent Director
Date of Appointment/ Re-appointment	23rd May, 2019
Areas of Specialization	He has specialized in risk management.
Qualifications	Under Graduate
No. of Shares Held in the Company	Nil
List of Directorship held in outside Public Limited Companies	STAMPEDE CAPITAL LIMITED SOCIAL MEDIA INDIA LIMITED
Chairman/member of the Committee of the Board of Directors of this Company	3
Chairman/member of the Committee of the Board of Directors of other Companies	3
Relation with Key Managerial Personnel and Directors	Nil
Justification for appointment	His experienced to be used for the overall business development of the company.

- 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 Towers, Chirag Ali Lane, Hyderabad, 500001, Telangana** Ph: 040- 23203155 Email: rta@cilsecurities.com

Sending notices and documents to shareholders through email:

- As part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the share holders 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 there in 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.

DIRECTOR'S REPORT

TO THE MEMBERS OF SPACENET ENTERPRISES INDIA LIMITED

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Accounts for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS:

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Revenue		
Income from operations	53,41,920	6,318
Other income	10,60,867	35,29,040
Total revenue	64,02,787	35,35,358
Expenses		
Operating expenses	53,35,363	-
Employee benefits expense	2,12,723	12,36,141
Finance costs	-	-
Depreciation and amortisation expense	69,560	1,09,317
Other expenses	11,06,607	14,00,688
Total expenses	67,24,253	27,46,146
Profit / (Loss) before extraordinary items and tax	(3,21,466)	7,89,212
Extraordinary items	-	-
Profit / (Loss) before tax	(3,21,466)	7,89,212
Tax expense		
- Current tax	-	-
- Deferred tax	-	-
Profit / (Loss) after tax	(3,21,466)	7,89,212
Other Comprehensive Income / (Loss) (OCI)		
Items that will not be reclassified to profit or loss in subsequent periods:	-	-
Other Comprehensive Income / (Loss) for the period net of tax	-	-
Total Comprehensive Income for the period, net tax	(3,21,466)	7,89,212
Paid up equity share capital (face value of ₹1/-each)		
Earnings per share - par value ₹ 1 per share		
Basic	(0.01)	0.02
Diluted	(0.01)	0.02

REVIEW OF OPERATIONS:

For the financial year ended March 31, 2019, your Company had reported total income of 64.02 lakhs as against 35.35 lakhs during the previous financial year. The Company incurred a Net Loss of 3.21 lakhs as against Net Profit of Rs. 7.89 lakhs during the previous financial year.

Your company has plans for Scheme of Arrangement with Kling Enterprises India Limited (Demerged company) for the acquisition of Commodity Trading Division of the demerged company. The same is under process for regulatory and other authorities approval at present.

DIVIDEND:

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

BORROWINGS:

Please Refer Note No. 2.8 of the notes on accounts (Financial statements) indebtedness in this Report.

DIRECTORS:

In accordance with Sections 149, 150, 152 & other applicable provisions if any, of the Companies Act, 2013 Mr. Gaddi Linga Murthy (DIN:02605861) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Gaddi Linga Murthy, Mr. Vasudeva Rao Maraka, had been appointed as on Additional Executive Directors and Mr. Avinash Karingam has been appointed as an Additional Whole time Director by the Board of Directors of the company effective from 23rd May, 2019 are proposed as Executive Directors and Whole time Director of the Company respectively. The Board of Directors recommends their appointments at the ensuing Annual General Meeting.

Mr. Chukka Siva Satya Srinivas, who was appointed as an Additional Independent Director by the Board of Directors of the company is proposed as an Independent Director of the Company for a period of 5 years. The Board of Directors recommends his appointment at the ensuing Annual General Meeting.

Mrs. Chukka Lakshmi has been appointed as Additional Non Executive Woman Director of the Company effect from November 14th, 2018 is proposed as a Non Executive Woman Director of the Company. The Board of Directors recommends her appointment at the ensuing Annual General Meeting.

During the year Mrs. Padmavathi Renduchintala, Non-Executive Woman Director, Mr. Seetarama Rao Atluri, Mr. Narsimha Rao Guntur, Mr. Venkat Krishnayya Nekkanti, an Independent Directors, Mr. Tammineedi Venkateswara Rao, an Executive Director cum CFO, Mr. Srinivasa Rao Tatipaka, a Whole time Director have resigned and the Board kept on record the valuable services rendered by them during their tenure.

AUDITORS:**Statutory Auditors:**

Pursuant to the provision of section 139 and other applicable provision, if any, of the Company Act, 2013 read with Rule made there under, The statutory Auditors, M/s Navitha and associates, chartered Accountants, has been appointed as the statutory Auditors at the last Annual General Meeting for a period of three (3) years till the conclusion of 10th Annual general Meeting in the calendar year of 2020. As per the companies Amendment Act 2017, Ratification by members is not required and hence only the information with regard to continuity of auditor is mentioned.

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 & 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 2019-20 has already been paid to the NSE.

PREVENTION OF INSIDER TRADING:

The company has adopted a code of conduct for prevention of Insider Trading with a view to regulate trading in securities by the directors, KMP s and designated employees of the company. The code requires pre-clearance for dealing in the company's securities and prohibits the dealing in securities of the company while in possession of unpublished price sensitive information in relation to the company. The Board and the designated employees have confirmed compliance with the code.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES

Your Company has always believed in providing a safe and harassment free workplace for every women employee working with your Company. Your Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has a zero tolerance for sexual harassment at workplace and, therefore, Has in place a policy on prevention of sexual harassment at workplace. The said policy is in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The policy aims at prevention of harassment of women at workplace and lays down the guidelines for identification reporting and prevention of sexual harassment. There is an internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

The Company has not received any complaint of sexual harassment at workplace during the year under review.

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)© of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed and no material departures have been made from the same;
- 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;

- 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;
- the directors have prepared the annual accounts on a going concern basis;
- 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
- 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	
	2019	2018
Foreign Exchange Earnings	-	-
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**

GaddiLinga Murthy
Executive Director
(DIN No.02605861)

Place : Hyderabad
Date : 28th August, 2019

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] and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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 INDIA LIMITED (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, 2019, 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, 2019 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-II, 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, Company Secretary has been appointed for this Company during March, 2019 and at present no Company secretary is available. The CFO was appointed on 14.03.2019.
- 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 observation letter from NSE imposing penalty for not appointing a Company Secretary vide their letter No. NSE/LIST-SOP/REG-6(1)/FINES/81136 Dated 14.05.2019 and the Company has duly paid the said penalty.
- The company has replied to the clarification sought letter by the stock exchange on sale of subsidiaries on 13.04.2018.

