

March 12, 2020

To
The Listing Manager
National Stock Exchange of India Limited
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (East),
Mumbai – 400 051
Symbol: SPENET

Dear Sir/Madam,

Notice is hereby given in pursuance of Sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the Hyderabad Bench of the National Company Law Tribunal at Hyderabad by an order dated February 21, 2020 under Sub-section (1) of Section 230 of the Act, a meeting of the equity shareholders of Spacenet Enterprises India Limited ("The Company") shall be held at Senior Citizen Hall, 2nd Floor, Beside S.R.K Raju Community Hall, Madhura Nagar, Hyderabad – 500 038 Telangana on Saturday, April 18, 2020 at 11.00 a.m. to consider Scheme of Arrangement between Kling Enterprises India Limited (Transferor Company) and Spacenet Enterprises India Limited (Transferee Company) and their respective Shareholders.

A copy of the Notice and Scheme of Arrangement are enclosed.

The Company is providing E-Voting facility to enable the shareholders to vote on the resolution proposed in the aforesaid notice of the NCLT Convened meeting of the equity shareholders. The Company has engaged CDSL for the purpose of providing e-voting facility to all its shareholders.

You are hereby informed that representations, if any, in connection with the proposed arrangement may be made to the National Company Law Tribunal, Hyderabad Bench within thirty days from the date of receipt of this notice. Copy of the representation may simultaneously be sent to the concerned companies.

In case no representation is received within the stated period of thirty days, it shall be presumed that you have no representation to make on the proposed Scheme of Arrangement.

Thanking you,
For Spacenet Enterprises India Limited

A handwritten signature in blue ink, appearing to read "K. Kiran", followed by a checkmark.

Kiran Koduri
Company Secretary and Compliance Officer

Dated this March 12, 2020
Place: Hyderabad



Enclosures:

- i) Copy of Notice of the Equity Shareholders with statement as required under Section 230(3);
- ii) Copy of Scheme of Arrangement.



**NOTICE OF MEETING OF
EQUITY SHAREHOLDERS OF
SPACENET ENTERPRISES INDIA LIMITED**

(Formerly known as Northgate Com Tech Limited)

**(CONVENED AS PER THE DIRECTIONS OF THE NATIONAL
COMPANY LAW TRIBUNAL, HYDERABAD BENCH AT
HYDERABAD 'NCLT' OR 'TRIBUNAL')**

SPACENET ENTERPRISES INDIA LIMITED

(Formerly known as Northgate Com Tech Limited)

CIN: L72200TG2010PLC068624

Reg Office: Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad - 500016 Telangana, INDIA

Tel: 040-23405680, Fax: 040-23405680

Website: www.spacenetent.com, Email id: cs@spacenetent.com

NOTICE OF MEETING OF EQUITY SHAREHOLDERS OF SPACENET ENTERPRISES INDIA LIMITED (formerly known as Northgate Com Tech Limited) (CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH AT HYDERABAD ('NCLT' OR 'TRIBUNAL'))

Meeting of Equity Shareholders of Spacenet Enterprises India Limited	
Day	Saturday
Date	April 18, 2020
Time	11:00 AM
Venue	Senior Citizen Hall, 2 nd Floor, Beside S.R.K Raju Community Hall, Madhura Nagar, Hyderabad - 500038 Telangana

POSTAL BALLOT AND REMOTE E-VOTING	
Commencing on	Thursday, March 19, 2020 at 9.00 AM
Ending on	Friday, April 17, 2020 at 5.00 PM

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HYDERABAD
CA (CAA) No. 51/230/HDB/2020**

**FORM NO. CAA.2
[Pursuant to Section 230(3) and
Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation Rules, 2016)]**

In the matter of the Companies Act, 2013;

And

**In the matter of Application under Sections 230-232
read with other relevant provisions of the
Companies Act, 2013**

And

**In the matter of Scheme of Arrangement between
Kling Enterprises India Limited (Transferor
Company) and Spacenet Enterprises India Limited
(Transferee Company) and their respective
Shareholders and Creditors.**

