

08th September, 2020

To
The Manager Listing Department
The National Stock Exchange of India Limited
Exchange plaza,
Plot No.C-1, Block-G,
Banda Kurla Complex
Bandra (East)
Mumbai-400051.

Dear Sir/Madam,

Sub: Submission of Notice of 10th Annual General Meeting (AGM) and Annual Report for the Financial Year 2019-2020.

Ref: Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Reg: Spacenet Enterprises India Limited ("The Company")

Symbol: SPCENET

This is to inform that The 10th Annual General Meeting (AGM) of the company will be convened on Wednesday, 30th September, 2020 at 11.30 AM (IST) at the Registered office Address of the company, through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility in accordance with the general circular numbers 14/20, 17/20 and 20/20 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively issued by the Ministry of Corporate Affairs of ("MCA Circulars") and circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities Exchange Board of India ("SEBI Circular") without physical presence of the members of the company at a common venue.

Pursuant to Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the Annual Report of the company for the Financial Year 2019-20 along with the Notice of the 10th Annual General Meeting.

The Annual Report of the company for the Financial Year 2019-20 along with the Notice of the 10th AGM is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The Notice of the 10th Annual General Meeting together with The Annual Report for the FY 2019-2020 will also be available on the website of the company in the following given weblink

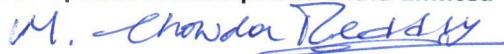
http://www.spacenetent.com/annual-reports/Spacenet_Annual_Report_2019-20.pdf

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Spacenet Enterprises India Limited



M. Chowda Reddy

Company Secretary & Compliance Officer



10TH
ANNUAL
REPORT

2019 – 2020

Spacenet Enterprises India Limited.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Name

1. Mr. Dasigi Venkata Surya Prakash Rao-Executive Director &CFO
2. Mr. Satya Srikanth Karaturi- Independent Director
3. Mr. Chukka Siva Satya Srinivas-Independent Director
4. Mrs. Korpu Venkata Kali Kanaka Durga-Woman Independent Director
5. Mr. Kakkerla Sri Krishna- Whole-time Director
6. Mr. Srinivasa Rao Tatipaka- Whole-time Director (w.e.f.03-09-2020)
7. Mr.Suresh Tammineedi- Executive Director (w.e.f.03-09-2020)

REGISTERED OFFICE ADDRESS

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
E-mail: cs@spacenetent.com
Web: www.spacenetent.com
CIN : L72200TG2010PLC068624

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

Balaramakrishna Desina
Company Secretary in Practice
302/A, Jade Arcade building,
Opp: Paradise Hotel,
M.G.Road, Secunderabad
Telangana-500003

REGISTRAR AND SHARE TRANSFER AGENT(RTA)

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

BANKERS

Bank of Baroda,
HDFC Bank Limited

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SPACENET ENTERPRISES INDIA LIMITED

[CIN: L72200TG2010PLC068624]

Regd 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
E-mail: cs@spacenetent.com: Website: www.spacenetent.com

Notice of the Tenth Annual General Meeting

NOTICE is hereby given that the Tenth Annual General Meeting (AGM) of the Members of Spacenet Enterprises India Limited will be held on Wednesday, 30th September, 2020 at 11.30 AM (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") at the Registered office Address of the company situated at Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad -500016, Telangana, India to transact the following businesses:

ORDINARY BUSINESS:**1. Adoption of Financial Statements:**

To receive, consider and adopt the audited financial statements of the company for the year ended March 31, 2020 including the audited Balance Sheet as at March 31, 2020, the Statement of Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

2. Appointment of M/s. Gorantla & Co, chartered Accountants., as Statutory Auditors of the Company and to fix their remuneration

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

RESOLVED THAT pursuant to Sections 139, 142 of and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation made by the Audit Committee of the Board, M/S Gorantla & Co, chartered Accountants, (ICAI) Firm Registration No. 016943S, Hyderabad, be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors (i.e.M/s. Navitha and Associates, Chartered Accountants, Hyderabad having Firm registration No. 012026S,) who shall hold office from the conclusion of this 10th Annual General Meeting for a term of consecutive Five(5) years till conclusion of the 15th Annual General Meeting of the company and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company."

RESOLVED FURTHER THAT any one of the Director(s) of the Company, or Key Managerial Persons (KMP) of the company be and are hereby individually and severally authorized to file the necessary forms with the Registrar of Companies / any other Regulator and to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid Resolution."

SPECIAL BUSINESS:**3. Appointment of Shri. DasigiVenkata Surya Prakash Rao (DIN: 03013165), as Executive Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Sections 149,152,161, and any other applicable provisions of the Companies Act, 2013 ("the Act"), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri. DasigiVenkata Surya Prakash Rao (DIN: 03013165), who was appointed as an Additional Director (Category: Executive Director) of the Company, with effect from 13th November, 2019 by the Board and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT that in accordance with the provisions of Section 196, 197 and read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members of the Company be and is hereby accorded for the appointment and terms of remuneration of Shri. DasigiVenkata Surya Prakash Rao (DIN: 03013165) as Executive Director of the Company for the period from 13th November, 2019 to 12th November, 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 Shri. DasigiVenkata Surya Prakash Rao.

RESOLVED FURTHER THAT any one of the Director(s) of the Company, or Key Managerial Persons (KMP) of the company be and are hereby individually and severally authorized to file the necessary forms with the Registrar of Companies / any other Regulator and to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid Resolution.”

4. Appointment of Shri. Srinivasa Rao Tatipaka (DIN: 02449906), as Whole-time Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152,161, and any other applicable provisions of the Companies Act, 2013 (“the Act”), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri. Srinivasa Rao Tatipaka (DIN: 02449906), who was appointed as an Additional Director (Category: Whole-time Director) of the Company, with effect from 03th September, 2020 by the Board and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT that in accordance with the provisions of Section 196, 197,203 and read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members of the Company be and is hereby accorded for the appointment and terms of remuneration of Shri. Srinivasa Rao Tatipaka (DIN: 02449906) as Whole-time Director of the Company for the period from 03th September, 2020 to 02nd September, 2023 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 Shri. Srinivasa Rao Tatipaka.

RESOLVED FURTHER THAT any one of the Director(s) of the Company, or Key Managerial Persons (KMP) of the company be and are hereby individually and severally authorized to file the necessary forms with the Registrar of Companies / any other Regulator and to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid Resolution.”

5. Appointment of Shri. Suresh Tammineedi (DIN: 00952079), as an Executive, Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149,152,161, and any other applicable provisions of the Companies Act, 2013 (“the Act”), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri. Suresh Tammineedi (DIN: 00952079), who was appointed as an Additional Director (Category: Executive Director) of the Company, with effect from 03rd September, 2020 by the Board and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT that in accordance with the provisions of Section 196, 197 and read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members of the Company be and is hereby accorded for the appointment and terms of remuneration of Shri. Suresh Tammineedi (DIN: 00952079) as Executive Director of the Company for the period from 03rd September, 2020 to 02nd September, 2023 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 Shri. Suresh Tammineedi (DIN: 00952079).

RESOLVED FURTHER THAT any one of the Director(s) of the Company, or Key Managerial Persons (KMP) of the company be and are hereby individually and severally authorized to file the necessary forms with the Registrar of Companies / any other Regulator and to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid Resolution."

6. Appointment of Smt. Korpu Venkata Kali Kanaka Durga (DIN: 08640661), as a Non-Executive, Independent (Woman) Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Smt. Korpu Venkata Kali Kanaka Durga (DIN: 08640661), who was appointed as an Additional Director (Category: Non-Executive, Independent Director) of the Company, with effect from 18th December, 2019 by the Board and who holds office up to the date of this Annual General Meeting, has given his consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and along with the rules framed thereunder and Regulation 16(1)(b) of SEBI (LODR) Regulations-2015 and whose candidature for the office of Director has been recommended by the Board Nomination and Remuneration Committee, and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Non – Executive, Independent (Woman) Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years, commencing from 18th December, 2019.

RESOLVED FURTHER THAT any one of the Director(s) of the Company, or Key Managerial Persons (KMP) of the company be and are hereby individually and severally authorized to file the necessary forms with the Registrar of Companies / any other Regulator and to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid Resolution."

7. Appointment of Shri. Kakkerla Sri Krishna (DIN: 01810232), as Whole-time Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161, and any other applicable provisions of the Companies Act, 2013 ("the Act"), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri. Kakkerla Sri Krishna (DIN: 01810232), who was appointed as an Additional Director (Category: Whole-time Director) of the Company, with effect from 13th November, 2019 by the Board and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT that in accordance with the provisions of Section 196, 197, 203 and read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members of the Company be and is hereby accorded for the appointment and terms of remuneration of Shri. Kakkerla Sri Krishna (DIN: 01810232), as Whole-time Director of the Company for the period from 13th November, 2019 to 12th November, 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 Shri. Kakkerla Sri Krishna.

RESOLVED FURTHER THAT any one of the Director(s) of the Company, or Key Managerial Persons (KMP) of the company be and are hereby individually and severally authorized to file the necessary forms with the Registrar of Companies / any other Regulator and to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid Resolution.”

8. Re-classification of member of the Promoters & Promoter group from “Promoters & Promoter Group” category to “Public” category

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

“RESOLVED THAT pursuant to the provisions of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to approval from the, National Stock Exchange of India Limited (herein after referred to as stock exchange), the Securities and Exchange Board of India (SEBI) and such other Statutory Authorities as may be required and pursuant to other laws and regulations, as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the members be and is here by accorded to reclassify the following person(s) (hereinafter individually and jointly referred to as the applicants) from “Promoter and Promoter Group” category to “Public” category

| Sl. No. | Name of Promoters & Promoter Group Members | No. of shares held (of Rs.1 each) | % of shareholding |
|---------|--|-----------------------------------|-------------------|
| 1. | Mrs. Uma Kuna Reddy | 2668852 | 5.44 |

RESOLVED FURTHER THAT the above applicant confirmed that all the conditions specified in sub-clause (i) to (vii) of clause (b) of sub-regulation (3) of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with and also confirmed that at all times from the date of such reclassification, shall continue to comply with conditions mentioned Regulation 31A of SEBI (LODR) Regulations, 2015 post reclassification from “Promoter & Promoter Group” to “Public”.

RESOLVED FURTHER THAT in view of the Company being compliant with conditions specified in Regulation 31A(3)(c) of Listing Regulations, Any Director or Key Managerial Persons (KMP) of the company, be and are hereby severally authorized to make an application to the Stock Exchanges for its permission for re-classification of status of the said promoters & promoter group members to public shareholders category, and to sign and submit such applications, confirmations, undertakings and such other documents as may be required by the Stock Exchanges or any other regulatory body, in relation to such application and to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution including settling of any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Company or of the Board.

RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions

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

Sd/-
Dasigi Venkata Surya Prakash Rao
Executive Director
(DIN: 03013165)

Date: 03-09- 2020
Place: Hyderabad

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <http://www.spacenetent.com/> The Notice can also be accessed from the websites of the Stock Exchange National Stock Exchange of India Limited at www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The voting rights of the Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, i.e., Wednesday, 23rd September, 2020.
9. The e-voting commences on Sunday, 27th September, 2020 at 9 AM (IST) and ends on Tuesday, 29th September, 2020 5 PM (IST) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. 23rd September, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM Any person who is not a member on the cut-off date should treat this notice for information purposes only.
10. In accordance with, the General Circular No. 20/2020 dated 5 May 2020 issued by MCA and Circular No. SEBI/ HO/CFD/ CMD1/CIR/P/2020/79 dated 12 May 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the Annual Report for the FY 2019-20(financial statements including Report of Board of Directors, Auditor's report or other documents required to be attached therewith such statements including the Notice of AGM) are being sent in electronic mode to Members whose e-mail address is registered with the company/RTA or the Depository Participant(s)
11. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.spacenetent.com, websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com respectively, The Company will also be publishing an advertisement in newspaper containing the details about the AGM i.e. the conduct of AGM through VC/ OAVM, date and time of AGM, availability of notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses with the Company/ RTA, and other matters as may be required.
12. The shareholders can opt for only one mode of voting i.e. remote e-voting or venue voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and e-voting through VC/OAVM at AGM will not be considered.