Further, we report that at the time of preparation of this report, the Company has approved in its board meeting held on 23.05.2019 the Scheme of Arrangement between Kling Enterprises India Limited (Demerger Company), Spacenet Enterprises India Limited ('Resuting Comany') and their respective shareholders for the acquisition of the Commodity Trading Division of the Demerged company under Sections 230-232 of the Companies Act, 2013.

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 & ASSOCIATES,
Company Secretaries,

KOTA SRINIVAS
ACS: 34206
CP: 14300

Place: Hyderabad
Date: 28.08.2019

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 2018-19)

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 2018-19.

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 & ASSOCIATES,
Company Secretaries,

KOTASRINVIAS
ACS: 34206
CP: 14300

Place: Hyderabad
Dated: 28.08.2019

FORM MGT - 9

Annexure-2

EXTRACT OF ANNUAL RETURN

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)
Financial Year ended on 31.03.2019

I. REGISTRATION AND OTHER DETAILS:

I	CIN	L72200TG2010PLC068624
ii	Registration Date	28-05-2010
iii	Name of the Company	Spacenet Enterprises India Limited
Iv	Category/Sub-category of the Company	Commodity Trading
V	Address of the Registered office & contact details	Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad - 500016 Telangana, INDIA
Vi	Whether listed company	Listed on NSE
Vii	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.

Sl.No.	Name and Description of main products/services	NIC Code of the Product/service	% tototal turnover of the company
1.	Commodity Trading	6612	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl.No.	Name and Address of the Company	CIN/GLN	Holding /Subsidiary /Associate	% of shares held	Applicable Section
1.	Nil	Nil	Nil	Nil	Nil

Note: During the year, the application of the proposed strike off of Northgate Investments Pte Limited, a wholly owned subsidiary and Globe7 Pte Ltd, Singapore a step down subsidiary of the Company which is incorporated in Singapore, has been submitted to the Accounting and Corporate Regulatory Authority (ACRA) and has been approved. Globe7 HK Limited, Filed petition for winding up on 21 March 2012. Hence the company does not have any subsidiary as on 31 March 2019.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	6636198	-	6636198	13.54	9305050	-	9305050	18.98	5.44
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Others	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	6636198	-	6636198	13.54	9305050	-	9305050	18.98	5.44
(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)	6636198	-	6636198	13.54	9305050	-	9305050		5.44
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)									
a) Crest a Fund Limited	-	-	-	-	-	-	-	-	-
ii) Marshal Global Capital Fund Limited	-	-	-	-	-	-	-	-	-
iii) Albula Investment Fund Limited	2832492		2832492	5.78	2832492	-	2832492	5.78	-
Sub-total (B)(1)	2832492	-	2832492	5.78	2832492	-	2832492	5.78	-
2. Central Government State									
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
3. Non Institutions									
(a) Individuals									
PalacharlaPadmavathi	-	-	-	-	-	-	-	-	-
(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	25247065	26601	25273666	51.56	24547263	25911	24573174	50.13	-1.43
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	9566406	-	9566406	19.52	7508661	-	7508661	15.32	-4.20
Non Resident Indian	531884	-	531884	1.09	512889	-	512889	1.05	-0.04
Body Corporate	4177394	-	4177394	8.52	4223707	-	4223707	8.62	0.10
Clearing Members	550	-	550	0.00	62617	-	62617	0.13	0.13
iii)Any Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(3)	39523299	26601	39549900	80.68	36855137	25911	36881048		
Total Public Shareholding (B)= (B)(1)+(B)(2)+B(3)	42355791	26601	42382392	86.46	39687629	25911	39713540	81.02	-5.44
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Total (A+B+C)	48991989	26601	49018590	100.00	48992679	25911	49018590	100	0.00

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
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	-	-	-	-	-
4.	Naimi Kunareddy	756266	1.54	-	-	-	-	-
5.	Simi Kunareddy	2312000	4.72	-	-	-	-	-
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):

Sl. No.	Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Meenavalli Krishna Mohan	80786	0.16	80786	0.15
2.	Meenavalli Venkata Srinivas	3254586	6.64	3254586	6.64
3.	Meenavalli Usha Rani	3226360	6.58	3226360	6.58
4.	Uma Kunareddy	-	-	266852	5.44
5.	M V Laxmi	74466	0.15	74466	0.15
6.	Simi Kunareddy	-	-	-	-
7.	Naimi Kunareddy	-	-	-	-

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

Sl. No.	Shareholder	Shareholding at the beginning of the year 01-04-2018		Cumulative Shareholding during the year 31-03-2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1.	ALBULA INVESTMENT FUND LTD	2832492	5.78%	2832492	5.78%
2.	BARRET COMMODITY TRADERS PRIVATE LIMITED	-	-	1663758	3.39%
3.	YASHWANTH REDDY MANDIPATI	756266	1.54%	756266	1.54%
4.	V V S CHALAPATHI RAO	641940	1.31%	616940	1.26%
5.	KOMMAREDDY NARASIMHA KRISHNA MURTHY	377086	0.77%	596377	1.22%
6.	TAMMINEEDI SURESH	589583	1.20%	537483	1.10%
7.	VIJAYA BHASKAR APPAPURAPU	500011	1.02%	510020	1.04%
8.	PALACHARLA PADMAVATHI	497000	1.01%	500000	1.02%
9.	NITINKUMAR GANGARAMBHAI PATEL	429036	0.88%	429036	0.88%
10.	CHITTURI VIJAYA DURGA	409200	0.83%	409200	0.83%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	VASUDEVA RAO MARAKA	-	-	-	-
2.	GADDI LINGA MURTHY	-	-	-	-
3.	AVINASH KARINGAM	-	-	-	-
4.	SATYA SRIKANTH KARATURI	-	-	-	-
5.	CHUKKA SIVA SATYA SRINIVAS	-	-	-	-
6.	CHUKKA LAKSHMI	-	-	-	-

(VI) INDEBTEDNESS
Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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
Change in Indebtedness during the financial year				
• Addition	-	4,44,98,000	-	4,44,98,000
• Reduction	-	4,80,84,811	-	4,80,84,811
Net Change	-	(35,86,811)	-	(35,86,811)
Indebtedness at the end of the financial year				
i. Principal Amount	-	9,75,83,657	-	9,75,83,657
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	9,75,83,657	-	9,75,83,657