**Spacenet Enterprises India Limited,
(Formerly known as Northgate Com Tech Limited)
A company incorporated under the provisions of the
Companies Act, 1956 and having its registered office at
Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003,
Block - A, Ameerpet, Hyderabad - 500016 Telangana
... Applicant Company / Transferee Company**

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT
COMPANY PURSUANT TO THE ORDER DATED FEBRUARY 21, 2020 OF THE HON'BLE
NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH AT HYDERABAD**

**To
The Equity Shareholders of Spacenet Enterprises India Limited,**

NOTICE is hereby given that by an Order dated February 21, 2020 (the 'Order'), the Hon'ble National Company Law Tribunal, Hyderabad Bench as directed that a meeting to be held of the Equity Shareholders of the Applicant Company for the purposes of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Kling Enterprises India Limited (Transferor Company) and Spacenet Enterprises India Limited (Applicant Company / Transferee Company) and their respective shareholders ('Scheme').

In pursuance of the said Order, and as directed therein, further notice is hereby given that a meeting of the equity shareholders of the Applicant Company will be held at Senior Citizen Hall, 2nd Floor, Beside S.R.K Raju Community Hall, Madhura Nagar, Hyderabad, Telangana – 500 038, on Saturday, April 18, 2020 at 11:00 A.M., at which time and place you are requested to attend. At the meeting, the following resolution will be considered and, if thought fit, passed, with or without modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, the observation letters issued by the NSE Limited, dated 04th December 2019 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad (NCLT) and subject to such

other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the NCLT or any other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (the **Board**, which term shall be deemed to mean and include one or more committee(s) constituted / to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Kling Enterprises India Limited ('Transferor Company') and Spacenet Enterprises India Limited ('Transferee Company') and their respective Shareholders and Creditors (**Scheme**) placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT all the directors, Mr. Dasigi Venkata Surya Prakash, the Chief Financial Officer and Mr. Kiran Koduri, the Company Secretary, (together, the **Authorised Persons**) be and are hereby authorised jointly and severally to do all such acts, deeds, matters and things, as they may, in their absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/ or conditions, if any, which may be required or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purposes of resolving any questions or doubts or difficulties that may arise including passing such accounting entries and / or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Authorised Persons may deem fit and proper."

Copies of the Scheme of Arrangement and of the Statement under Section 230 read with Section 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Form of Proxy, Attendance Slip and other annexures as stated in the Index, are annexed to this Notice. Copy of the Scheme and the statement under Section 230 (3) can also be obtained free of charge on any day (except Saturday, Sunday and public holidays) at the Registered Office of the Applicant / Transferee Company between 10:30 a.m. and 12:30 p.m.

Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed or authorized by the said person, are deposited at the Registered Office of the Applicant Company at Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad - 500016 Telangana not later than 48 hours before the time fixed for the aforesaid meeting. Proxy Form is enclosed herewith and can be obtained free of charge on any day (except Saturday, Sunday and public holidays) at the Registered Office of the Applicant / Transferee Company.

In compliance with the order issued by NCLT dated February 21, 2020, the provisions of Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013, Rule 6(3)(xi) & Rule 9 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of voting by postal ballot and remote e-voting so as to enable the equity shareholders, which includes the Public Shareholders (as defined in the Notes below), to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of ballot / polling paper at the venue of the meeting.

Accordingly, you may cast your vote either through postal ballot or through remote e-voting or through ballot / polling paper at the venue of the meeting. It is clarified that casting of votes by such remote e-voting or postal ballot does not disentitle members from attending the meeting. However, the members who have cast their votes by remote e-voting or postal ballot will not be eligible to cast their votes at the meeting.

The shareholders may refer to the notes to this Notice for further details on postal ballot and remote e-voting.

The NCLT has appointed Shri V. B. Raju, Advocate, to be the Chairman of the said meeting, including for any adjournment or adjournments thereof.

The Scheme, if approved by the meeting, will be subject to the subsequent approval of the NCLT.