13. Shri.Desina Balarama Krishna (Cop. No. 22414), Practicing Company Secretary, Hyderabad, has been appointed by the Board of Directors as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
14. The Members will be allowed to pose questions during the course of the Meeting. The queries can also be given in advance at cs@spacenetent.com.
15. The register of members and share transfer books of the company will remain closed from Thursday, the 24th September, 2020 to Wednesday, the 30th September, 2020 (both days inclusive) for the purpose of the 10th AGM of the company
16. To support the 'Green Initiative' Members holding shares in physical mode and who have not updated their email addresses are requested to update their email addresses with Registrar & Share Transfer Agent (R&STA) at rta@cilsecurities.com by providing their Name as registered with the R&STA, Address, email ID, PAN, DPID/Client ID or Folio Number and Number of shares held by them along with the copy of the signed request letter mentioning the name and address of the Member, in support of the address of the Member.
17. Members holding shares in dematerialized mode are requested to register or update their email addresses with the relevant Depository Participants.
18. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form with the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.
19. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday 27th September, 2020 at 09:00 AM (IST) and ends on Tuesday 29th September, 2020 at 05:00 PM(IST) The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

5. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

6. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

7. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVSN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVSN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to balaramdesina@gmail.com with a copy marked to cs@spacenetent.com & to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (Company email id).
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (Company email id).
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id)..
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Information to the members at a glance:

| Particulars | Details |
|---|--|
| Date of AGM | Wednesday, 30th September, 2020 |
| Time of AGM | 11:30 AM (IST) |
| Mode of conducting AGM | Video Conferencing (VC) and Other Audio-Visual Means (OAVM) |
| Book closure date | Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive) |
| Cut-off date for e-voting | Wednesday, 23rd September, 2020 |
| E-voting start time and date | Sunday 27th September, 2020 at 9 AM(IST) |
| E-voting end time and date | Tuesday 29th September, 2020 at 05 PM IST |
| Address of the Registered office & contact details of the company | Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad -500016, India. Tel: +91-40-23540763/64, Fax: +91-40-23540763 E-mail: cs@spacenetent.com Web: www.spacenetent.com |
| Name, address and contact details of Registrar and Share Transfer Agent (RTA) | CIL Securities Limited 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001. Phone: +91 040-2320 3155 E-mail: rta@cilsecurities.com |

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

Item No.2

In terms of the provisions of Section 139(2) of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years.

It is to be noted that the retiring Auditors M/s. Navitha and Associates, Chartered Accountants, Hyderabad (Firm Registration No. 012026S) who will hold the office till the conclusion of this 10th AGM. As the Audit Firm also expressed its ineligibility to be re-appointed pursuant to the applicable provisions of the companies act, 2013 hence the Board of Directors of the Company with the recommendation made by the Audit Committee of the Board on its meeting dated 03rd September, 2020 recommended the appointment of M/s. Gorantla & co., Chartered Accountants, Hyderabad (Firm Registration No. 016943S) as the Statutory Auditor of the Company in place of retiring Auditors to hold office for a period of 5 consecutive years i.e from the conclusion of this 10th AGM until the conclusion of the 15th AGM of the Company.

The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommends the passing of the Ordinary Resolution appointing Gorantla & co., Chartered Accountants, Chartered Accountants, Hyderabad (Firm Registration No. 016943S) as the Statutory Auditors of the company with the written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 2 of the Notice.

The Board recommends the Ordinary Business set out at Item No.2 of the Notice for approval by the shareholders

ITEM NO. 3:

Shri. Dasigi Venkata Surya Prakash Rao (DIN: 03013165) was appointed as an Additional Director of the Company with effect from November 13, 2019 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Shri. Dasigi Venkata Surya Prakash Rao holds office up to 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 pursuant to Section 160 of the Act, proposing his candidature for the office of Director.

Shri. Dasigi Venkata Surya Prakash Rao has given a declaration to the Board that he meets the criteria for the appointment as a director as per the provisions of the Companies Act, 2013.

Shri. Dasigi Venkata Surya Prakash Rao, aged 51years, is an Additional (Executive) Director of the Company and he holds a Master's Degree in Agriculture from ANGRAU and also done his Post Graduate Diploma in Business Administration from SIMSR Mumbai, with Marketing as specialization. He is a Gold medallist at PG level from ANGRAU Hyderabad.

He is a dynamic professional with over 22 years of rich experience in Sales, Marketing and Business Development in Argo Chemicals, Seeds, Tissue Culture and Bio-fertilizers. He worked with leading MNC's and Indian Companies which includes Monsanto, Syngenta, Cadila and Ramco Biotech.

Tenure of Appointment:

The appointment is for a period of 3 (Three) years with effect from November 13, 2019

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")

(a) Basic Salary up to a Maximum of Rs. 1,00,000 per Month, with authority to the Board or a Committee thereof 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;

(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 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 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 Shri. Dasigi Venkata Surya Prakash Rao as specified above, are now placed before the members for their approval.

Other than Shri. Dasigi Venkata Surya Prakash Rao, none of the Directors / Key Managerial Personnel (KMP) or relatives of directors and KMP of the company are concerned or interested in the Resolution at Item No. 3 of the Notice.

The Board recommends the Special Business set out at Item No.3 of the Notice for approval by the shareholders

A statement containing his profile is given as per Annexure 1

ITEM NO. 4:

Shri. Srinivasa Rao Tatipaka (DIN: 02449906) was appointed as an Additional Director of the Company with effect from 03rd September, 2020 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Shri. Srinivasa Rao Tatipaka holds office up to 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 pursuant to Section 160 of the Act, proposing his candidature for the office of Director.

Shri. Srinivasa Rao Tatipaka has given a declaration to the Board that he meets the criteria for the appointment as a director as per the provisions of the Companies Act, 2013.

Shri. Srinivasa Rao Tatipaka, aged 52 years, is an Additional (Whole-time) Director of the Company and He has more than 20 years of experience in sales and marketing of agri commodities

Tenure of Appointment:

The appointment is for a period of 3 (Three) years with effect from 03rd September, 2020

Nature of Duties:

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

(a) Basic Salary up to a Maximum of Rs. 1,00,000 per Month, with authority to the Board or a Committee thereof 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;

(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 Whole-time 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 Shri. Srinivasa Rao Tatipaka as specified above, are now placed before the members for their approval.

Other than Shri. Srinivasa Rao Tatipaka, none of the Directors / Key Managerial Personnel (KMP) or relatives of directors and KMP of the company are concerned or interested in the Resolution at Item No. 4 of the Notice.

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

A statement containing his profile is given as per Annexure- 1

ITEM NO. 5:

Shri. Suresh Tammineedi (DIN: 00952079) was appointed as an Additional Director of the Company with effect from 03rd September, 2020 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Shri. Suresh Tammineedi holds office up to 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 pursuant to Section 160 of the Act, proposing his candidature for the office of Director.

Shri. Suresh Tammineedi has given a declaration to the Board that he meets the criteria for the appointment as a director as per the provisions of the Companies Act, 2013.

He is having rich experience in the field of Liaising and trading more than 10 years which will helpful for dynamic growth of the Company.

Tenure of Appointment:

The appointment is for a period of 3 (Three) years with effect from 03rd September, 2020

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")

(a) Basic Salary up to a Maximum of Rs. 1,00,000 per Month, with authority to the Board or a Committee thereof 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;

(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:

Notwithstanding anything 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 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 Shri. Suresh Tammineedi as specified above, are now placed before the members for their approval.

Other than Shri. Suresh Tammineedi, none of the Directors / Key Managerial Personnel (KMP) or relatives of directors and KMP of the company are concerned or interested in the Resolution at Item No. 5 of the Notice.

The Board recommends the Special Business set out at Item No.5 of the Notice for approval by the shareholders
A statement containing his profile is given as per Annexure- 1

ITEM NO. 6:

Smt. KorpuVenkata Kali Kanaka Durga (DIN: 08640661) was appointed as an Additional Woman Director (category: Independent Director) of the Company with effect from 18th August, 2019 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Smt. Korpu Venkata Kali Kanaka Durga holds office up to 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.

Smt. Korpu Venkata Kali Kanaka Durga has given a declaration to the Board that she meets the criteria for the appointment as an Independent Director (woman director) as per the provisions of the Companies Act, 2013.

Smt. Korpu Venkata Kali Kanaka Durga 46 years has a lot of business experience in the various fields of Accounts, taxation and administration. Accordingly, the Board recommends the passing of the Ordinary Resolution as set out in the Item no.6 of the Notice for appointment of Smt. Korpu Venkata Kali Kanaka Durga as an Independent Director (woman director) to hold office for a term of five consecutive years, commencing from 18th December, 2019.

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

Except Smt. Korpu Venkata Kali Kanaka Durga, 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.6.

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

ITEM NO. 7:

Shri. Kakker Sri Krishna (DIN: 01810232) was appointed as an Additional Director (category : Whole-time Director) of the Company with effect from 13th November, 2019 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Shri. Kakker Sri Krishna (DIN: 01810232) holds office up to 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 pursuant to Section 160 of the Act, proposing his candidature for the office of Director.

Shri. Kakker Sri Krishna (DIN: 01810232) has given a declaration to the Board that he meets the criteria for the appointment as a director as per the provisions of the Companies Act, 2013.

Shri. Kakker Sri Krishna, aged 51 years, is an Additional (Whole-time) Director of the Company and He has more than 20 years of experience in International Trading, Freight Forwarding, Import/Export, Sales Management, Negotiation and Business Development etc.

Tenure of Appointment:

The appointment is for a period of 3 (Three) years with effect from 13th November, 2019

Nature of Duties:

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

(a) Basic Salary up to a Maximum of Rs. 1,00,000 per Month, with authority to the Board or a Committee thereof 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;

(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:

Notwithstanding anything to the contrary here in contained where in any Financial Year during the currency of the tenure of Whole-time 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 Shri. Kakkera Sri Krishna as specified above, are now placed before the members for their approval.

Other than Shri. Kakkera Sri Krishna, none of the Directors / Key Managerial Personnel (KMP) or relatives of directors and KMP of the company are concerned or interested in the Resolution at Item No. 7 of the Notice.

The Board recommends the Special Business set out at Item No.7 of the Notice for approval by the shareholders

A statement containing his profile is given as per Annexure- 1

ITEM NO.8:

The Company had received requests from Mrs.Uma Kuna Reddy Person belonging to Promoter Group for reclassification from 'the Promoter and Promoter Group' category to 'Public' category. The following are the details regarding their respective shareholding in the Company

| Sl. No. | Name of Promoters & Promoter Group Members | No. of shares held (of Rs.1 each) | % of shareholding |
|---------|--|-----------------------------------|-------------------|
| 1 | Mrs. Uma Kuna Reddy | 2668852 | 5.44 |

Pursuant to Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with amendments thereto, the Board of Directors of the Company shall analyse the request, place the same before the shareholders in a general meeting for approval and apply for stock exchanges' approval subsequently

On the basis of the requests received by the Company and pursuant to the provisions of Regulation 31A (3)(b) of the SEBI (LODR) Regulations, 2015, the aforesaid shareholder seeking reclassification have confirmed that –

- Together do not hold more than ten per cent of the total Voting Rights in the Company;
- Not exercise control over the affairs of the Company directly or indirectly;
- Not have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- Not represent on the Board of Directors (including not having a Nominee Director) of the Company;
- Not act as a Key Managerial Person in the Company;
- Not 'wilful defaulters' as per the Reserve Bank of India Guidelines;
- Not fugitive economic offenders

Further, the aforesaid shareholder have confirmed that subsequent to reclassification, She would continue to comply with the requirements as mentioned in Regulation 31A of SEBI (LODR) Regulations, 2015.

The said requests for reclassification were considered, analysed and approved by the Board of Directors at its meeting held on 22nd June 2020, subject to members' approval, and stock exchanges' approval subsequently.

None of the Directors/ KMP of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item no.8 of this Notice.

The Board recommends the resolution set forth in Item no.8 for the approval of the Members.