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Avinash Karingam	GddiLinga Murthy	Vasudeva Rao Maraka	
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:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Chukka Siva Satya Srinivas	Satya Srikanth Karaturi	Chukka Lakshmi	
	Independent Directors				
	• Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	Other Non-Executive Directors				
	• Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total = (1 + 2)	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
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	-	12096/-	-	12096/-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-	-
5.	Others, please specify Total	-	12096/-	-	12096/-

Note: Appointed Company Secretary as on March 14, 2019.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fee imposed	Authority RD/NCLT /Court	Appeal made if any
A. Company Penalty	Sec 203	Non Appointment of CS	1.93 Lakhs	-	-
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 the Board
Promoter and Non-Independent Director	0	0
Executive Director	3	50.00%
Non-Executive Director(s)	1	16.66%
Non-Executive and Independent Director	2	33.33%
Total	6	100

b) Attendance of each Director at the Board Meetings held during the year 2018-19 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. Avinash Karingam	6	-	NO
2	Mr. Gaddi Linga Murthy	6	-	NO
3	Mr. Vasudeva Rao Maraka	6	-	NO
4	Mr. Satya Srikanth Karaturi	6	6	YES
5	Mr. Chukka Siva Satya Srinivas	6	-	NO
6	Mrs. Chukka Lakshmi	6	2	NO

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

Name of the Director	Board@		Committee	
	Chairman	Member	Chairman	Member
Mr. Avinash Karingam	NIL	2	NIL	NIL
Mr. Gaddi Linga Murthy	NIL	2	NIL	1
Mr. Vasudeva Rao Maraka	NIL	1	NIL	NIL
Mr. Satya Srikanth Karaturi	1	2	3	3
Mr. Chukka Siva Satya Srinivas	NIL	2	2	6
Mrs. Chukka Lakshmi	NIL	2	NIL	9

@Directorships in Foreign Companies and private limited Companies are excluded

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

The Board of Directors met 6 times during the year 2018-19 on 30th May, 2018; 13th August, 2018; 28th August, 2018; 14th November, 2018; 13th February, 2019; 14th March, 2019.

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

Sl. No.	Name of Director	Designation in the Audit Committee	Number of Meetings during the financial year 2017-18	
			Held	Attended
1	Mr. Satya Srikanth Karaturi	Chairman	4	2
2	Mr. Gunturu Narsimha Rao	Member	4	-
3	Mr. Chukka Lakshmi	Member	4	4

iii. Meetings and Attendance during the year

During the Financial Year 2018-19, the Audit Committee met 4 times on the following dates: 30th May 2018; 13th August, 2018; 14th November, 2018; 13th February, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE

The composition of Compensation / Remuneration Committee is as follows:

Sl. No	Name of Director	Designation in the Committee
1	Mr. Satya Srikanth Karaturi	Chairman
2	Mr. Gunturu Narsimha Rao	Member
3	Mr. Chukka Lakshmi	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. Chukka Siva Satya Srinivas	Member
3	Mr. Chukka Lakshmi	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 2018-19 is as under.

No. of Investor's Complaints received during the financial year 2018-19	No. of Investor's Complaints resolved during the financial year 2018-19	Investor Complaints pending at the end of financial year 2018-19
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, 2018	28.09.2018	Senior Citizen Hall, 2nd Floor, Beside S.R.K Raju Community Hall, MadhuraNagar,Hyderabad – 500038 Telangana	03.30 P.M
March 31, 2017	29.09.2017	Moti Nagar Community Hall, Mothinagar X Roads, Borabanda, Hyderabad – 500 018 Telangana	03.30 P.M
March 31, 2016	30.09.2016	Kalinga Cultural Trust, Plot No.1269, Road No.12, Banjara Hills, Hyderabad-500034	02.30 P.M

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

7. DISCLOSURES

- 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.
- 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.
- 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 28, 2019
 Time : 11.00 A.M.
 Venue : Senior Citizen Hall 2nd Floor, Beside S.R.K Raju community hall, Madhuranagar, Hyderabad 500038 Telangana
- ii. Financial Year : 1st April 2018 to 31st March 2019
- iii. Date of Book Closure : 25th September, 2019 to 28th September, 2019
 (Both days inclusive)
- iv. Listing on Stock Exchange : 1. National Stock Exchange
- v. Stock Symbol & Code : SPCENET
- vi. Market price data : High / Low during the each month in the financial year 2018-19 and performance in comparison to broad based indices, NSE's Nifty.

Month & year	NSE			
	Stock (Rs)		NIFTY	
	High	Low	High	Low
Apr-18	-	-	10759	10111.30
May-18	-	-	10929.20	10417.80
June-18	-	-	10893.25	10550.90
July-18	-	-	11366	10604.65
Aug-18	-	-	11706.20	11234.95
Sept-18	0.65	0.25	11751.80	10850.30
Oct-18	1.00	0.35	11035.65	10004.55
Nov-18	0.50	0.25	10922.45	10341.90
Dec-18	0.80	0.35	10963.65	10333.85
Jan-19	1.00	0.65	10987.45	10583.65
Feb-19	1.00	0.80	11118.10	10585.65
Mar-19	1.30	0.80	11630.35	10817

vi. 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:

Category	Number of Members	(%) of Total Members	Number of Equity Shares	(%) of Total Shareholding
0-500	12706	69.67	2346649	4.79
501-1000	2339	12.82	2026212	4.13
1001-2000	1324	7.26	2119825	4.32
2001-3000	566	3.10	1481936	3.02
3001-4000	257	1.41	944772	1.93
4001-5000	258	1.41	1245136	2.54
5001-10000	368	2.02	2804028	5.72
10001-above	420	2.30	36050032	73.54
Total	18238	100	49018590	100

ix. Dematerialization of shares and Liquidity:

As on 31 March 2019, 99.99% 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: INE970N01027

x. Address for correspondence:

Spacenet Enterprises India Limited
 (Formerly Northgate Com Tech Limited),
 Royal Pavilion Apartment,
 H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet,
 Hyderabad - 500016Telangana,INDIA
 Phone : 91-40 23540764/65 Fax :91-40-2354 0763
 Email: cs@spacenetent.com

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 behaviour. 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 the year ended March 31, 2019, 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 above mentioned 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 Navitha and Associates Chartered
Accountants FirmRegistrationNumber:012026S

Date : 28 August, 2019
Place: Hyderabad

CA.Navitha.K
Proprietor
MembershipNumber:221085

**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
Date: 28th August, 2019

GaddiLinga Murthy
Executvie Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The World Bank forecasts global economic growth to edge up to 3.1 percent in 2018 after a much stronger-than-expected 2017, as the recovery in investment, manufacturing, and trade continues, and as commodity-exporting developing economies benefit from firming commodity prices.