Dated this March 11, 2020
Place: Hyderabad

V. B. Raju
Chairman Appointed for the Meeting

Registered Office:

Spacenet Enterprises India Limited,
CIN: L72200TG2010PLC068624
Royal Pavilion Apartment, H.No. 6-3-787,
Flat No. 1003, Block - A, Ameerpet,
Hyderabad – 500016

106, Dhanunjaya Towers,
Main Road, Banjara Hills,
Hyderabad – 500034.

Notes for the meeting of the Equity Shareholders of the Applicant Company:

1. Only registered equity shareholders of the Applicant Company are entitled to attend and vote either in person or in proxy (A PROXY NEED NOT BE AN EQUITY SHAREHOLDER OF THE APPLICANT COMPANY) or in the case of a body corporate or Registered Foreign Portfolio Investors (“RFPI”) or Foreign Institutional Investors (“FII”), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a copy of authorisation giving the requisite authority / the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company.
2. As per Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Applicant Company carrying voting rights. Further, a member holding more than 10% of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. In case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from National Depository Services (India) Limited (“NSDL”) or Central Depository Securities Limited (“CDSL”) in respect of such joint holding, will be entitled to vote.
4. All alterations made in the form of proxy should be initialled.
5. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending the conclusion of the meeting, a shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.
6. The Notice is being sent to all the Equity Shareholders, whose names appeared in the Register of Members / Beneficial Owners as per the details furnished by the depositories as on March 06, 2020. A soft / electronic copy of the Notice indicating the process and manner of remote e-voting along with the Attendance Slip and Proxy Form is being sent to all the Equity Shareholders whose e-mail ids are registered with the Applicant Company / Registrar and Transfer Agent (RTA) / Depository Participant(s) for communication purposes unless any Member has requested for a physical copy of the same. For those Members who have not registered their e-mail addresses, physical copies of this Notice along with Attendance Slip and Proxy Form are being sent in the permitted mode. This Notice is also displayed / posted on the website of the Company www.spacenetent.com and on website of CDSL at www.evotingindia.com.
7. The equity shareholders of the Applicant Company to whom the notice is sent (as mentioned above) and whose names appear in the records of the Applicant Company as on March 06 2020 shall be eligible to attend and vote at the meeting of the equity shareholders of the Applicant Company either in person or by proxies or cast their votes either through postal ballot or by using remote e-voting facility.
8. The Notice convening the meeting will be published through advertisement in “The Business Standard - Hyderabad Edition” in English language and translation thereof in “Nava Telangana – Hyderabad Edition” in Telugu language.
9. A Member or his / her Proxy is requested to bring the copy of the notice to the meeting and produce the attendance slip, duly completed and signed, at the entrance of the meeting venue.
10. Registered equity shareholders who hold shares in dematerialized form are requested to bring their Client ID and DPID details for easy identification of the attendance at the meeting.
11. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of the equity shareholders as on March 06, 2020. Persons who are not equity shareholders of the Applicant Company as on March 06, 2020 should treat this notice for information purposes only.