Date :03-09-2020
Place: Hyderabad

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

Sd/-
Dasigi Venkata Surya Prakash Rao
Executive Director
(DIN: 03013165)

Annexure-1
Details of Directors seeking appointment / re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (LODR) Regulations-2015 and Secretarial Standards on General Meetings)

| | |
|---|---|
| Name of the Director | DasigiVenkata SuryaPrakash Rao |
| DIN | 03013165 |
| Date of Birth | 11-08-1969 |
| Type of appointment | Executive Director |
| Date of Appointment/ Re-appointment | 13-11-2019 |
| Expertise in Specific Functional areas and Experience | He is a dynamic professional with over 22 years of rich experience in Sales, Marketing and Business Development in Argo Chemicals, Seeds, Tissue Culture and Bio-fertilizers. |
| Educational Qualification | He holds a Master's Degree in Agriculture and also done his Post Graduate Diploma in Business Administration |
| Directorships in other Companies | 1.Proseed india limited 2. Kling enterprises India limited |
| Membership / Chairmanships of committees of Other Boards (other than the Company) | 1 |
| Membership / Chairmanships of committees of the Company) | 0 |
| Shareholding in the Company as on 31.03.2020 | 357754 shares |
| Relationship between Directors inter-se/ Manager and KMPs | NA |
| Justification for appointment | His rich experience in the given field more than 20 years which will helpful for dynamic growth of the Company |

| | |
|---|--|
| Name of the Director | Shri. Srinivasa Rao Tatipaka |
| DIN | 02449906 |
| Date of Birth | 13-10-1967 |
| Type of appointment | Whole Time Director |
| Date of Appointment/ Re-appointment | 03-09-2020 |
| Expertise in Specific Functional areas and Experience | 20 years of experience in sales and marketing of Agri commodities. |
| Educational Qualification | Graduate |
| Directorships in other Companies | 1.Barret Commodity Traders Private Limited |
| Membership / Chairmanships of committees of Other Boards (other than the Company) | NIL |
| Membership / Chairmanships of committees of the Company) | NIL |
| Shareholding in the Company as on 31.03.2020 | 1600 shares |
| Relationship between Directors inter-se/ Manager and KMPs | NA |
| Justification for appointment | His rich experience in the given field more than 20 years which will helpful for dynamic growth of the Company |

| | |
|---|--|
| Name of the Director | Suresh Tammineedi (DIN:) |
| DIN | 00952079 |
| Date of Birth | 18-02-1970 |
| Type of appointment | Executive Director |
| Date of Appointment/ Re-appointment | 03-09-2020 |
| Expertise in Specific Functional areas and Experience | Liaising and trading |
| Educational Qualification | Diploma in mechanical Engineering |
| Directorships in other Companies | 1. Kling enterprises India limited 2. Long Com India Private Limited |
| Membership / Chairmanships of committees of Other Boards (other than the Company) | NIL |
| Membership / Chairmanships of committees of the Company) | NIL |
| Shareholding in the Company as on 31.03.2020 | 0 |
| Relationship between Directors inter-se/ Manager and KMPs | NA |
| Justification for appointment | His rich experience in the given field more than 10 years which will helpful for dynamic growth of the Company |

| | |
|---|--|
| Name of the Director | Smt. KorpuVenkata Kali Kanaka Durga |
| DIN | 08640661 |
| Date of Birth | 11-08-1969 |
| Type of appointment | Independend Director (women) |
| Date of Appointment/ Re-appointment | 18/12/2019 |
| Expertise in Specific Functional areas and Experience | Accounting, taxation and administration |
| Educational Qualification | Graduate in Commerce |
| Directorships in other Companies | NIL |
| Membership / Chairmanships of committees of Other Boards (other than the Company) | NIL |
| Membership / Chairmanships of committees of the Company) | 1 |
| Shareholding in the Company as on 31.03.2020 | 0 |
| Relationship between Directors inter-se/ Manager and KMPs | NA |
| Justification for appointment | Her rich experience in the given field more than 10 years which will helpful for dynamic growth of the Company |

| | |
|---|---|
| Name of the Director | Shri. Kakkerla Sri Krishna |
| DIN | 01810232 |
| Date of Birth | 31-01-1969 |
| Type of appointment | Whole Time Director |
| Date of Appointment/ Re-appointment | 13-11-2019 |
| Expertise in Specific Functional areas and Experience | A Senior International Trade/Supply chain Professional with over 24 years' experience in International Trading, Freight Forwarding, Import/Export, Sales Management, Negotiation and Business Development etc.. |
| Educational Qualification | Commerce degree |
| Directorships in other Companies | NIL |
| Membership / Chairmanships of committees of Other Boards (other than the Company) | NIL |
| Membership / Chairmanships of committees of the Company) | NIL |
| Shareholding in the Company as on 31.03.2020 | NIL |
| Relationship between Directors inter-se/ Manager and KMPs | NO |
| Justification for appointment | His rich experience in the given field more than 20 years which will helpful for dynamic growth of the Company |

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting Tenth Board's Report on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2020.

FINANCIAL PERFORMANCE:

| Particulars | For the Year ended 31st March, 2020 | For the Year ended 31st March, 2019 |
|--|--|--|
| Revenue | | |
| Income from operations | 31,859,220 | 53,41,920 |
| Other income | 14,743 | 10,60,867 |
| Total revenue | 31,873,963 | 64,02,787 |
| Expenses | | |
| Operating expenses | 29,303,718 | 53,35,363 |
| Employee benefits expense | 2,872,811 | 2,12,723 |
| Finance costs | - | - |
| Depreciation and amortisation expense | 72,728 | 69,560 |
| Other expenses | 51,558,324 | 11,06,607 |
| Total expenses | 83,807,581 | 67,24,253 |
| Profit / (Loss) before extraordinary items and tax | (51,933,617) | (3,21,466) |
| Extraordinary items | - | - |
| Profit / (Loss) before tax | (51,933,617) | (3,21,466) |
| Tax expense | | |
| -Current tax | - | - |
| -Deferred tax | - | - |
| Profit / (Loss) after tax | (51,933,617) | (3,21,466) |
| 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 | (51,933,617) | (3,21,466) |
| Paid up equity share capital (face value of Rs.1/-each) | | |
| Earnings per share - par value of Rs. 1 per share | | |
| Basic | (1.06) | (0.01) |
| Diluted | (1.06) | (0.01) |

REVIEW OF OPERATIONS:

For the financial year ended March 31, 2020, your Company had reported total income of Rs.31,873,963.00 as against Rs.64,02,787.00 during the previous financial year. The Company incurred a Net Loss of Rs. 51,933,617 as against Net Loss of Rs.3,21,466.00 during the previous financial year.

The Company has entered a Scheme of Arrangement with Kling Enterprises India Limited and with their respective shareholders and creditors for the transfer of their commodity trading division to the Company under Section 230 (3) of the Companies Act, 2013. The Company has obtained the necessary approval from the National Stock Exchange of India (NSE) under Regulation 37 of the Securities Exchange of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and applied to the Hon'ble NCLT, Hyderabad branch for its final approval during the year under review.

TRANSFER OF AMOUNT TO GENERAL RESERVE:

Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review."

DIVIDEND:

The Board of Directors of your company, after considering holistically the relevant circumstances have decided that it would be prudent, not to recommend any Dividend for the year under review.”

SHARE CAPITAL:

The paid-up Equity Share Capital of the Company as on 31st March, 2020 stands at 4,90,18,590 comprising of 4,90,18,590 equity shares of face value of Rs.1 each. During the year under review, your Company has neither issued any shares with differential voting rights nor has granted any stock options or sweat equity.

LISTING OF SHARES:

The shares of the company are listed on National Stock Exchange of India Limited (NSE). The listing fee for the year 2020- 21 has already been paid to the NSE.

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

During the year your company is not having any holding, subsidiary and associate companies

COVID-19 AND ITS IMPACT:

During the year under review the covid-19 pandemic developed rapidly globally thereby forcing the government to enforce complete lock-down since March 24, 2020 of almost all economic activities except essential services which are allowed to operate with limited staff strength during the lock down period your company continued its operations by strictly adhering to the minimal staff strength requirement and maintaining social distance and other precautions as per government directions.

However, as the Company operates in an industry that is considered essential in India and other countries, its operations were continuing during lockdown by ensuring appropriate safety measures.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

AUDITORS:**Statutory Auditors:**

In terms of the provisions of Section 139(2) of Companies Act, 2013 (the “Act”), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years.

It is to be noted that the retiring Auditors M/s. Navitha and Associates, Chartered Accountants, Hyderabad (Firm Registration No. 012026S) who will hold the office till the conclusion of this 10th AGM of the company as the Audit Firm also expressed its ineligibility to be re-appointed pursuant to the applicable provisions of the companies act, 2013 hence the Board of Directors of the Company with the recommendation made by the Audit Committee of the Board on its meeting dated 03rd September, 2020 recommended the appointment of M/s. M/S Gorantla & Co., Hyderabad (Firm Registration No. 016943S) as the Statutory Auditor of the Company in place of retiring Auditors to hold office for a period of 5 consecutive years i.e from the conclusion of this 10th AGM until the conclusion of the 15th AGM of the Company.

The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommends the passing of the Ordinary Resolution appointing M/S Gorantla & Co., Hyderabad (Firm Registration No. 016943S) as the Statutory Auditors of the company with the written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

Internal Auditors:

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

Note: M/s. Gorantla & Co., Chartered Accountants who served as internal auditors during the financial year under review, tendered their resignation from the post of internal auditor's w.e.f 03-09-2020 and the board accepted the same and kept on record the valuable services rendered by them during their tenure as an internal Auditors.

Cost Auditors:

The provisions related to Cost Audit and appointment of Cost Auditors is not applicable to the company during year under review.

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 Desina Balarama Krishna, Company Secretary in Practice to as Secretarial Auditors to undertake the Secretarial Audit of the Company for the FY 2019-20.

REPORTING OF FRAUDS:

During the year under review, there was no instance of fraud, which required the Statutory Auditors to report to the Audit Committee and /or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

SECRETARIAL AUDIT:

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 Desina Balarama Krishna, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the FY 2019-20. The Secretarial Audit Report Form MR-3 is annexed herewith as 'Annexure I' to this report.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:

During the year under review, the Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP):**Directors:**

The Board of directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with one-woman Director.

In accordance with the provisions of Section 152 of the Companies Act, 2013, none of the Directors of the Company are eligible to retire by rotation in this Annual General Meeting since the composition of 6 directors, out of 3 are independent whose office of directors are not liable to retire by rotation and rest 3 directors who appointed as additional directors are seeking approval of shareholders in this Annual General Meeting for regularisation of their appointments as directors of the company hence not eligible to retire by rotation.

Declaration by Independent Directors:

All the Independent Directors have submitted their declaration of independence and have confirmed that they fulfil the independence criteria as required under section 149(7) of the companies act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations respectively.

- Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Dasigi Venkata Surya Prakash Rao (DIN: 03013165) as an Additional Director of the Company in their meeting held on 13th November, 2019, who holds office till the ensuing Annual General Meeting. The Board, considered the appointment of Mr. Dasigi Venkata Surya Prakash Rao as Executive Director subject to approval of shareholders. Accordingly, a resolution seeking approval of Shareholders for his appointment as Executive Director for a period of Three years commencing from 13th November, 2019 is included at Item No.3 of the Notice convening the Annual General Meeting.
- Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Srinivasa Rao Tatipaka (DIN: 02449906), Rao as an Additional Director of the Company in their meeting held on 03rd September, 2020, who holds office till the ensuing Annual General Meeting. The Board, considered the appointment of Mr. Srinivasa Rao Tatipaka as Whole-time Director subject to approval of shareholders. Accordingly, a resolution seeking approval of Shareholders for his appointment as Whole-time Director for a period of Three years commencing from 03rd September, 2020 is included at Item No.4 of the Notice convening the Annual General Meeting.
- Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Suresh Tammineedi (DIN: 00952079) as an Additional Director of the Company in their meeting held on 03rd September, 2020, who holds office till the ensuing Annual General Meeting. The Board, considered the appointment of Mr. Suresh Tammineedi as an Executive Director of the company subject to approval of shareholders. Accordingly, a resolution seeking approval of Shareholders for his appointment as Executive Director for a period of Three years commencing from 03rd September, 2020 is included at Item No.5 of the Notice convening the Annual General Meeting.

- Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Mrs. KorpuVenkata Kali Kanaka Durga (DIN: 08640661) as an Additional Director of the Company in their meeting held on 18th December, 2019, who holds office till the ensuing Annual General Meeting. The Board, considered the appointment of Mrs. KorpuVenkata Kali Kanaka Durga as an Independent Director subject to approval of shareholders. Accordingly, a resolution seeking approval of Shareholders for her appointment as an Independent Director for a period of five years commencing from 18th December, 2019 is included at Item No.6 of the Notice convening the Annual General Meeting.
- Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Mr. Kakkerla Sri Krishna (DIN: 01810232), Rao as an Additional Director of the Company in their meeting held on 13th November, 2019, who holds office till the ensuing Annual General Meeting. The Board, considered the appointment of Mr. Kakkerla Sri Krishna as Whole-time Director subject to approval of shareholders. Accordingly, a resolution seeking approval of Shareholders for his appointment as Whole-time Director for a period of Three years commencing from 13th November, 2019 is included at Item No.7 of the Notice convening the Annual General Meeting.
- During the year under review, Mrs. Chukka Lakshmi, Independent Director of the Company resigned from the office of Independent Director with effect from 18th December, 2019.
- During the year under review, Mr. T .Venkateswara Rao Executive Director of the Company resigned from the office of Director with effect from 23rd May, 2019.
- During the year under review, Mr. Gaddi Linga Murthy Executive Director of the Company resigned from the office of Director with effect from 13th March, 2020.
- During the year under review, Mr. Srinivasa Rao Tatipaka Executive Director of the Company resigned from the office of Director with effect from 23rd May, 2019.
- During the year under review, Mr. Vasudevarao Maraka Executive Director of the Company resigned from the office of Director with effect from 13th November 2019.
- During the year under review, Mr. Venkata Krishnayya Nekkanti Independent Director of the Company resigned from the office of Independent Director with effect from 23rd May, 2019.
- During the year under review, Mr. Avinash Karingam Executive Director of the Company resigned from the office of Director with effect from 13th October, 2019.

Key Managerial Personnel (KMP):

- During the year under review, Mr. T .Venkateswara Rao, Chief Financial Officer (KMP) of the Company resigned from the post of Chief Financial Officer with effect from 28th August, 2019.
- During the year under review, Mr. Vasudevarao Maraka Appointed as Chief Financial Officer (KMP) of the Company with effect from 28th August, 2019 and tendered his resignation from the post of Chief Financial Officer with effect from 13th November, 2019.
- During the year under review, Mr. Mr. Dasigi Venkata Surya Prakash Rao Appointed as Chief Financial Officer (KMP) of the Company with effect from 13th November, 2019.
- During the year under review, Mr. Abhishek Mishra, Company Secretary of the Company resigned from the post of Company Secretary with effect from 01st, July, 2019.
- During the year under review, Mr. K. Kiran Appointed as Company Secretary of the Company with effect from 18th December, 2019.

(Note: He tendered his resignation from the post of Company Secretary of the Company with effect from 30th May, 2020.)

- Mr. Anshul Gupta Appointed as Company Secretary of the company w.e.f. 16th June 2020 and tendered his resignation from the post of Company Secretary of the Company with effect from 03rd September, 2020.

Meetings of the Board:

The Board met 9 times in the financial year 2019-20 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

| | | | | | | | | |
|------------------------------------|-----------------------------------|----------------------------------|---------------------------------|---------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|
| 18 th April, 2019 | 23 rd , May 2019 | 01 st July 2019 | 08 th August 2019 | 28 th August 2019 | 13 th November 2019 | 18 th December 2019 | 13 th February 2020 | 13 th March 2020 |
|------------------------------------|-----------------------------------|----------------------------------|---------------------------------|---------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|

Audit Committee:

Details of composition of the Audit Committee is as follows:

| Name of the Director | Designation |
|---|-------------|
| Satya Srikanth Karaturi (Independent Director) | Chairman |
| Chukka Siva Satya Srinivas (Independent Director) | Member |
| Mr. Chukka Lakshmi (Independent Director) (Up to 18-12-2019) | Member |
| K .V. kali kanaka durga (Independent Director) (w.e.f. 19-12-2020) | Member |

Meetings during the year:

The Audit committee met 4 times in the financial year 2019-20 on the following dates

| | | | |
|---------------------------|------------------------------|--------------------------------|--------------------------------|
| 23 rd May,2019 | 08 th August,2020 | 13 th November,2019 | 13 th February,2020 |
|---------------------------|------------------------------|--------------------------------|--------------------------------|

Nomination and Remuneration Committee:

Details of composition of Nomination and Remuneration Committee is as follows:

| Name of the Director | Designation |
|---|-------------|
| Satya Srikanth Karaturi (Independent Director) | Chairman |
| Chukka Siva Satya Srinivas (Independent Director) | Member |
| Mr. Chukka Lakshmi (Independent Director) (Up to 18-12-2019) | Member |
| K .V. kali kanaka durga (Independent Director) (w.e.f. 19-12-2020) | Member |

Meetings during the year:

The Nomination and Remuneration Committee met 1 time in the financial year 2019-20 on the 13th November, 2019

Stakeholders Relationship Committee:

Details of composition of Stakeholders Relationship Committee is as follows:

| Name of the Director | Designation |
|--|-------------|
| Satya Srikanth Karaturi (Independent Director) | Chairman |
| Chukka Siva Satya Srinivas (Independent Director) | Member |
| Mr. Chukka Lakshmi (Independent Director) (Up to 18-12-2019) | Member |
| K .V. kali kanaka durga (Independent Director) (w.e.f. 19-12-2020) | Member |

Meetings during the year:

The Stakeholders Relationship Committee met 1 time during the year 2019-20 on 13th February, 2020.

Policy on Director's Appointment and Remuneration and other matters:**(a) Procedure for Nomination and Appointment of Directors:**

The Nomination and Remuneration Committee has been formed. The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment/removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

On the recommendation of the Nomination and Remuneration Committee, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other Employees. The remuneration determined for Executive/Non-Executive Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. The Non-Executive Directors will be compensated by way of profit-sharing Commission and the Non-Executive Directors will be entitled to sitting fees for the Board/Committee Meetings. The remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Remuneration Policy of the Company.

Annual Evaluation of Board Performance and Performance of its Committees and of Directors:

The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and all other Committees.

A separate exercise was carried out to evaluate the performance of individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

It is informed to the members of the company that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory or Regulatory authority either during the Financial Year 2018-19 or 2019-20 respectively.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PUBLIC DEPOSITS:

Your Company has neither accepted nor renewed any fixed deposits from the public within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and as such no principal or interest was outstanding as on the date of the Balance sheet.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them.

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2019-20 and of the profit or loss of the Company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts for the year 2019-20 have been prepared on a going concern basis.
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee.

MANAGEMENT DISCUSSION & ANALYSIS:

Pursuant to the provisions of Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a report on Management Discussion & Analysis is herewith annexed as "Annexure II" to this report.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in form MGT- 9 is annexed herewith as 'Annexure III' to this report and the same is uploaded on the website of the Company at <http://www.spacenetent.com/>

RELATED PARTY TRANSACTIONS AND PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the 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 the related party transactions are placed before the Audit Committee also and before the Board for approval.

Particulars of contracts or arrangements with related parties are provided in 'Annexure IV' in Form AOC-2 and forms part of this report.

POLICY ON MATERIAL SUBSIDIARIES:

During the year under review there are no material subsidiaries pursuant to The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the year under review.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, No amount which remained unclaimed for a period of seven years has been transferred by the Company to the Investor Education and Protection Fund established by the Central Government during the financial year 2019-20.

TRANSFER OF UNCLAIMED SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 124 of the Companies Act, 2013, No shares in respect of which dividend has not been paid or claimed for seven consecutive years were transferred by the Company in the name of Investor Education and Protection Fund during the financial year 2019-20.

PARTICULARS OF EMPLOYEES:

None of the employees are in receipt of the remuneration as mentioned in Section 197 of the Companies Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

BUSINESS RESPONSIBILITY REPORT:

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing various initiatives taken by the Company on the environmental, social and governance not applicable to the company during the year under review.

CORPORATE GOVERNANCE:

Since the paid-up capital of the company is less than Rs.10 Crores and the net worth of the Company is less than Rs.25 Crores, the provisions of Regulations 17, 17A, 18, 19, 20, 21,22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, are not applicable to the Company, hence corporate governance report has not been enclosed to directors 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.

HUMAN RESOURCES:

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and conducive work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

Your Company strongly supports the rights of all its employees to work in an environment, free from all forms of harassment. The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure.

The Company has also constituted an Internal Complaints Committee (ICC) to Address the concerns and complaints of sexual harassment and to recommend appropriate action.

The Company has not received any complaint on sexual harassment during the year 2019-20

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.

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:

| Particulars | For the Year ended 31st, March-2020 | For the Year ended 31st, March-2019 |
|---------------------------|-------------------------------------|-------------------------------------|
| Foreign Exchange Earnings | NIL | NIL |
| Foreign Exchange outgo | NIL | NIL |

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the Financial Year 2019-20 and the date of the report.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has undertaken green initiative in Corporate Governance by allowing paperless compliances by the Companies and permitted the service of Annual Reports and documents to the shareholders through electronic mode subject to certain conditions and the Company continues to send Annual Reports and other communications in electronic mode to the members who have registered their email addresses with the Company/RTA.

ACKNOWLEDGMENTS:

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for the excellent support and cooperation extended by them.

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

For Specenet Enterprises India Limited

Sd/-
Satya Srikanth Karaturi
Director
(DIN: 07733024)

Sd/-
Dasigi Venkata Surya Prakash Rao
Executive Director
(DIN: 03013165)

Date: 03-09-2020
Place: Hyderabad

Annexure-I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

*For the Financial Year Ended 31st March 2020**[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]*

To,

The Members,

M/s. **SPACENET ENTERPRISES INDIA LIMITED,****CIN: L72200TG2010PLC068624,**

Royal Pavilion Apartment, H.No. 6-3-787,

Flat No. 1003, Block - A, Ameerpet,

Hyderabad - 500016

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2020, as per the Annexure to this secretarial audit, according to the provisions of:
 - (a) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;(**Not applicable as there is no Foreign Investment in /by the Company**).
 - (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(**Not applicable as there was no fresh issue of Capital during the Year**).
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as there was no debt securities listed on the Stock Exchange).
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**Not applicable as there was no Delisting of Equity Shares during the year**) and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**Not applicable as there was no Buyback of Securities by the Company during the Year**)

2. I have also examined compliance with the applicable clauses of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India.
 - The Listing Agreements entered into by the Company with the National Stock Exchange;
3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:
- Due to shifting of registered office by the company, few records were not traceable. So, reliance was based on the Management Representation Letter (MRL) received from the company.
 - In accordance with provisions of Regulation 33 of LODR, the Statutory Auditors have not complied with the requirement of Peer Review Certificate of the ICAI;
4. I further report 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.
 - 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 are captured and recorded as part of the minutes.
 - iv. 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. More focus on good governance is required.
5. I further report that during the audit period the company had the following major events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:
- i. 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.
 - ii. 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 ('Resulting Company') 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.
6. There was inter-se transfer of shares amongst the promoters.
7. The Board decided to implement ESOP Scheme for key managerial personnel including directors to reward, attract, motivate and retain for their high level of performance, "SEPL Employees Stock Option Scheme, 2020 ("ESOP Scheme 2020"), pursuant to Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Share Based Employees Benefits) Regulations, 2014 ("SEBI Regulations").
8. Board Meeting held on 22nd June 2020, included the decision taken by the Board of Directors of the Company approving the request from Uma Kunareddy received on 16th June, 2020 to reclassify her promoter status as Public.

Place: Hyderabad
Date: 03-09-2020

Sd/-
D. Balarama Krishna
Company Secretary in Practice
FCS No.: 8168
C P No.: 22414
UDIN: F008168B000657951

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.

Annexure

To,
The Members,
M/s. **SPACENET ENTERPRISES INDIA LIMITED,**
CIN: L72200TG2010PLC068624,
Royal Pavilion Apartment, H.No. 6-3-787,
Flat No. 1003, Block - A, Ameerpet,
Hyderabad - 500016

SUBJECT: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records 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 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 the Management. Our examination was limited to the verification of procedures.
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.

Place: Hyderabad
Date: 03-09-2020

Sd/-
D. Balarama Krishna
Company Secretary in Practice
FCS No.: 8168
C P No.: 22414
UDIN: F008168B000657951

Annexure-II**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

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.

Amidst a weak environment for global manufacturing, trade and demand, Indian economy emerged as one of fastest growing major economy as compared to the advanced and emerging nations in FY2020.