Growth in advanced economies is expected to moderate slightly to 2.2 percent in 2018, as central banks gradually remove their post-crisis accommodation and as an upturn in investment levels off. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in 2018, as activity in commodity exporters continues to recover.

The slowdown in potential growth is the result of years of softening productivity growth, weak investment, and the aging of the global labor force. The deceleration is widespread, affecting economies that account for more than 65 percent of global GDP. Without efforts to revitalize potential growth, the decline may extend into the next decade, and could slow average global growth by a quarter percentage point and average growth in emerging market and developing economies by half a percentage point over that period.

Overview of developments in India during 2018-19

India has become the world's sixth-biggest economy according to updated World Bank figures for 2017. It is the world's seventh-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). After the 1991 economic liberalisation, India achieved 6%-7% average GDP growth annually. In FY 2015 and 2018 India's economy became the world's fastest growing major economy, surpassing China. India's gross domestic product (GDP) amounted to \$2.597 trillion at the end of last year.

Road A Head:

Spacenet Enterprises India Ltd exploring new business avenue and ventured in to Commodity trading segment which includes both Agri & non Agri commodities like metals, Energy.

The commodity market in India, especially agri-commodities, is on the cusp of transformation. The three biggest bottlenecks – storage, logistics and financing infrastructure inadequacies – that plagued the sector and resulted in colossal harvest and post-harvest losses are finally being eliminated with a synergistic combination of technology, physical infrastructure and stronger regulation.

Historical context

During the pre-Independence era, India had a flourishing market for commodities such as cotton, edible oils, etc. In 1952, futures' trading in most commodities was banned due to shortages of essential commodities, which resulted from wars and natural calamities. The ban was lifted in 2002 and several national level electronic exchanges and regional exchanges for trading commodity derivatives sprung up, including the Multi Commodity Exchange (MCXNSE 4.71 %)

Further technology in fusion

Despite these tech-savvy exchanges, not much changed at the ground level. The physical sale of agricultural produce was still administered by states, with each state following its own regulations. Further, within each state there were several market areas and every area had its Agricultural Produce Marketing Committee (APMC), which dictated regulations, fees, etc. This structure tends to compartmentalize markets and inhibit the free flow of commodities.

Warehousing solutions

The government has also been actively incentivising private investments in warehousing by including agri-warehousing under the priority sector lending. In addition to various subsidy schemes and tax sops to attract investor companies, it has promulgated the Warehousing Act, 2007, which seeks to encourage the regulation and development of warehouses. Under the purview of the Warehousing Development and Regulatory Authority (WDRA), a new breed of storage infrastructure is upcoming.

Regulation and reform

While the Forward Markets Commission regulated the commodity markets since the early 1950s, it was perceived as lacking the power to control wild fluctuations in prices and other irregularities.

Accordingly, in 2015, Sebi - which carried the reputation being superior in terms of surveillance, risk-monitoring and enforcement mechanisms, was merged with the FMC, creating a more robust regulatory body for the sector.

Subsequently, Sebi implemented a slew of advancements within the commodity market space. These include allowing stock brokers to deal in commodity derivatives, common broking businesses for equities and commodities, permitting the NSE and BSE to bring commodity derivatives onto their trading platform, introducing option contracts in commodities trading, permitting FPIs to participate in commodity derivatives contracts traded in stock exchanges subject to certain stipulations, allowing certain categories of foreign ..

Future of Commodities.

Looking ahead, it appears that the Indian commodity markets, especially the agri-commodities segment is headed for better days. Not only will it become more efficient, in terms of warehousing, storage and physical trades, but it is expected to become more broad-based, vibrant and deep due to the facilitation it has been receiving from Sebi and the stock and commodity exchanges.

Cautionary Statement

Statements in the Management Discussions and Analysis describing the Companys projections, estimates, and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Companys operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations/policies, tax laws, other statutes and other incidental factors.

CEO/CFO Certificate

To,

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

I, Gaddi Linga Murthy, Executive Director 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, 2019 (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, 2019

Gaddi Linga Murthy
Executive Director
(DIN No. 02605861)

**To the Members of
Spacenet Enterprises India Limited
Report on Audit of the Standalone Financial Statements**

Opinion

We have audited the standalone Ind AS financial statements of Spacenet Enterprises India Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 including the state of affairs (financial position) of the Company as at 31st March, 2019, and its profit/(loss) (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (Sas), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Standalone Ind AS Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the Material Uncertainty Related to Going Concern section, no other KAM needs to be addressed in our report.

Other Information

The Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(If the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we 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 purposes 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards Specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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”.
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For Navitha And Associates
Chartered Accountants
ICAI Firm Registration No: 012026S

Navitha.K
Proprietor
Membership No: 221085

Place :Hyderabad
Date :23.05.2019

ANNEXURE “A” TO THE AUDITOR’S REPORT
Referred to in paragraph 1 under the head “Report on other legal & regulatory requirements” of our report of even date.

- I a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b. All the property, plant and equipment have been physically verified by the management during the year according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. As per the documents verified by us and explanation given to us, the Title Deeds of immovable properties are held in the name of the company.
- ii). The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- iii). According to the information and explanations given to us, the company has not granted any loans secured or unsecured, to companies, firms, Limited Liability Partnership or other parties who are covered in the register maintained under section 189 of Companies Act, 2013, accordingly paragraph3 (iii) (a), (b) and (c) of the order are not applicable to the company.
- iv) According to the information and explanations given to us, the Company has not granted any loans, guarantees and security and made investments, as per section 185 & 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and as per the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi) The Company has maintained cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii) a. According to the information & explanations given to us, none of the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods & Service Tax, Cess and any other Statutory Dues were outstanding as at last day of the financial year concerned for a period of more than six months.
- b. According to the information & explanations given to us, there is no dues in respect of disputed amount to be deposited in respect of Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax as on 31st March, 2019 except as stated below:

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (₹)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	AY 2012-13	2,971,230	Commissioner of Income Tax Appeals
Income Tax Act, 1961	Income Tax	AY 2013-14	909,580	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	AY 2014-15	1,516,310	Commissioner of Income Tax Appeals

- viii) According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to the financial institutions, bank, government or dues to debenture holders.
- ix) In our opinion, and according to the information and explanations given to us, the company has raised money by way of term loans and has applied for the purpose for which it was raised, company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- x) According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers/employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us, the Company has paid and provided managerial remuneration during the year as per the provisions of Section 197 read with Schedule V to the Companies Act.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, Clause (xii) of Paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us, all transactions with the related party are in compliance with section 177 & 188 of Companies Act, 2013 and the same has been disclosed in financial statements as required by the Accounting Standards.
- xiv) According to the information and explanations given to us, the company has not made preferential allotment of shares and convertible share warrants on private placement basis during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the company.
- xv) According to the information and explanations given to us, the company has not entered into Non Cash Transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the company.
- xvi) According to the information and explanations given to us, company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For Navitha And Associates
Chartered Accountants
ICAI Firm Registration No: 012026S

Navitha.K
Proprietor
Membership No: 221085

Place :Hyderabad
Date :23.05.2019

Annexure “B” to the Independent Auditor’s Report of even date on the Financial Statements of 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 Spacenet Enterprises India Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2019, based on the internal financial controls 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.

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 judgment, 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.

For Navitha And Associates

Chartered Accountants

ICAI Firm Registration No: 012026S

Navitha.K

Proprietor

Membership No: 221085

Place :Hyderabad

Date :23.05.2019

Balance sheet as at 31 March 2019

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

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	2.1(i)	-	2,87,147
(b) Intangible assets	2.1(ii)	2,98,316	3,51,823
(c) Financial assets			
Other financial assets	2.2	12,20,108	86,094
(d) Other Non Current Assets	2.3	2,72,627	2,72,627
Total Non-current Assets		17,91,051	9,97,691
Current Assets			
(a) Financial assets			
(i) Trade receivables		-	-
(ii) Cash and cash equivalents	2.4	74,687	9,47,133
(iii) Other financial assets	2.5	1,01,692	-
Total Current Assets		1,76,379	9,47,133
TOTALASSETS		19,67,430	19,44,824
EQUITY AND LIABILITIES			
Shareholder's funds			
(a) Share capital	2.6	4,90,18,590	4,90,18,590
(b) Other Equity	2.7	(15,28,68,443)	(15,25,46,977)
TOTALEQUITY		(10,38,49,853)	(10,35,28,387)
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
Borrowings	2.8	6,82,76,400	6,89,76,400
(b) Other non-current liabilities		-	-
Total Non-current Liabilities		6,82,76,400	6,89,76,400
Current liabilities			
(a) Financial liabilities			
Trade payables	2.9	62,95,728	-
(b) Provisions	2.10	8,793	38,351
(c) Other current liabilities	2.11	3,12,36,362	3,64,58,460
Total Current Liabilities		3,75,40,883	3,64,96,811
TOTALEQUITY AND LIABILITIES		19,67,430	19,44,824
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 and Associates**
 Chartered Accountants
 Firm's registration no. 012026S

C.A Navitha. K
 Proprietor
 Membership No: 221085

 Place : Hyderabad
 Date : 23 May 2019

 for **Spacenet Enterprises India Limited**
Satya Srikanth Karaturi
 Director
 DIN: 07733024

Abhishek Mishra
 Company Secretary
 ACS: 56048

Gaddi Linga Murthy
 Director
 DIN: 02605861

Statement of profit and loss for the year ended 31 March 2019

(Amount in ₹)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Income from operations	2.12	53,41,920	6,318
Other income	2.13	10,60,867	35,29,040
Total revenue		64,02,787	35,35,358
Expenses			
Operating expenses		53,35,363	-
Employee benefits expense	2.14	2,12,723	12,36,141
Finance costs		-	-
Depreciation and amortisation expense	2.1	69,560	1,09,317
Other expenses	2.15	11,06,607	14,00,688
Total expenses		67,24,253	27,46,146
Profit / (Loss) before extraordinary items and tax		(3,21,466)	7,89,212
Extraordinary items		-	-
Profit / (Loss) before tax		(3,21,466)	7,89,212
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Profit / (Loss) after tax		(3,21,466)	7,89,212
Other Comprehensive Income / (Loss) (OCI)			
Items that will not be reclassified to profit or loss in subsequent periods:		-	-
Other Comprehensive Income / (Loss) for the period net of tax		-	-
Total Comprehensive Income for the period, net tax		(3,21,466)	7,89,212
Paid up equity share capital (face value of ₹1/-each)			
Earnings per share - par value ₹ 1 per share	2.21		
Basic		(0.01)	0.02
Diluted		(0.01)	0.02
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 and Associates**
 Chartered Accountants
 Firm's registration no. 012026S

C.A Navitha. K
 Proprietor
 Membership No: 221085

 Place : Hyderabad
 Date : 23 May 2019

 for **Spacenet Enterprises India Limited**
Satya Srikanth Karaturi
 Director
 DIN: 07733024

Abhishek Mishra
 Company Secretary
 ACS: 56048

Gaddi Linga Murthy
 Director
 DIN: 02605861

Cash flow statement for the year ended 31 March 2019

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
I. Cash flows from operating activities:		
Net profit/(loss) before taxation:	(3,21,466)	7,89,212
Adjustments for operating activities:		
Depreciation and amortisation	69,560	1,09,317
Profit/(loss) on sale of Fixed Assets (net)	25,064	-
Finance costs	-	-
Operating profit before working capital changes	(2,26,842)	8,98,529
Adjustments for		
Decrease/(increase) in trade receivables	-	73,033
Decrease/(increase) in Financials Assets	(12,35,706)	304
Increase/(decrease) in provisions	(29,558)	(55,284)
Increase/(decrease) in Current Liabilities	10,73,630	32,31,142
Cash generated from operations	(4,18,476)	41,47,724
Income taxes paid	-	-
Net cash flow from operating activities (A)	(4,18,476)	41,47,724
II. Cash flows from investing activities		
Sale of Assets	2,46,030	-
Net cash flow used in investing activities (B)	2,46,030	-
III. Cash flows from financing activities		
Proceeds from intercorporate deposit, net	(7,00,000)	(35,86,811)
Interest paid	-	-
Net cash used in financing activities (C)	(7,00,000)	(35,86,811)
Net increase in cash and cash equivalents (A+B+C)	(8,72,446)	5,60,913
Cash and cash equivalents at the beginning of the year	9,47,133	3,86,220
Cash and cash equivalents at the end of the year (refer note: 2.4)	74,687	9,47,133