12. Material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 10:30 a.m. and 12:30 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
13. The quorum of the Meeting of the Equity Shareholders of the Applicant Company shall be 30 (Thirty) Equity Shareholders of the Applicant Company, present in person. In case the quorum is not there at the designated time when the meeting is called, then, the Meeting may be adjourned by half an hour and thereafter, the person(s) present for voting shall be deemed to constitute the quorum.
14. Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained and that the applicant company shall provide for voting through e-voting. Since the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant Company for seeking approval to the Scheme by its Public Shareholders in terms of the SEBI Circular. The aforesaid notice sent to the equity shareholders of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2 (d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of SEBI Circular, the Applicant Company has provided the facility of voting by postal ballot and e-voting to its Public Shareholders.
15. Kindly note that the equity shareholders can opt for only one mode for voting i.e. either by postal ballot or remote e-voting or voting at the venue of the meeting. If an equity shareholder has opted for remote e-voting, then he / she should not vote by postal ballot form also and vice versa. However, in case equity shareholder(s) cast their vote via both postal ballot and remote e-voting, then voting validly done through remote e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
16. The equity shareholders of the Applicant Company attending the meeting who have not cast their vote either through postal ballot or remote e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
17. Subject to Note No. 14 mentioned above, in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
18. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot, remote e-voting and e-voting & ballot at the meeting) in favour of the aforesaid resolution for approval of the Scheme are more than the number of votes cast by the Public Shareholders against it.
19. The Applicant Company has engaged the services of CDSL for facilitating e-voting for the aforesaid meeting. Please note that e-voting is optional. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 33 below.
20. The voting period for postal ballot and remote e-voting shall commence on and from Thursday, March 19, 2020 at 9:00 A.M. and will end on Friday, April 17, 2020 at 5:00 P.M. During this period, equity shareholders of the Applicant Company holding shares either in physical form or in dematerialized form as on March 06, 2020, may cast their vote electronically or by postal ballot. The e-voting module shall be disabled by CDSL for voting on Friday, April 17, 2020 at 5:00 P.M. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.
21. A postal ballot form along with self-addressed postage prepaid envelope is also enclosed. Equity shareholders, voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot form by e-mail and who wish to vote through postal ballot form, may send their request to the registrar and share transfer agents, CIL

Securities Limited by email at rta@cilsecurities.com mentioning their Folio / DPID & Client ID No. No other form or photocopy of the postal ballot form is permitted.

22. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5:00 p.m. on or before Friday, April 17, 2020. Postal ballot form, if sent by courier or by registered post / speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time shall be treated as if the reply from the equity shareholders has not been received.
23. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the scrutinizer.
24. The vote on postal ballot cannot be exercised through proxy.
25. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
26. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and / or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("PoA") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/authorisation giving the requisite authority to the person voting on the postal ballot form.
27. The NCLT has appointed **Mr. M.V.S.Sridhar, Advocate** to act as scrutinizer to scrutinise votes cast either through e-voting or on postal ballot or on poll at the meeting and submit a report on votes cast to the Chairman of the meeting.
28. The scrutinizer will submit a consolidated report to the Chairperson of the NCLT convened meeting after scrutinizing the voting made by shareholders, including Public Shareholders, of the Applicant Company through postal ballot, e-voting and voting at the meeting. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contract (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly.
29. The results of votes cast through (i) remote e-voting process, (ii) postal ballot and (ii) e-voting & ballot / polling paper at the venue of the meeting including the separate results of the postal ballot and remote e-voting exercised by the Public Shareholders will be announced within 48 hours of the passing of the resolution at the meeting on April 18, 2020 and will be displayed on the notice board at the registered office of the Applicant Company for a period of three days. The results, together with the scrutinizer's reports, will also be displayed on the website of the Applicant Company, www.spacenetent.com and on the website of CDSL, www.evotingindia.com, besides being communicated to NSE Limited.
30. Any queries / grievances pertaining to:
 - Voting by Postal Ballot can be addressed to Mr. Kiran Koduri, Company Secretary and Compliance Officer of the Applicant Company at Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad – 500016 Telangana or through e-mail to cs@spacenetent.com.
 - The e-voting process, Members may refer to the 'Frequently Asked Questions' (FAQs) and e-voting user manual for shareholders available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
31. Foreign Portfolio Investors (FPIs) who are registered Equity Shareholder(s) of the Company would be required to deposit certified copies of Custodial resolutions / Power of Attorney, as the case may be, authorising the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Company not later than 48 (forty eight) hours before the commencement of the meeting.

32. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Company / List of Beneficial Owners as received from the National Securities Depository Limited / Central Depository Services (India) Limited in respect of such joint holding will be entitled to vote.
33. The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on 19th March, 2020 at 09.00 a.m. and ends on 17th March, 2020 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-of- date (record date) of 06th March, 2020 may cast their vote electronically. Thee-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to thee-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now enter your User ID
 - a. For CDSL:16digits beneficiary ID
 - b. For NSDL:8Character DPID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of these quince number in the PAN field. • Incase the sequence number is less than 8 digits enter the applicable number of 0's be for the number after the first two character so f the name in capital letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu

wherein they are required to mandatorily enter their log in password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you are in favour of the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the solution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User Id and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to logon to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.