However, the growth was subdued as compared to the previous fiscal mainly due to the COVID-19 impact. The deceleration was also most evident in the manufacturing and agriculture sectors, whereas Government-related services sub-sectors received significant support from public spending. Though there was rise in Government spending, sharp slowdowns in household consumption and investment offset the same. The economy had shown signs of recovery in the third quarter of fiscal 2020 with the rise in purchasing managers index in manufacturing hitting an eight year high of 55.3 in January 2020. However, with the onset of COVID-19 pandemic and the resultant lockdown, the revival came to a standstill in March 2020.

The overall negative impact on the economy in FY2021 will depend on future extent and the resultant outcome of the COVID-19. Weakness in income growth and a rising unemployment rate is also expected to undermine consumer sentiment. However, the Government of India along with the RBI has undertaken a slew of measures to counter the impact of the lockdown. The lockdown is expected to impact economic activities in the first half of fiscal 2021. However, in the second half, the economy is expected to recover. In addition to the above fiscal measures, there will be expectations of further fiscal measures. RBI is also expected to continue its monetary easing policy and liquidity boosting measures. The weakness in global growth rules out the possibility of pick up in Indian exports and the government will have to rely on internal consumption and investment to drive growth. That said, weak global growth should keep commodity prices in check which in turn will keep domestic inflation and current account deficit under control. Even if the fiscal deficit widens sharply for supporting growth, low commodity prices and weak domestic demand will prevent inflation from spiralling

Economic scenario and impact of COVID-19:

The global and Indian commodity derivatives market saw significant developments during the year 2019-20. These are elaborated below. Towards the end of the financial year, the spread of the COVID-19 pandemic which engulfed almost all the countries and impacted commodity markets in a major way, being the most significant

The Indian economy grew at an estimated rate of 4.2% in Financial Year (FY) 2019-20. As per estimates released by the International Monetary Fund (IMF) in its 'World Economic Outlook' April 2020, the growth in world output moderated to about 2.9% in Calendar Year (CY) 2019. This was the lowest growth rate since the global financial crisis in 2009. Expectations of a recovery in CY 2020 have been belied by the global spread of the COVID-19 pandemic and the restrictions put in place to control it.

The direct and most significant impact of the COVID-19 pandemic has been a disruption in economic activities in India, as well as, in most other economies around the world. The lockdowns imposed by governments across the world to contain the spread of virus has affected both production and consumption of basic raw materials.

While the severity and extent of spread of the pandemic varies across the countries, the global economic output is expected to contract by about 3% according to the latest estimates by IMF. The impact on the domestic economy is also expected to be severe in 2020-21. The Reserve Bank of India and some private research bodies forecast a negative GDP growth for India in FY 2020- 21.

The impact of COVID-19 on world commodity markets has been significant as it has affected both the demand and supply of commodities. This has led to a general fall in prices of most commodities, bullion being an exception. With the slump in demand as more and more countries restrict movement of people and goods, the demand for and prices of commodities remain subdued. However, it is expected that as the lockdowns are relaxed or lifted and economies gradually resume to normal functioning, the demand for commodities could revive.

Performance of Domestic Commodity Markets in FY 2019-20:

Indian commodity derivatives markets witnessed robust growth during FY 2019-20, as the aggregate value of commodity futures traded across all exchanges grew by 24% at Rs. 89.3 lakh crore compared to Rs.71.97 lakh crore in FY 2018-19. As a result, the Average Daily Turnover of commodity futures traded on Indian exchanges increased to Rs. 34,491, the highest since FY 2012-13. In terms of volumes, the Indian commodity futures market expanded by about 23% to 38.87 crore contracts in FY 2019-20 from 31.68 crore contracts in the previous year. The strong growth in futures trading, in tune with the global trends, was primarily driven by the increased volatility in non-agricultural commodities particularly in the bullion and energy segments. Trading in options contracts also expanded significantly to ` 2.92 lakh crore in FY 2019-20, up from about ` 1.81 lakh crore in the previous year as noted in the SEBI Monthly Bulletin April 2020.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has put in place various measures to ensure that the internal control mechanisms are adequate and are effective. The Board has also put in place state-of-the-art technology and has automated most of the key areas of operations and processes, to minimize human intervention. The design, implementation and maintenance of adequate internal financial controls are such that they operate effectively and ensure accuracy and completeness of the accounting records. Their presentation gives a true and fair view of the state of affairs of the Company and are free from material misstatements, whether due to error or fraud.

OPPORTUNITIES

A favourable policy and regulatory environment, mainly through the permissibility of new products, as well as, participant categories, has provided a number of growth opportunities to the company. The continuous efforts to develop the commodity derivatives market promises to provide many opportunities for your Company in terms of expansion of product and permissible participant categories

RISK MITIGATION PLAN

Your Company regularly reviews the risks it faces and takes appropriate action to minimize the likelihood of such occurrences or their impact.

STRATEGY

Your Company aims to further consolidate its position a wide array of commodity derivatives with increased focus on enhancing overall market size & expanding its product and service offerings. Further, your Company will constantly look for new product innovation and development, and offers state of the art services to all its stakeholders. Your Company will also continue to make relentless efforts in tapping the opportunities unfolding in India's commodity market.

INITIATIVES

Your Company remains committed to strengthening its processes, creating products and systems in order to uphold the trust bestowed by its stakeholders.

CAUTIONARY STATEMENT

In this annual report some future developments which are expected to be implemented have been given. This has been done with a view to help investors better understand the Company's future prospects and make informed decisions while interacting with the Exchange. This annual report and other written and oral statements made from time to time may contain such forward-looking statements based on management's current plans and assumptions. It cannot be guaranteed that any forward-looking statement will be realised, although, we believe, we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should 'known' or 'unknown' risks or uncertainties materialise, or should the underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind when they consider forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

For Specenet Enterprises India Limited

Sd/-
Satya Srikanth Karaturi
Director
DIN: 07733024

Sd/-
Dasigi Venkata Surya Prakash Rao
Executive Director
DIN: 03013165

Date:03-09-2020
Place: Hyderabad

Annexure-III

FORM MGT - 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31.03.2020

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

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, India. Tel: +91-40-23540763/64, Fax: +91-40-23540763 E-mail: cs@spacenetent.com Web: www.spacenetent.com |
| Vi | Whether listed company | Yes. Listed on National Stock Exchange of India Limited (NSE) |
| Vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | CIL Securities Limited 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001. Phone: +91 040-2320 3155 E-mail: rta@cilsecurities.com |

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 |

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 |

III. 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 (01.04.2019) | | | | No. of Shares held at the end of the year (31.03.2020) | | | | % Change during the year |
|---|--|----------|----------------|-------------------|--|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total shares | |
| A. Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/HUF | 9305050 | - | 9305050 | 18.98 | 9305050 | - | 9305050 | 18.98 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks/FI | - | - | - | - | - | - | - | - | - |
| f) Any Others | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1) | 9305050 | - | 9305050 | 18.98 | 9305050 | - | 9305050 | 18.98 | - |
| (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) | 9305050 | - | 9305050 | 18.98 | 9305050 | - | 9305050 | 18.98 | - |
| 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) | - | - | - | - | - | - | - | - | - |
| 3. Non Institutions | | | | | | | | | |
| (a) Individuals | | | | | | | | | |

| | | | | | | | | | |
|--|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|------|
| (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 up to Rs.2 lakhs | 24547263 | 25911 | 24573174 | 50.13 | 24151800 | 26061 | 24177861 | 49.32 | 0.81 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 7508661 | - | 7508661 | 15.32 | 7356473 | - | 7356473 | 15.01 | 0.31 |
| Non Resident Indian (NRI) | 512889 | - | 512889 | 1.05 | 504937 | - | 504937 | 1.03 | 0.02 |
| Body Corporate | 4223707 | - | 4223707 | 8.62 | 4825361 | - | 4825361 | 9.84 | 1.22 |
| Clearing Members | 62617 | - | 62617 | 0.13 | 16416 | - | 16416 | 0.03 | 0.10 |
| iii) Any Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total(B)(3) | 36855137 | 25911 | 36881048 | | 36854987 | 26061 | 36881048 | | - |
| Total Public Shareholding (B)= (B)(1)+(B)(2)+B(3) | 39687629 | 25911 | 39713540 | 81.02 | 39687479 | 26061 | 39713540 | 81.02 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Total (A+B+C) | 48992679 | 25911 | 49018590 | 100 | 48992529 | 26061 | 49018590 | 100 | |

ii. Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2019) | | | Shareholding at the end of the year (31.03.2020) | | | % change in shareholding 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 | - | - | - | - | (6.64) |
| 2 | Meenavalli Usha Rani | 3226360 | 6.58 | - | 6480946 | 13.22 | - | 6.64 |
| 3. | Uma Kuna Reddy | 2668852 | 5.44 | - | 2668852 | 5.44 | - | |
| 4. | Meenavalli Krishna Mohan | 80786 | 0.16 | - | 80786 | 0.16 | - | - |
| 5. | M V Laxmi | 74466 | 0.15 | - | 74466 | 0.15 | - | - |
| | Total | 9305050 | 18.98 | | 9305050 | 18.98 | | |

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

| Sl. No. | Shareholder | Shareholding at the beginning of the year (01.04.2019) | | Change in Shareholding During the year (No. Of Shares) | | Shareholding at the end of the year (31.03.2020) | |
|---------|------------------------------|--|----------------------------------|--|----------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | Increase | Decrease | No. of shares | % of total shares of the company |
| 1. | Meenavalli Venkata Srinivas* | 3254586 | 6.64 | -- | 3254586 | 0 | 0 |
| 2. | Meenavalli Usha Rani* | 3226360 | 6.58 | 3254586 | i-- | 6480946 | 13.22 |
| 3. | Meenavalli Krishna Mohan | 80786 | 0.16 | -- | -- | 80786 | 0.16 |
| 4. | Uma Kunareddy | 2668852 | 5.44 | --- | -- | 2668852 | 5.44 |
| 5. | M V Laxmi | 74466 | 0.15 | ---- | --- | 74466 | 0.15 |

*Note: Inter-se transfer of 3254586 equity shares from Meenavalli Venkata Srinivas to Meenavalli Usha Rani through an off-market transaction during the Financial Year 2019-2020.

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 (01.04.2019) | | Change in Shareholding During the year (No. Of Shares) | | Shareholding at the end of the year (31.03.2020) | |
|---------|-------------------------------------|--|----------------------------------|--|----------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | Increase | Decrease | No. of shares | % of total shares of the company |
| 1. | Albula Investment Fund Ltd | 2832492 | 5.78 | 0 | 0 | 2832492 | 5.78 |
| 2. | Barret Commodity Traders Pvt Ltd | 1663758 | 3.39 | 794337 | 0 | 2458095 | 5.01 |
| 3. | Kommareddy Narasimha Krishna Murthy | 596377 | 1.22 | 265347 | 0 | 861724 | 1.76 |
| 4. | Yashwanth Reddy Mandipati | 756266 | 1.54 | 600 | 0 | 755666 | 1.54 |
| 5. | R Vivek Kumar | 0 | 0 | 587752 | 0 | 587752 | 1.2 |
| 6. | Vijaya Bhaskar Appapurapu | 510020 | 1.04 | 0 | 0 | 510020 | 1.04 |
| 7. | V. V.S. Chalapathi Rao | 616940 | 1.26 | 115940 | 0 | 501000 | 1.02 |
| 8. | Palacharla Padmavathi | 500000 | 1.02 | 0 | 0 | 500000 | 1.02 |
| 9. | Nitinkumar Ganga Rambhai Patel | 429036 | 0.88 | 0 | 0 | 429036 | 0.88 |
| 10. | Chitturi Vijaya Durga | 409200 | 0.83 | 0 | 0 | 409200 | 0.83% |

v. Shareholding of Directors and Key Managerial Personnel (KMP):

| Sl. No. | Name of the Directors and KMP | Shareholding at the beginning of the year (01.04.2019) | | Change in Shareholding During the year (No. Of Shares) | | Shareholding at the end of the year (31.03.2020) | |
|---------|---|--|----------------------------------|--|----------|--|----------------------------------|
| | | No. of shares | % of total shares of The company | Increase | Decrease | No. of shares | % of total shares of the company |
| 1. | Srinivasa Rao Tatipaka (Up to 23-05-2019) | 1600 | 0 | 0 | 0 | 1600 | 0. |
| 2. | D.V Surya Prakash Rao (w.e.f. 13-11-2019) | 0 | 0 | 357754 | 0 | 357754 | 0.73 |
| 3. | Satya Srikanth Karaturi | 10 | 0 | 3463 | 0 | 3473 | 0.01 |
| 4. | chukka siva satya srinivas | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. | Chukka Lakshmi (Up to 18-12-2019) | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. | T .Venkateswara Rao (Up to 23-05-2019) | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. | Gaddi Linga Murthy (Up to 13-03-2020) | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. | Goutham Jupally (w.e.f. 13-03-2020) | 102 | 0 | 0 | 0 | 102 | 0 |
| 9. | Kakera Sri Krishna (w.e.f. 13-11-2019) | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. | K. V. Kali Kanaka Durga (w.e.f. 18-12-2019) | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. | Vasudevarao Maraka (Up to 13-11-2019) | 6900 | 0 | 0 | 0 | 6900 | 0 |
| 12. | Venkata Krishnayya Nekkanti (Up to 23-05-2019) | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. | Avinash Karingam (Up to 30-10-2019) | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. | Abhishek Mishra (upto 01-07-2019) | 27 | 0 | 0 | 0 | 27 | 0 |
| 15. | Kiran Koduri (w.e.f.18-12-2019) | 24217 | 0.05 | 0 | 0 | 24217 | 0.05 |