As per our report of even date attached
For Navitha and Associates
 Chartered Accountants
 Firm's registration no. 012026S

C.A Navitha. K
 Proprietor
 Membership No: 221085

Place : Hyderabad
 Date : 23 May 2019

for **Spacenet Enterprises India Limited**

Satya Srikanth Karaturi
 Director
 DIN: 07733024

Abhishek Mishra
 Company Secretary
 ACS: 56048

Gaddi Linga Murthy
 Director
 DIN: 02605861

Statement of changes in equity for the year ended March 31, 2019

Particulars	No. of Shares	Amount (₹)
a. Equity Share Capital		
Equity Shares of ₹1 Each, Fully paid up		
As at April 01, 2017	4,90,18,590	4,90,18,590
Issued during the year	-	-
As at March 31, 2018	4,90,18,590	4,90,18,590
Issued during the year	-	-
As at March 31, 2019	4,90,18,590	4,90,18,590

b. Other Equity

Particulars	Reserves and surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Capital reduction	Retained Earnings	
As at April 01, 2017	-	-	12,06,82,325	-	(27,40,18,514)	(15,33,36,189)
Profit/(loss) for the year	-	-	-	-	7,89,212	7,89,212
As at March 31, 2018	-	-	12,06,82,325	-	(27,32,29,302)	(15,25,46,977)
Profit/(loss) for the year	-	-	-	-	(3,21,466)	(3,21,466)
As at March 31, 2019	-	-	12,06,82,325	-	(27,35,50,768)	(15,28,68,443)

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

As per our report of even date attached
For **Navitha and Associates**
Chartered Accountants
Firm's registration no. 012026S

C.A Navitha. K
Proprietor
Membership No: 221085

Place : Hyderabad
Date : 23 May 2019

for **Spacenet Enterprises India Limited**

Satya Srikanth Karaturi
Director
DIN: 07733024

Abhishek Mishra
Company Secretary
ACS: 56048

Gaddi Linga Murthy
Director
DIN: 02605861

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 trading of commodities, providing Information Technology Services and online advertising services. It shares are listed on National Stock Exchange.

The following are the Subsidiaries:

Name of the Company	Country of incorporation	Percentage of Holding as at	
		31 March 2019	31 March 2018
Subsidiaries (held directly)			
Northgate Investments Pte Limited***	Singapore	-	100%
Adgog UK Limited **	United Kingdom	-	100%
Subsidiaries (held indirectly)			
Globe7 Pte Limited***	Singapore	-	100%
Social Media India Limited**	India	-	100%
Globe7 HK Limited *	Hong Kong	-	100%

* Filed petition for winding up on 21 March 2012

** Sold on 23 March 2018

*** Accounting and Corporate Regulatory Authority (ACRA), Singapore has been approved for strike off the companies

(a) Basis of preparation & compliance with IND AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis except for certain financial liabilities, which are measured at fair value.

The financial Statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of corporate affairs pursuant to Section 133 of the Companies Act 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments through Companies (Indian Accounting Standards) Amendment Rules there under.

The Financial statements have been prepared on accrual and going concern basis .the accounting policies are applied consistently to all the periods presented in the financial statements.

(b) Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

1. Significant Accounting Policies continued...

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

(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:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle; or
- b. it is held primarily for the purpose of being traded; or
- 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 counter party, 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

Depreciation is provided on all property, plant and equipment on straight-line method in the manner and useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/deletion is provided on pro-rata basis with reference to the date of addition/deletion as the case may be.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Company has adopted cost model for all class of items of fixed assets.

1. Significant Accounting Policies continued...

(e) Property, Plant and Equipment

a. 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.

b. 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.

(f) 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.

(g) 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.

1. Significant Accounting Policies continued...

(h) 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.

The revenue from sale of commodities is recognised when all significant risks and rewards of ownership of goods are passed to the buyer (ie. On Physical Delivery), in accordance with the terms and conditions of the contracts entered into by the Company with customers.

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.

(I) 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 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.

(j) 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.

(k) 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).

(l) 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.

1. Significant Accounting Policies continued...

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

(m) 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.

(n) 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.

(o) 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.

1. Significant Accounting Policies continued...

(p) 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.

(r) Standards issued but not yet effective

These financial statements, for the year ended 31 March 2019, are the first financial statements the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2017, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

(s) Foreign currency transactions

The functional currency of the Company is Indian Rupees (INR).

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Gains and losses arising on settlement are included in the profit or loss.

2. Notes on Standalone financial statements

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

2.1 : (i) Property, Plant and Equipment

(Amount in ₹)

Particulars	Computers and related assets	Furniture and fixtures	Vehicles	Office equipment	Total
Cost					
As at April, 2017	31,09,064	-	10,35,955	-	41,45,019
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at April, 2018	31,09,064	-	10,35,955	-	41,45,019
Additions	-	-	-	-	-
Disposals	-	-	5,58,090	-	5,58,090
As at 31 March, 2019	31,09,064	-	4,77,865	-	35,86,929
As at 31 March, 2018	31,09,064	-	10,35,955	-	41,45,019
Accumulated depreciation					
As at April, 2017	31,09,064	-	6,92,998	-	38,02,062
Depreciation expense	-	-	55,810	-	55,810
Disposals	-	-	-	-	-
As at April, 2018	31,09,064	-	7,48,808	-	38,57,872
Depreciation expense	-	-	16,053	-	16,053
Disposals	-	-	2,86,996	-	2,86,996
As at 31 March, 2019	31,09,064	-	4,77,865	-	35,86,929
As at 31 March, 2018	31,09,064	-	7,48,808	-	38,57,872
Net carrying value as at March 31, 2019	-	-	-	-	-
Net carrying value as at March 31, 2018	-	-	2,87,147	-	2,87,147

2.1 : (ii) Intangible assets

Particulars	Computer Software	Total
Cost		
As at April, 2017	5,35,067	5,35,067
Additions	-	-
Disposals	-	-
As at April, 2018	5,35,067	5,35,067
Additions	-	-
Disposals	-	-
As at 31 March, 2019	5,35,067	5,35,067
As at 31 March, 2018	5,35,067	5,35,067
Accumulated depreciation		
As at April, 2017	1,29,737	1,29,737
Depreciation expense	53,507	53,507
Disposals	-	-
As at April, 2018	1,83,244	1,83,244
Depreciation expense	53,507	53,507
Disposals	-	-
As at 31 March, 2019	2,36,751	2,36,751
As at 31 March, 2018	3,51,823	3,51,823
Net carrying value as at March 31, 2019	2,98,316	2,98,316
Net carrying value as at March 31, 2018	3,51,823	3,51,823