- ii. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. March 06, 2020.
- iii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email mullagurus@gmail.com or maphyd65@gmail.com with a copy marked to cs@spacenetent.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_ EVENT No”.

PROCEDURE OF VOTING AT MEETING

Members who have not exercised their votes through remote e-voting or postal ballot are entitled to vote at the meeting. Members who have already cast their vote by remote e-voting mechanism or postal ballot prior to the meeting are also authorized to attend the meeting but shall not be entitled to cast their vote again at the general meeting.

Voting to the resolution as contained in the Notice shall be conducted also through ballot / poll at the venue of the meeting. Relevant facility for voting shall also be made available at the meeting and members attending the meeting, who have not already cast their vote by remote e-voting or postal ballot shall be able to exercise their right to vote at the meeting. Members who are entitled to vote can cast their vote through ballot / poll paper at the Meeting. The Company will make arrangement in this respect including distribution of ballot papers under the supervision of a scrutinizer appointed for this purpose. Members are required to mention Folio No. DP ID & Client ID No. and number of shares held, etc. on the ballot papers.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HYDERABAD
CA (CAA) No. 51/230/HDB/2020**

FORM NO. CAA.2

**[Pursuant to Section 230(3) and
Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamation Rules, 2016)]**

In the matter of the Companies Act, 2013;

And

**In the matter of Application under Sections 230-232
read with other relevant provisions of the Companies
Act, 2013**

And

**In the matter of Scheme of Arrangement Between Kling
Enterprises India Limited (Transferor Company) and
Spacenet Enterprises India Limited (Transferee
Company) and their respective Shareholders and
Creditors.**

**Spacenet Enterprises India Limited,
(Formerly known as Northgate Com Tech Limited)
A company incorporated under the provisions of the
Companies Act, 1956 and having its registered office at
Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003,
Block - A, Ameerpet, Hyderabad - 500016 Telangana**

... Applicant Company / Transferee Company

**EXPLANATORY STATEMENT UNDER SECTION 230 (3) OF THE COMPANIES ACT, 2013 AND
SECTION 102 OF THE COMPANIES ACT 2013 READ WITH RULE 6 OF THE COMPANIES
(COMPROMISES, ARRANGEMENT AND AMALGAMATIONS) RULES, 2016, FOR THE
MEETING OF EQUITY SHAREHOLDERS OF SPACENET ENTERPRISES INDIA LIMITED
CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH AT HYDERABAD.**

Pursuant to the Order dated February 21, 2020, passed by Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad in Company Application No. CA (CAA) NO. 51/230/HDB/2020, a meeting of the Equity Shareholders of the Applicant Company is scheduled to be held on Saturday, April 18, 2020 at 11.00 A.M. to obtain their approval to the Scheme of Arrangement Between Kling Enterprises India Limited (Transferor Company) and Spacenet Enterprises India Limited (Applicant Company / Transferee Company) and their respective shareholders ('Scheme').

- 1.** The Hon'ble National Company Law Tribunal, Hyderabad Bench, by Order dated February 21, 2020, was pleased to issue directions for convening of the meeting of the Equity Shareholders of the Applicant Company at Senior Citizen Hall, 2nd Floor, Beside S.R.K Raju Community Hall, Madhura Nagar, Hyderabad – 500038 Telangana on Saturday, April 18, 2020 at 11.00 A.M. In terms of the said Order, NCLT has appointed Shri V. B. Raju, Advocate, to be the Chairman of the said meeting including for any adjournment or adjournments thereof. The said Order will be available for inspection at the Registered Office of the Applicant Company at Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad - 500016 Telangana, on any working day of the Company up to the date of meeting between 10:30 a.m. and 12:30 p.m.
- 2.** In addition to the meeting of the Equity Shareholders of the Applicant Company convened on the directions of the National Company Law Tribunal, to seek the approval of the said Shareholders pursuant to Section 230 read with Section 232 of the Companies Act, 2013 further read with other relevant provisions of the

Companies Act, 2013, approval of the Equity Shareholders of the Applicant Company is also sought by way of remote e-voting as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circulars and the Companies Act, 2013.