V. 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 | - | 9,49,02,181 | - | - |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | 9,49,02,181 | - | - |
| Change in Indebtedness during the financial year | - | - | - | - |
| • Addition | - | 6,06,06,139 | - | 6,06,06,139 |
| • Reduction | - | 30,91,139 | - | 30,91,139 |
| Net Change | - | 5,75,15,000 | - | 5,75,15,000 |
| Indebtedness at the end of the financial year | - | - | - | - |
| i. Principal Amount | - | 15,24,17,181 | - | 15,24,17,181 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | 15,24,17,181 | - | 15,24,17,181 |

IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Directors And /Or Manager:

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | | Total Amount |
|---------|---|------------------------|---------------------|------------------------|---------------------------|---------------------------|--------------|
| | | Avinash Karingm* | GddiLing a Murthy** | Vasudeva Rao Maraka*** | D.V.Surya Prakash Rao**** | Kakkerla Sri Krishna***** | |
| 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 | | | | | | |

Note:

* Mr.Avinash Karingm resigned as whole Time director w.e.f. 30-10-2019

** Gddi Linga Murthy resigned as Executive director w.e.f. 13-03-2020

*** Vasudeva Rao Maraka resigned as Executive director w.e.f. 13-11-2019

**** D.V.Surya Prakash Rao has been appointed as an Executive Director w.e.f. 13-11-2019 subject to approval of shareholders In ensuing AGM

***** Kakkerla Sri Krishna has been appointed as an Executive Director w.e.f. 13-11-2019.

B. Remuneration to Other Directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|----------------------------|-------------------------|-----------------|-------------------------|--------------|
| | | Chukka Siva Satya Srinivas | Satya Srikanth Karaturi | Chukka Lakshmi* | K V Kali Kanaka Durga** | |
| | 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) | - | - | - | - | - |

Note:

* Chukka Lakshmi resigned as Independent director w.e.f 18-12-2019

** K V Kali Kanaka Durga has been appointed as Independent director Director w.e.f. 18-12-2019 subject to approval of shareholders in ensuing AGM.

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel (KMP) | | | | | | |
|---------|--|--------------------------------|-----------------------|-------------------------|-------------------------|-------------------------|----------------------------|--------------------------------|
| | | CEO | Company Secretary | | CFO | | | Total |
| | | | Abhishek Mishra* | Kiran Koduri** | T.venkateswararao*** | Vasudeva Rao Maraka**** | D.V Surya Prakash Rao***** | |
| 1. | Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - - - - | 60,000 - - - | 2,10,000 - - - | 1,29,000 - - - | 1,90,000 - - - | 1,68,000 - - - | 7,57,000 - - - |
| 2. | Stock Option | - | - | - | - | - | - | - |
| 3. | Sweat Equity | - | | | | | | |
| 4. | Commission as % of profit Others, specify... | - - | - - | - - | - - | - - | - - | - - |
| 5. | Others, please specify Total | - - | - - | - - | - - | - - | - - | - - |

Note:

* Mr.Abhishek Mishra resigned as Company Secretary w.e.f 01-07-2019

** Kiran Koduri Appointed as Company Secretary w.e.f 18-12-2019

*** T.venkateswara rao resigned as CFO w.e.f 28-08-2019

**** Vasudeva Rao Maraka has been Appointed as CFO w.e.f 28-08-2019 and resigned as CFO w.e.f.13-11-2019

***** D.V Surya Prakash Rao has been appointed as CFO w.e.f. 13-11-2019

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF 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 | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

For Specenet Enterprises India Limited

Sd/-
Satya Srikanth Karaturi
Director
(DIN: 07733024)

Sd/-
Dasigi Venkata Surya Prakash Rao
Executive Director
(DIN: 03013165)

Date: 03-09-2020
Place: Hyderabad

Annexure-IV
FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 for the Financial Year 2019-20)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

- I. Details of contracts or arrangements or transactions not at Arm's length basis.: NIL
- II. Details of contracts or arrangements or transactions at Arm's length basis.

| Sr.No. | Particulars | |
|--------|--|---|
| 1. | Name (s) of the related party | Nature of Relationship |
| | Barret Commodity Traders Private Limited | Common Director |
| | Kling Enterprises India Limited | Common Director |
| | Usha Rani Meenavalli | Promoter |
| | Stampede Enterprises India private limited | Common Director |
| | Kling Trading India Private Limited | Common Director |
| 2 | Nature of contracts/arrangements/transaction: | |
| | Unsecured loan Received Advance Received Advance Repaid Advance given Payment against purchases Purchases Sales Receivables against sales | Repayment of Unsecured loan Payment against sales Repayment of loan Unsecured loan payable Advance payable Trade payable Advance Receivable Trade Receivable |
| 3 | Duration of the contracts/arrangements/transaction: Duration of contracts are in continuing and ongoing basis from financial year to financial year | |
| 4 | Salient terms of the contracts or arrangements or transaction including the value, if any: As per <i>Annexure-A</i> | |
| 5 | Date of approval by the Board: All the transaction were entered on arm-length basis and in the ordinary course of business | |
| 6 | Amount paid as advances, if any As per <i>Annexure-A</i> | |

For Specenet Enterprises India Limited

Sd/-
Satya Srikanth Karaturi
Director
(DIN: 07733024)

Sd/-
DasigiVenkata Surya Prakash Rao
Executive Director
(DIN: 03013165)

Date:03-09-2020
Place: Hyderabad

Annexure-A
a) Transactions during the year

| Sr. No. | Name | Relation | Nature of Transaction | Current Year 2019-20 | Previous Year 2018-19 |
|---------|------------------------------------|-----------------|---------------------------|----------------------|-----------------------|
| 1 | Barret Commodity Traders Pvt Ltd | Common Director | Advance Received | 1,982,250 | 1,277,000 |
| | | | Advance Repaid | - | 700,000 |
| | | | Advance given | 6,885,443 | - |
| | | | Payment against purchases | 6,295,728 | - |
| | | | Purchases | 12,04,200 | 6,295,728 |
| 2 | Kling Enterprises India Ltd | Common Director | Advance Received | | 2,376,500 |
| | | | Advance Repaid | | 500,000 |
| | | | Sales | 10,726,262 | - |
| | | | Received against sales | 4,277,700 | - |
| 3 | Usha Rani Meenavalli | Promoter | loan received | 5,97,46,000 | - |
| | | | Repayment of loan | 7,66,000 | - |
| 4 | Stampede Enterprises India Pvt Ltd | Common director | Purchase | 17,414,214 | - |
| | | | Paid against sales | 45,74,000 | |
| 5 | Kling Trading India Pvt Ltd | Common Director | Repayment of loan | 1,465,000 | - |

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

| Sl.No. | Name | Relation | Nature of Transaction | Current Year 2019-20 | Previous Year 2018-19 |
|--------|------------------------------------|-----------------|------------------------|----------------------|-----------------------|
| 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 |
| | | | Advance Receivable | 3,121,993 | - |
| 3 | Kling Enterprises India Ltd | Common Director | Advance payable | - | 1,876,500 |
| | | | Trade Receivable | 4,572,062 | - |
| 4 | Usha Rani Meenavalli | Promoter | Unsecured loan payable | 58,980,000 | - |
| 5 | Stampede Enterprises India Pvt Ltd | Common Director | Trade payable | 12,840,214 | - |
| 6 | Kling Trading India Pvt Ltd | Common Director | Unsecured Loan payable | 25,160,781 | 26,625,781 |

INDEPENDENT AUDITOR'S REPORT

To the Members of

SPACENET ENTERPRISES INDIA LIMITED

Report on the 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 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, loss, total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the 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.

Information Other than the Financial Statements and Audit Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management and Discussion Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's 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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements, the management is 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Audit Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of 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 ability of the Company 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period 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.

Other Matters

The comparative financial information of the Company for the year ended 31st March, 2019 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2016 audited by us on which we had expressed an unmodified opinion vide our Audit Reports dated May 23, 2019, as adjusted for the differences in accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

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 of the financial statements.
 - 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 Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose or preparation of the financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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— Refer Note No 2.16 of the financial statements.
 - j) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For Navitha And Associates

Chartered Accountants
ICAI Firm Registration Number: 012026S

Place : Hyderabad
Date :26-06-2020

Sd/-
Navitha.K
Proprietor
Membership Number: 221085

Annexure A to Audit Report
ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF SPACENET ENTERPRISES INDIA LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a phased programme of verification of fixed assets once in 2 years which in our opinion is reasonable considering the size of the Company and nature of its fixed assets.
- (c) The Company does not have any immovable property. Therefore, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is not carrying on any trading or manufacturing activity. Therefore, Paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted loans covered in the register maintained under Section 189 of the Companies Act, 2013
- (iv) According to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, investments, guarantees and securities made as applicable.
- (v) The Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and Rules framed thereunder. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or other tribunal.
- (vi) According to the information and explanations given to us, in respect of the class of industry the company falls under, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales tax, value added tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. Further as explained, there are no undisputed statutory dues outstanding for more than six months as at 31st March 2019 from the date they became payable
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Services Tax, Excise Duty, Customs Duty and Cess which have not been deposited on account of any dispute except as stated below :

| Name of the Statute | Nature of dues | Period to which the amount relates | Amount in Rs | Forum where the dispute is pending |
|----------------------|----------------|------------------------------------|--------------|--|
| Income Tax Act, 1961 | Income Tax | AY 2012-13 | 2,971,230 | Deputy Commissioner of Income Tax |
| 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 | Income Tax Appellate Tribunal, Hyderabad |

- (viii) According to the information and explanation given to us, the company has not defaulted in repayment of loans to banks. The Company has not taken any loans or borrowings from Government or financial institutions and did not have any dues to debenture holders during the year.

- (ix) According to the information and explanations given to us, the Company has not raised moneys by way of rights issue during the year. We are informed that the Company has not raised any monies by way of initial public offer or further public or term loans during the year.
- (x) According to the information and explanations given to us, and based on the audit procedures performed and the representations obtained from the management, we report that no fraud by the company or on the Company by its officers or employees, having a material misstatement on the financial statements has been noticed or reported during the period under audit.
- (xi) According to the information and explanations given to us and based on verification of records, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our Opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on verification of the records and approvals of the Audit Committee, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934.