2. Notes on Standalone financial statements (Continued)

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

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
2.2 Other financial assets-Non Current		
Unsecured, considered good		
Rental deposits	77,150	77,150
Prepaid expenses	11,42,958	8,944
	12,20,108	86,094
2.3. Other Non Current Assets		
Advance tax (TDS receivable,net)	2,72,627	2,72,627
	2,72,627	2,72,627
2.4. Cash and cash equivalents		
Cash on hand	5,507	1,939
Balance with banks in current accounts	69,180	9,45,194
	74,687	9,47,133
2.5 Other financial assets- Current		
Balance with Statutory / Government Authorities	1,01,692	-
	1,01,692	-

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
2.6 Equity Share capital		
<i>Authorised</i>		
Equity shares		
500,000,000 (previous year : 500,000,000) equity of ₹1 each.	50,00,00,000	50,00,00,000
	50,00,00,000	50,00,00,000
Issued, subscribed and fully paid up		
49,018,590 (previous year : 49,018,590 equity shares of ₹ 1) equity shares of ₹1 each fully paid up	4,90,18,590	4,90,18,590
	4,90,18,590	4,90,18,590

2. Notes on Standalone financial statements (Continued)

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

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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. The Company has only one class of equity shares having a par value of ₹ 1 each. Each share holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Shares outstanding at the beginning of the year	4,90,18,590	4,90,18,590	4,90,18,590	4,90,18,590
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	4,90,18,590	4,90,18,590	4,90,18,590	4,90,18,590

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Meenavalli Venkata Srinivas	32,54,586	6.64	32,54,586	6.64
Meenavalli Usha Rani	32,26,360	6.58	32,26,360	6.58
Albula Investment Fund Limited	28,32,492	5.78	28,32,492	5.78

2. Notes on Standalone financial statements (Continued)

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

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
2.7. Other Equity		
General Reserve	12,06,82,325	12,06,82,325
Balance in statement of profit and loss		
Opening balance	(27,32,29,302)	(27,40,18,514)
Add: Profit/ (Loss) for the year	(3,21,466)	7,89,212
Balance at the end of the year	(27,35,50,768)	(27,32,29,302)
Total	(15,28,68,443)	(15,25,46,977)
2.8. Borrowings		
Un-secured loans		
Unsecured loan from Promoters and Directors	6,82,76,400	6,89,76,400
	6,82,76,400	6,89,76,400
2.9. Trade payables		
- Amounts due to Micro, Small and Medium Enterprises (Refer note : 2.24)	-	-
Others	62,95,728	-
	62,95,728	-
2.10. Provisions		
Provision for expenses	8,793	38,351
	8,793	38,351
2.11. Other Current Liabilities		
Employee payables	22,548	11,680
Statutory dues	93,176	1,50,176
Creditors for expenses	1,86,357	4,02,347
Other advances received	2,66,25,781	2,86,07,257
Advance from customers	43,08,500	72,87,000
	3,12,36,362	3,64,58,460

2. Notes on Standalone financial statements (Continued)

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

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.12 Income from operations		
Income from Sale of Commodities	53,41,920	-
Income from Services	-	6,318
	53,41,920	6,318
2.13 Other income		
Creditors/provisions no long required	10,60,867	29,040
Consideration from sale of subsidiary	-	35,00,000
	10,60,867	35,29,040
2.14 Employee Benefits Expense		
Salaries	1,68,096	10,57,805
Contribution to provident fund and other funds	28,705	98,326
Staff welfare expenses	15,922	80,010
	2,12,723	12,36,141
2.15 Other expenses		
Communication expenses	1,68,098	2,72,107
Power and fuel	57,500	75,200
Rent	60,000	60,000
Repairs and maintenance	20,916	94,873
Rates and taxes, excluding, taxes on income	4,23,894	6,21,966
Insurance charges	24,536	23,197
Travelling and conveyance	14,513	1,527
Legal and professional fees	2,16,974	1,55,285
Advertisement charges	47,989	34,247
Bank charges	3,663	1,383
Loss on sale of fixed assets	25,064	-
Printing and stationery	3,494	5,708
Miscellaneous expenses	39,966	55,195
	11,06,607	14,00,688

2. Notes on Standalone financial statements (Continued)

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

2.16 Contingent liabilities

(Amount in ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
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 dis allowances, 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	5,397,120

2.17 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.

2.18 Lease commitments

The Company's 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 ₹ 60,000 (Previous year: ₹ 60,000) and under non-cancellable portion was ₹ Nil (Previous year: ₹ Nil), which has been disclosed as lease rent.

2.19 Earnings in foreign currency (on accrual basis) : Nil
2.20 Auditors' remuneration (included in legal and professional fees, excluding GST):

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit fees	40,000	40,000
Other services	10,000	10,000
Out of pocket expenses	-	-
Total	50,000	50,000

2.21 Earnings per share (EPS)

The computation of earnings per share is set out below:

(Amount in ₹)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Earnings (in ₹)		
Profit/ (Loss) for the year	(321,466)	789,212
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 (in ₹ 1)		
- Basic	(0.01)	0.02
- Diluted	(0.01)	0.02

2. Notes on Standalone financial statements (Continued)

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

2.22 Segment information

The Company's activity primarily falls within in a single primary business segment viz, trading in commodities. Hence no business segment information is provided.

2.23 Related parties
A) Entities which exercises control over the Company

None

B) Entities over which the Company exercises control
Subsidiaries

During the year, the application of the proposed strike off of Northgate Investments Pte Limited, a wholly owned subsidiary and Globe7 Pte Ltd, Singapore a step down subsidiary of the Company which is incorporated in Singapore, has been submitted to the Accounting and Corporate Regulatory Authority (ACRA) and has been approved. Hence the company does not have any subsidiaries as on 31 March 2019.