For Navitha And Associates

Chartered Accountants
ICAI Firm Registration Number: 012026S

Place : Hyderabad
Date :26-06-2020

Sd/-
Navitha.K
Proprietor
Membership Number: 221085

Annexure-B to Audit Report**ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF SPACENET ENTERPRISES INDIA LIMITED ON THE STANDALONE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020**

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 31st, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Audit's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For Navitha And Associates

Chartered Accountants
ICAI Firm Registration Number: 012026S

Place : Hyderabad
Date :26-06-2020

Sd/-
Navitha.K
Proprietor
Membership Number: 221085

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020

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

| Particulars | Note No. | As at 31 March 2020 | As at 31 March 2019 |
|--------------------------------------|----------|----------------------|----------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| (a) Property, plant and equipment | 2.1(i) | 701,943 | - |
| (b) Intangible assets | 2.1(ii) | 244,662 | 298,316 |
| (c) Financial assets | | | |
| Other financial assets | 2.3 | 331,934 | 1,220,108 |
| (d) Other Non-Current Assets | 2.4 | 271,577 | 272,627 |
| Total Non-current Assets | | 1,550,116 | 1,791,051 |
| Current Assets | | | |
| (a) Financial assets | | | |
| (i) Trade receivables | | 4,592,062 | - |
| (ii) Cash and cash equivalents | 2.5 | 704,280 | 74,687 |
| (iii) Other financial assets | 2.3 | 5,998,065 | 101,692 |
| Total Current Assets | | 11,294,407 | 176,379 |
| TOTAL ASSETS | | 12,844,523 | 1,967,430 |
| EQUITY AND LIABILITIES | | | |
| Shareholder's funds | | | |
| (a) Share capital | 2.6 | 49,018,590 | 49,018,590 |
| (b) Other Equity | 2.7 | (204,802,061) | (152,868,443) |
| TOTAL EQUITY | | (155,783,471) | (103,849,853) |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| (a) Financial Liabilities | | | |
| Borrowings | 2.8 | 152,417,181 | 68,276,400 |
| (b) Other non-current liabilities | | - | - |
| Total Non-current Liabilities | | 152,417,181 | 68,276,400 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| Trade payables | 2.09 | 12,840,214 | 6,295,728 |
| (b) Provisions | 2.10 | 177,453 | 8,793 |
| (c) Other current liabilities | 2.11 | 3,193,144 | 31,236,362 |
| Total Current Liabilities | | 16,210,811 | 37,540,883 |
| TOTAL EQUITY AND LIABILITIES | | 12,844,523 | 1,967,430 |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements referred in Note.no.1& 2

As per our report of even date attached

For Navitha and Associates

Chartered Accountants

Firm Registration No:012026S

By order of the Board
for Spacenet Enterprises India Limited

Sd/-

C.A Navitha K

Proprietor

M.No. 221085

Place: Hyderabad

Date : 26 -06-2020

Sd/-

Anshul Gupta

Company Secretary

M.No. 58818

Sd/-

Satya Srikanth Karaturi

Director

DIN: 07733024

Sd/-

Dasigi Venkata

Surya Prakash Rao

Executive Director & CFO

DIN:03013165

STATEMENT OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

| Particulars | Note No. | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|----------|----------------------------------|----------------------------------|
| Revenue | | | |
| Income from operations | 2.12 | 31,859,220 | 5,341,920 |
| Other income | 2.13 | 14,743 | 1,060,867 |
| Total revenue | | 31,873,963 | 6,402,787 |
| Expenses | | | |
| Operating expenses | | 29,303,718 | 5,335,363 |
| Employee benefits expense | 2.14 | 2,872,811 | 212,723 |
| Finance costs | | - | - |
| Depreciation and amortisation expense | 2.1 | 72,728 | 69,560 |
| Other expenses | 2.15 | 51,558,324 | 1,106,607 |
| Total expenses | 2.15 | 83,807,579 | 6,724,253 |
| Profit/ (Loss) before extraordinary items and tax | | (51,933,616) | (321,466) |
| Extraordinary items | | - | - |
| Profit/ (Loss) before tax | | (51,933,616) | (321,466) |
| Tax expense | | | |
| - Current tax | | - | - |
| - Deferred tax | | - | - |
| Profit/ (Loss) after tax | | (51,933,616) | (321,466) |
| 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 | | (51,933,616) | (321,466) |
| Paid up equity share capital (face value of Rs.1/-each) | | | |
| Earnings per share (EPS)- par value Rs.1/- per share | 2.21 | | |
| Basic | | (1.06) | (0.01) |
| Diluted | | (1.06) | (0.01) |

The accompanying Significant accounting policies and notes form an integral part of the Standalone financial statements referred in Note.no.1& 2

As per our report of even date attached

For Navitha and Associates

Chartered Accountants

Firm Registration No:012026S

By order of the Board
for Spacenet Enterprises India Limited

Sd/-

C.A Navitha K

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M.No. 221085

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Company Secretary

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Satya Srikanth Karaturi

Director

DIN: 07733024

Sd/-

Dasigi Venkata

Surya Prakash Rao

Executive Director & CFO

DIN:03013165

Place: Hyderabad

Date : 26 -06-2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH MARCH 2020

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net profit/(loss) before taxation: | (51,933,617) | (321,466) |
| Adjustments for operating activities: | | |
| Depreciation and amortisation | 72,728 | 69,560 |
| Profit/(loss on sale of Fixed Assets (net) | - | 25,064 |
| Finance costs | - | - |
| Operating profit before working capital changes | (51,860,888) | (226,842) |
| Adjustments for | | |
| Decrease/(increase) in trade receivables | (4,592,062) | - |
| Decrease/(increase) in Financials Assets | (5,007,149) | (1,235,706) |
| Increase/(decrease) in provisions | (27,874,558) | (29,558) |
| Increase/(decrease) in Current Liabilities | 6,544,486 | 1,073,630 |
| Cash generated from operations | (82,790,171) | (418,476) |
| Income taxes paid | - | - |
| Net cash flow from operating activities (A) | (82,790,171) | (418,476) |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Assets | (721,017) | - |
| Sale of Assets | - | 246,030 |
| Net cash flow used in investing activities (B) | (721,017) | 246,030 |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from intercorporate deposit, net Interest paid | 84,140,781 | (700,000) |
| Net cash used in financing activities (C) | 84,140,781 | (700,000) |
| Net increase in cash and cash equivalents (A+B+C) | 629,593 | (872,446) |
| Cash and cash equivalents at the beginning of the year | 74,687 | 947,133 |
| Cash and cash equivalents at the end of the year (refer note: 5) | 704,280 | 74,687 |

As per our report of even date attached

For Navitha and Associates

Chartered Accountants

Firm Registration No:012026S

By order of the Board
for Spacenet Enterprises India Limited

Sd/-

C.A Navitha K

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M.No. 221085

Sd/-

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M.No. 58818

Sd/-

Satya Srikanth Karaturi

Director

DIN: 07733024

Sd/-

Dasigi Venkata

Surya Prakash Rao

Executive Director & CFO

DIN:03013165

Place: Hyderabad

Date : 26 -06- 2020

Statement of changes in equity for the year ended March 31, 2020:

| Particulars | No. of Shares | Amounts in Rs. |
|---|-------------------|-------------------|
| Equity Share Capital | | |
| Equity Shares of Rs.1 Each, fully paid up | | |
| As at April 01, 2018 | 49,018,590 | 49,018,590 |
| Issued during the year | - | - |
| As at March 31, 2019 | 49,018,590 | 49,018,590 |
| Issued during the year | - | - |
| As at March 31, 2020 | 49,018,590 | 49,018,590 |

Other Equity:

| | 2018-19 | | 2019-20 | | As at March 31, 2020 |
|--------------------|-----------------------|----------------------------|-----------------------|----------------------------|-----------------------|
| Particulars | As at April 01, 2018 | Profit/(loss) for the year | As at April 01, 2019 | Profit/(loss) for the year | |
| Capital Reserve | - | - | - | - | - |
| Securities Premium | - | - | - | - | - |
| General Reserve | 120,682,325 | - | 120,682,325 | - | 120,682,325 |
| Capital reduction | - | - | - | - | - |
| Retained Earnings | (27,32,29,302) | (321,466) | (27,35,50,768) | (5,19,33,616) | (32,54,84,384) |
| Total | (15,25,46,977) | (321,466) | (15,28,68,443) | (5,19,33,616) | (20,48,02,059) |

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 Registration No:012026S

By order of the Board
for Spacenet Enterprises India Limited

Sd/-

C.A Navitha K

Proprietor

M.No. 221085

Sd/-

Anshul Gupta

Company Secretary

M.No. 58818

Sd/-

Satya Srikanth Karaturi

Director

DIN: 07733024

Sd/-

Dasigi Venkata

Surya Prakash Rao

Executive Director & CFO

DIN:03013165

Place: Hyderabad

Date : 26 -06- 2020

Significant Accounting Policies:**1) Company Overview**

Spacenet Enterprises India Limited is a public company incorporated and domiciled in India and incorporated in accordance with the provisions of the erstwhile Companies Act, 1956. The companies registrar office at 6-3-787, Flat No 1003, Royal Pavilion, Block A, Ameerpet, Hyderabad 500016, Telangana. Its shares are listed on two recognized stock exchanges of India, The National Stock Exchange of India Limited. The company is primarily engaged in trading of commodities,

2) Basis of Preparation of Financial Statements**2.1) Statement of compliance**

The financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

2.2) 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 judgements 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.

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

2.3) Basis of measurement

The financial statements have been prepared on the historical cost basis except certain financial assets and liabilities that are measured at fair value or amortised cost.

2.4) Functional currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates. All amounts are in Indian Rupees INR except share data, unless otherwise stated.

2.5) Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets

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

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

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

Liabilities

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

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

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

2.6) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.7) Property, Plant and Equipment and Intangible assets

Tangible asset and capital work-in-progress

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

Intangible asset

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

Depreciation and Amortization

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives for the other fixed assets as follows:

| Assets | Years |
|---------------------------------------|----------|
| Servers and data processing equipment | 6 years |
| Computers | 3 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8 years |
| Intangible assets | 5 years |

2.8) Investments

The company continued to account for investments as under

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Noncurrent Investments are carried at cost less diminution in value other than temporary diminution 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.

2.9) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair

value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.0) Significant Account policies

3.1) 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.

3.2) Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.3) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.4) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Assets held under leases that do not transfer substantially all the risks and reward of ownership are not recognized in the balance sheet. Lease payments under operating lease are generally recognized as an expense in the statement of profit and loss on a straight-line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Further, at the inception of above arrangement, the Company determines whether the above arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates a payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.5) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.6) Property, plant and equipment

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate,

only when it is probable that the future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of Profit and Loss at the time of incurrence.

3.7) Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a Straight line basis (SLM) basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal

3.8) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortisation

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Computer software is amortised on straight line basis over a period of Five years.

3.9) Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

3.10) Cash flow statement

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

3.11) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

3.12) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.13) Contingent Liabilities & Contingent Assets

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 in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.14) Financial instruments

a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and Subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely

payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest for the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment

amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition:

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Impairment

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.15) Impact of COVID-19 Key accounting judgements, estimates and assumptions.

The threats posed by the coronavirus outbreak are multifold. In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has been declared epidemic and on March 24, 2020, the Government of India ordered a nationwide lockdown, limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

However, the management has considered the possible effects, if any, that may result from COVID-19 pandemic on amounts relating to trade receivables & advances given to customers. In assessing the recoverability of receivables and advances given to suppliers, the Company has considered internal and external information upto the date of approval of these financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results of the Company will continue to closely monitor any material changes. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial results.

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:

| Particulars | Plant & Machinery | Computers and related assets | Furniture and fixtures | Vehicles | Office equipment | Total Amount in Rs. |
|--|-------------------|------------------------------|------------------------|-----------|------------------|---------------------|
| Cost | | | | | | |
| As at April, 2018 | - | 3,109,064 | - | 1,035,955 | - | 4,145,019 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | 558,090 | - | 558,090 |
| As at April, 2019 | - | 3,109,064 | - | 477,865 | - | 3,586,929 |
| Additions | 312,746 | - | 163,271 | 210,000 | 35,000 | 721,017 |
| Disposals | - | - | - | - | - | - |
| As at 31 March, 2020 | 312,746 | 3,109,064 | 163,271 | 687,865 | 35,000 | 4,307,946 |
| As at 31 March, 2019 | - | 3,109,064 | - | 4,77,865 | - | 35,86,929 |
| Accumulated depreciation | | | | | | |
| As at April, 2018 | - | 3,109,064 | - | 748,808 | - | 3,857,872 |
| Depreciation expense | - | - | - | 16,053 | - | 16,053 |
| Disposals | - | - | - | 286,996 | - | 286,996 |
| As at April, 2019 | - | 3,109,064 | - | 477,865 | - | 3,586,929 |
| Depreciation expense | 2,761 | - | 6,206 | 8,918 | 1,189 | 19,074 |
| Disposals | - | - | - | - | - | - |
| As at 31 March, 2020 | 2,761 | 3,109,064 | 6,206 | 486,783 | 1,189 | 3,606,003 |
| As at 31 March, 2019 | - | 3,109,064 | - | 477,865 | - | 3,586,929 |
| Net carrying value as at March 31, 2020 | 309,985 | - | 157,065 | 201,082 | 33,811 | 701,943 |
| Net carrying value as at March 31, 2019 | - | - | - | - | - | - |

2.2: (ii) Intangible Assets

| Particulars | Computer Software | Total |
|--|-------------------|---------|
| Cost | | |
| As at April, 2018 | 535,067 | 535,067 |
| Additions | - | - |
| Disposals | - | - |
| As at April, 2019 | 535,067 | 535,067 |
| Additions | - | - |
| Disposals | - | - |
| As at 31 March, 2020 | 535,067 | 535,067 |
| As at 31 March, 2019 | 535,067 | 535,067 |
| Accumulated depreciation | | |
| As at April, 2018 | 183,244 | 183,244 |
| Depreciation expense | 53,507 | 53,507 |
| Disposals | - | - |
| As at April, 2019 | 236,751 | 236,751 |
| Depreciation expense | 53,654 | 53,654 |
| Disposals | - | - |
| As at 31 March, 2020 | 290,405 | 290,405 |
| As at 31 March, 2019 | 298,316 | 298,316 |
| Net carrying value as at March 31, 2020 | 244,662 | 244,662 |
| Net carrying value as at March 31, 2019 | 298,316 | 298,316 |

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 2.3 Other financial assets-Non Current | | |
| Unsecured, considered good | | |
| Security deposits | 320,750 | 77,150 |
| Prepaid expenses | 11,184 | 1,142,958 |
| | 331,934 | 1,220,108 |
| 2.4. Other Non Current Assets | | |
| Advance tax (TDS receivable, net) | 271,577 | 272,627 |
| | 271,577 | 272,627 |
| 2.4. Trade receivables | | |
| Receivables | 12,488,550 | - |
| Receivables from related parties | 4,572,062 | - |
| | 17,060,612 | - |
| Less: Provision for doubtful debtors | 12,468,550 | - |
| Trade receivables considered good | 4,592,062 | - |
| 2.5. Cash and cash equivalents | | |
| Cash on hand | 52,085 | 5,507 |
| Balance with banks in current accounts | 652,195 | 69,180 |
| | 704,280 | 74,687 |
| 2.6 Other financial assets- Current | | |
| Advance to suppliers | 38,355,188 | - |
| Less: Provision for doubtful advance | 33,632,302 | - |
| Advance to suppliers considered good | 4,722,886 | 1,01,692 |
| Others | 478,190 | - |
| | 5,998,065 | 1,01,692 |
| 50,000,000 (previous year : 50,000,000) equity of Rs.1 each. | 50,000,000 | 50,000,000 |
| | 50,000,000 | 50,000,000 |
| Issued, subscribed and fully paid up 49,018,590 (previous year: 49,018,590 equity shares of Rs. 1) equity shares of Rs.1 each fully paid up | 49,018,590 | 49,018,590 |
| Total | 49,018,590 | 49,018,590 |

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

Shares outstanding at the beginning of the year The Company has only one class of equity shares having a face value of Rs.1 /- each. Each holder of equity share is entitled to one vote per share.

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

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

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|---------------|---------------------|------------------|
| | Number of shares | Amount in Rs. | Number of shares | Amount in Rs. |
| Shares outstanding at the beginning of the year | 49,018,590 | 49,018,590 | 49,018,590 | 49,018,590 |
| Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 49,018,590 | 49,018,590 | 49,018,590 | 49,018,590 |

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

| Name of Shareholder | As at 31 March 2020 | | As at 31 March 2019 | |
|----------------------------------|-----------------------|--------------|-----------------------|-----------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Meenavalli Venkata Srinivas | - | - | 3,254,586 | 6.64 |
| Meenavalli Usha Rani | 6,480,946 | 13.22 | 3,226,360 | 6.58 |
| Albula Investment Fund Limited | 2,832,492 | 5.78 | 2,832,492 | 5.78 |
| Uma Kunareddy | 2,668,852 | 5.44 | - | - |
| Barret Commodity Traders Pvt Ltd | 2,458,095 | 5.01 | - | - |

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 2.8. Other Equity | | |
| General Reserve | 120,682,325 | 120,682,325 |
| Balance in statement of profit and loss | | |
| Opening balance | (273,550,768) | (273,229,302) |
| Add: Profit/ (Loss) for the year | (51,933,616) | (321,466) |
| Balance at the end of the year | (325,484,384) | (273,550,768) |
| | (204,802,059) | (152,868,443) |
| 2.9. Borrowings | | |
| Un-secured loans | | |
| Unsecured loan from Promoters and Directors | 152,417,181 | 68,276,400 |
| | 152,417,181 | 68,276,400 |
| 2.10 Trade payables | | |
| Amounts due to Micro, Small and Medium Enterprises (Refer note : 2.29) | - | - |
| Others | 12,840,214 | 6,295,728 |
| | 12,840,214 | 6,295,728 |
| 2.11. Provisions | | |
| Provision for expenses | 177,453 | 8,793 |
| | 177,453 | 8,793 |
| 2.12. Other Current Liabilities | | |
| Employee payables | 321,979 | 22,548 |
| Statutory dues | 666,067 | 93,176 |
| Creditors for expenses | 216,661 | 186,357 |
| Other advances received | - | 26,625,781 |
| Advance from customers | 1,988,437 | 4,308,500 |
| | 3,193,144 | 31,236,362 |

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| 2.13 Income from operations | | |
| Income from Sale of Commodities & Bullion | 31,859,220 | 5,341,920 |
| | 31,859,220 | 5,341,920 |
| 2.14 Other income | | |
| Creditors/provisions no long required | 14,743 | 1,060,867 |
| | 14,743 | 1,060,867 |
| 2.15 Employee Benefits Expense | | |
| Salaries | 27,26,199 | 168,096 |
| Contribution to provident fund and other funds | 114,990 | 2 8,705 |
| Staff welfare expenses | 31,622 | 1 5,922 |
| | 2,872,811 | 212,723 |
| 2.16 Other expenses | | |
| Communication expenses | 153,132 | 168,098 |
| Power and fuel | 127,391 | 5 7,500 |
| Rent | 200,000 | 6 0,000 |
| Repairs and maintenance | 112,155 | 2 0,916 |
| Rates and taxes, excluding, taxes on income | 1,057,237 | 423,894 |
| Insurance charges | 10,670 | 2 4,536 |
| Traveling and conveyance | 2,298,021 | 1 4,513 |
| Legal and professional fees | 1,086,415 | 216,974 |
| Advertisement charges | 268,897 | 4 7,989 |
| Bank charges | 44,616 | 3 ,663 |
| Loss on sale of fixed assets | - | 2 5,064 |
| Bad debts | 12,468,550 | - |
| Provision for doubtful advance given | 33,632,302 | - |
| Printing and stationery | 11,671 | 3 ,494 |
| Miscellaneous expenses | 28,823 | 3 9,966 |
| Vaulting charges | 296 | - |
| Exchange gain/(loss) | 58,146 | - |
| | 51,558,322 | 1,106,607 |

17 Contingent liabilities:

| Particulars | As at 31 March 2020 | As at 31 March 2020 |
|--|---------------------|---------------------|
| The Company has received an income tax assessment order for the financial year 2011-12 and 2013-14 wherein demands have been raised on account of certain disallowances, adjustments made by the income tax department. The Company has filed an appeal before CIT-IV, Hyderabad, Appellate Tribunal Hyderabad against the orders. | 24,58,942.00 | 5,397,120.00 |

2.18 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.

2.19 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 ` 200,000 (Previous year: ` 60,000) and under non-cancellable portion was ` Nil (Previous year: ` Nil), which has been disclosed as lease rent.

2.20 Earnings in foreign currency (on accrual basis): Nil

2.21 Auditors' remuneration (included in legal and professional fees, excluding GST):

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|------------------------|----------------------------------|----------------------------------|
| Statutory audit fees | 40,000 | 40,000 |
| Other services | 10,000 | 10,000 |
| Out of pocket expenses | - | - |
| Total | 50,000 | 50,000 |

2.22 Earnings per share (EPS):

The computation of earnings per share is set out below:
Rs.)

Earnings (in

| Particulars | For the Year ended 31 March 2020 | For the Year ended 31 March 2019 |
|---|----------------------------------|----------------------------------|
| Profit/ (Loss) for the year | (51,933,617) | (3,21,466) |
| 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 Rs.1) | | |
| - Basic | (1.06) | (0.01) |
| - Diluted | (1.06) | (0.01) |

2.23 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.

2.24 Related parties

| | |
|---|---|
| A. List of related parties | |
| i) Wholly Owned Subsidiaries | Nil. |
| ii) Entities in which directors are interested | 1. Proseed India Ltd 2. Barret Commodity Traders Pvt Ltd 3. Stampede Capital Limited 4. Kling Enterprises India Limited 5. Stampede Enterprises India Private Limited 6. Kling Trading India Private Limited |
| iii) Key Managerial Personnel (KMP) | T.venkateswara rao Vasudeva Rao Maraka D.V Surya Prakash Rao |
| iv) Persons having Substantial Interest in Voting Power | 1.M/s Kling Enterprises India Limited |
| | 2. Usha Rani Meenavalli |

Particulars of related party transactions

a) Transactions during the year

| Sr. No. | Name | Relation | Nature of Transaction | Current Year 2019-20 | Previous Year 2018-19 |
|---------|------------------------------------|-----------------|-----------------------------|----------------------|-----------------------|
| 1. | Barret Commodity Traders Pvt Ltd | Common Director | Advance Received | 1,982,250 | 1,277,000 |
| | | | Advance Repaid | - | 700,000 |
| | | | Advance given | 6,885,443 | - |
| | | | Payment against purchases | 6,295,728 | - |
| | | | Purchases | 12,04,200 | 6,295,728 |
| 3 | Kling Enterprises India Ltd | Common Director | Advance Received | - | 2,376,500 |
| | | | Advance Repaid | - | 500,000 |
| | | | Sales | 10,726,262 | - |
| | | | Received against sales | 4277,700 | |
| 4 | Usha Rani Meenavalli | Promoter | Unsecured loan received | 597,46,000 | - |
| | | | Repayment of Unsecured loan | 766,000 | - |
| 5 | Stampede Enterprises India Pvt Ltd | Common director | Purchase | 17,414,214 | - |
| | | | Paid against sales | 45,74,000 | |
| 6 | Kling Trading India Pvt Ltd | Common Director | Repayment of loan | 1,465,000 | - |

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

| Sl.N o. | Name | Relation | Nature of Transaction | Current Year 2019-20 | Previous Year 2018-19 |
|---------|------------------------------------|-----------------|------------------------|----------------------|-----------------------|
| 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 |
| | | | Advance Receivable | 3,121,993 | - |
| 3 | Kling Enterprises India Ltd | Common Director | Advance payable | - | 1,876,500 |
| | | | Trade Receivable | 4,572,062 | - |
| 4 | Usha Rani Meenavalli | Promoter | Unsecured loan payable | 58,980,000 | - |
| 5 | Stampede Enterprises India Pvt Ltd | Common Director | Trade payable | 12,840,214 | - |
| 6 | Kling Trading India Pvt Ltd | Common Director | Unsecured Loan payable | 25,160,781 | 26,625,781 |

B. Directors on the Board of the Company

| Name of the personnel | Relationship |
|-------------------------------------|----------------------|
| Mr. D.V.S.Prakash Rao | Executive Director |
| Mrs.Korpu Venkata Kali Kanaka Durga | Women Director |
| Mr. Kakkerla Sri Krishna | Whole Time Director |
| Mr. Shiva Satya Srinivas | Independent Director |
| Mr.Goutham Jupally | Independent Director |
| Mr Satya Srikanth Karaturi | Executive Director |

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

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

2.26 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 Registration No:012026S

Sd/-
C.A Navitha K
Proprietor
M.No. 221085

Sd/-
Anshul Gupta
Company Secretary
M.No. 58818

Sd/-
Satya Srikanth Karaturi
Director
DIN: 07733024

By order of the Board
For Spacenet Enterprises India Limited

Sd/-
Dasigi Venkata
Surya Prakash Rao
Executive Director & CFO
DIN:03013165

Place: Hyderabad
Date : 26 -06-2020