C) Key Managerial Personnel

- i. T. Srinivasa Rao – Executive Director (resigned on 23.05.2019)
- ii. T. Venkateswara Rao, Executive Director (appointed on 14.03.2019)

Particulars of related party transactions
a) Transactions during the year

Sl. No.	Name	Relation	Nature of Transaction	Current Year 2018-19	Previous Year 2017-18
1	Vnkata Srinivas Meenavalli	Promoter	Unsecured loan Received	-	4,44,98,000
2	Barret Commodity Traders Pvt Ltd	Common Director	Advance Received	1,277,000	-
			Advance Repaid	700,000	-
			Purchase of commodity	6,295,728	-
3	Kling Enterprises India Ltd	Common Director	Advance Received	2,376,500	-
			Advance Repaid	500,000	-

b) The Company has the following amounts due from/to the related parties

Sl. No.	Name	Relation	Nature of Transaction	Current Year 2018-19	Previous Year 2017-18
1	Vnkata Srinivas Meenavalli	Promoter	Unsecured loan payable	68,276,400	68,276,400
2	Barret Commodity Traders Pvt Ltd	Common Director	Advance payable	577,000	-
			Trade payable	6,295,728	-
3	Kling Enterprises India Ltd	Common Director	Advance payable	1,876,500	-

2. Notes on Standalone financial statements (Continued)

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

2.24 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”, 2016. The details is provided in the table below:

2.25 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 and Associates**
Chartered Accountants
Firm's registration no. 012026S

C.A Navitha. K
Proprietor
Membership No: 221085

Place : Hyderabad
Date : 23 May 2019

for **Spacenet Enterprises India Limited**

Satya Srikanth Karaturi
Director
DIN: 07733024

Abhishek Mishra
Company Secretary
ACS: 56048

Gaddi Linga Murthy
Director
DIN: 02605861

SPACENET ENTERPRISES INDIA LIMITED

PROXY FORM MGT - 11

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

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) ofEquity Shares of Spacenet Enterprises India Limited,
hereby appoint

1. Name :
Address :
E-mail Id :
Signature..... or failing him / her

2. Name :
Address :
E-mail Id :
Signature..... or failing him / her

3. Name :
Address :
E-mail Id :
Signature..... or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 9th Annual General Meeting of the Company, to be held on the 28th day of September, 2019 at 11.00 a.m. at Senior Citizen Hall 2nd Floor S.R.K Raju Community Hall Maduranagar, Hyderabad 500038. Telangana and at any adjournment thereof, in respect of such resolutions set out in the AGM Notice convening the meeting, as are indicated below:

Resolution No.

S.No.	Resolution(s)	Vote	
		For	Against
1	Adoption of Financial Statements and Reports thereon for the Financial Year ended 31st March, 2019		
2	Appointment of Director in place of Mr. Gaddi Linga Murthy, Who retires by rotation and being eligible, seeks re-appointment.		
3	Appointment of Mrs. Chukka Lakshmi as a Woman Director		
4	Appointment of Mr. Gaddi Linga Murthy as a Director		
5	Appointment of Mr. Vasudeva Rao Maraka as a Director		
6	Appointment of Mr. Avinash Karingam as a Whole time Director		
7	Appointment of Mr. Chukka Siva Satya Srinivas as an Independent Director		
8	To approve material related party transactions		

Signed this.....day of..... 2019

Signature of Shareholder

Signature of Proxy Holder(s)

Revenue
Stamp

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, Ranga Reddy Dist., Telangana, Hyderabad - 500 089.
CIN: L72200TG2010PLC068624, www.spacenetent.com

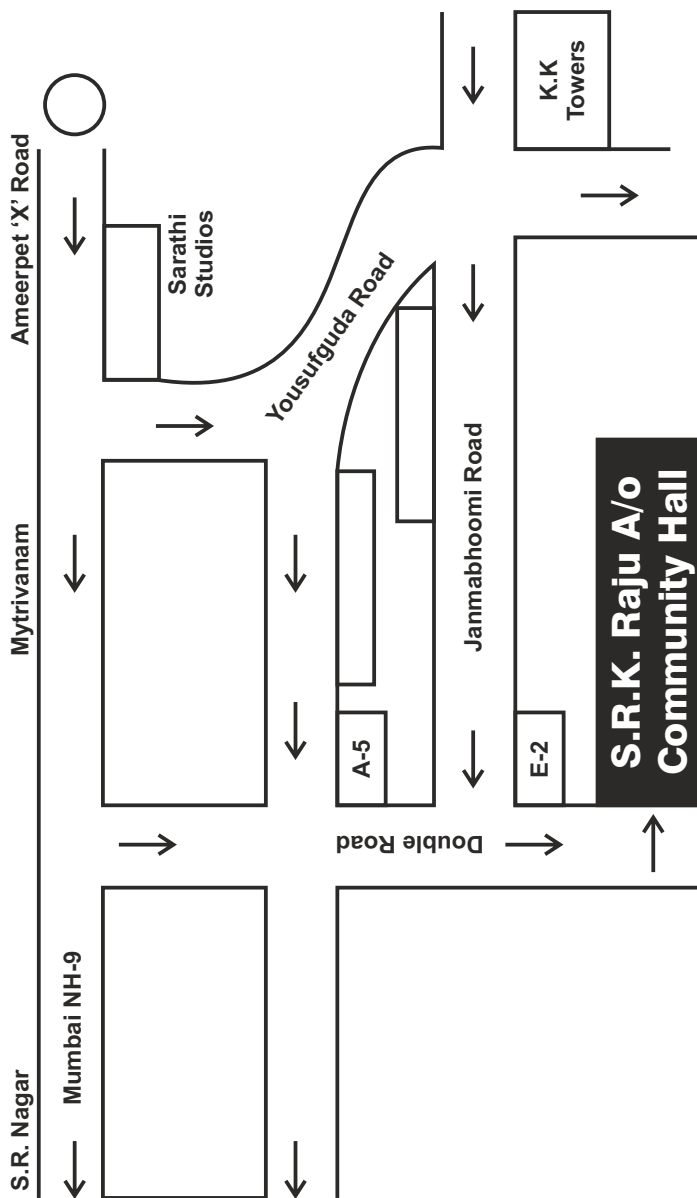
ATTENDANCE SLIP

(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 here by record my/our presence at the 9th Annual General Meeting of the Company being held on Saturday 28th day of September, 2019 at 11.00 a.m. at Senior Citizen hall 2nd Floor S.R.K Raju Community Hall Madura nagar, Hyderabad 500038, Telangana.

Signature of the Member/Proxy



SPACENET ENTERPRISES INDIA LTD.

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