3. The Board of Directors of Kling Enterprises India Limited at their meeting held on May23, 2019 have approved the Scheme of Arrangement, while the Board of Directors of Spacenet Enterprises India Limited in their meeting held on May23, 2019 have approved the Scheme of Arrangement involving merger of Commodity Trading Division of Kling into Spacenet. A copy of the Scheme, setting out the terms and conditions of the arrangement Involving Demerger between Kling Enterprises India Limited and Spacenet Enterprises India Limited as approved by the Board of Directors of Kling Enterprises India Limited (Transferor Company)and Spacenet Enterprises India Limited (Transferee Company) is enclosed herewith as **Annexure 1**. The proposed scheme is envisaged to be effective from the Appointed Date but shall be made operative from the Effective Date (as defined in the Scheme).

4. Background of the Companies:

A. Kling Enterprises India Limited

- i) **Kling Enterprises India Limited ("Kling"** or "Transferor Company"),as incorporated as a public Company on 05th April, 2007 under the Companies Act, 1956 and having its registered office at A to Z Elite, 1st Floor, Plot No. 197, SY No. 48P Guttala Begumpet, Madhapur, Hyderabad – 500081 Telangana. The CIN of the Company is U67120TG2007PLC053474. The PAN of the Company is AAKCS7914E. The e-mail id is cs@stampededecap.com. The Transferor Company is engaged in the business of Commodity Trading and buying and selling Securities.
- ii) The objects for which Kling has been established are set out in its memorandum of association. The main objects of Kling include:

“III.A) The Main Objects to be pursued by the company on its incorporation are:

1. To carry on the business of buying, holding, selling, underwriting, investing, acquiring various securities and properties including equity, preference, stocks, debentures, debenture-stock and bonds in any of the corporates, companies, firms, undertakings, bodies etc. whether registered in India or abroad.
2. To carry on the business of portfolio investments in all kinds of securities including shares, stocks, debentures, deposits, units, government securities including promissory notes, loans, bonds, national savings schemes and carry on the business as underwriters and brokers of stocks, shares and other securities and to provide investment and merchant banking services including managing the issue of capital or raising of resources providing Register or Transfer Agency Services and Data Processing facilities and supporting and related services and undertaking and executing any contract involving computer-based information system, feasibility study, software development, systems programming, data analysis and research and development and providing counseling, advisory or consultancy services and to take part in the formation, supervisor or control of the business or operations of any undertaking.
3. To carry on the business of trading Company and as merchants, importers, exporters, buyers, sellers, Retailers and processors, and dealers and agents in all kinds of commodities, materials, articles, and goods including cotton and other fibers, fabrics of all kinds, oil seeds, minerals, chemicals, ornaments, jewellery, bullion, precious and semiprecious stones, objects of art, and products of every description either raw or manufactured or in the natural state or processed, and to produce, prepare, extract process can, bottle, preserve, buy, sell, import, export, install, survey, estimate, transport, refine, and deal in all products, edible, chemical synthetic, gaseous or otherwise

Clause III. (B).(26) of the memorandum of association of Kling Enterprises permits Kling Enterprises:

- 26) To amalgamate with any other Company or Companies having objects altogether or in part similar to those of this Company”

iii) There has been no change in the main objects in the Memorandum of Association of Kling Enterprises India Limited during the last 2 years. A copy of the Memorandum of Association is available for inspection at the registered office as mentioned in Point No. 21 of this statement.

iv) Kling is, actively engaged in business of Commodity Trading and buying and selling Securities.

v) The authorised, issued, subscribed and paid-up share capital of Kling as on March 31, 2019 is as under:

Particulars	Amount (₹)
Authorised Capital	
17,50,00,000 Equity Shares of ₹1/- each.	17,50,00,000
Total (Authorised Capital)	17,50,00,000
Issued, Subscribed and Paid-up capital	
17,50,00,000 Equity shares of Rs. 1/- each fully paid up	17,50,00,000
Total (Issued, Subscribed and Paid-up Capital)	17,50,00,000

There has been no change in the authorised, issued, subscribed and paid-up share capital of Kling Enterprises India Limited (*Transferor Company*) from 31.03.2019 till date.

vi) There has been no change in the name and registered office of Kling during the last 2 years.

vii) The equity shares of Kling are not listed on any stock exchange.

viii) The Board of Directors of Kling had at their meeting held on May 23, 2019 unanimously approved the Scheme. The Directors who voted in favour of / against / did not participate or vote in relation to the Scheme are as follows:

Sl. No.	Name of Director	Voted in favour / against / did not participate or vote
1.	Mr. Suresh Tammineedi	Voted in favour
2.	Mr. Dasigi Venkata Surya Prakash	Voted in favour
3.	Mr. Satya Srikanth Karaturi	Voted in favour

ix) The names of the Promoters and the present directors of Kling along with their addresses are as follows:

Sl. No.	Name	Address
Promoters		
1.	Mrs. Usha Rani Meenavalli	Plot No. 205, Road No 10c, Mp And Mlas Colony, Jubilee Hills, Hyderabad 500033
Promoter Group Individual(s) / Entity(ies) – NIL		
Directors		
1.	Mr. Suresh Tammineedi	Flat No. 403, Akruthi Presidency, Street No. 4, Czech Colony, Sanath Nagar, Hyderabad - 500018
2.	Mr. Dasigi Venkata Surya Prakash Rao	Plot No. 68 & 69, Flat No 401, Siri Constructions, Anjali Gardens, Puppallaguda, Manikonda, Hyderabad – 500089
3.	Mr. Chukka Siva Satya Srinivas	D.No.44-14-13, Thota Veedhi, Annapurnamma Peta, Rajahmundry - 533103
4.	Mr. Chukka Lakshmi	D. No. 44-14-13, Thota Veedhi, Annapurnamma Peta, Rajahmundry - 533103
5.	Mr. Sudheer Vegi	Plot No. 27, Vijetha Green Homes, Ist Floor, Nizam pet, Opp: Sangamitra School, Hyderabad - 500085

B. Spacenet Enterprises India Limited

i) **Spacenet Enterprises India Limited** (“Spacenet”/“*Transferee Company*”), was originally incorporated on 28/05/2010 under the Companies Act, 1956, under the name “**Northgate Com Tech Private Limited**” as a private company limited by shares, with the Registrar of Companies, Andhra Pradesh, Hyderabad. It was

converted from private company to public company under section 44 of the Companies Act, 1956, under the name "**Northgate Com Tech Limited**", further the name of the Company has changed to "**Spacenet Enterprises India Limited**" certificate of Incorporation consequent on Change of Name was issued by the Registrar of Companies, Hyderabad, on 23/11/2015. The CIN of Spacenet Enterprises India Limited is L72200TG2010PLC068624. The Permanent Account Number of Spacenet Enterprises India Limited is AADCN3256H.

- ii) The Registered Office of Spacenet is situated at Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad – 500016 in the State of Telangana.
- iii) The e-mail id of Spacenet is cs@spacenetent.com.
- iv) The objects for which Spacenet has been established are set out in its memorandum of association. The main objects of Spacenet include:

“III.A) The Main Objects to be pursued by the company on its incorporation are:

1. To design, develop and carry on the business of development of Software tools and platforms providing fast, flexible and reliable commodities trading tools and to provide order management and risk management software tools for Global commodity markets using the Quantitative, Derivative and Neuro models.

Clause 1A – “To design, develop acquire, assemble, manufacture, distribute, transmit, maintain, mortgage, transfer, purchase, sell, hire, lease, import, export and to Act as dealer, franchiser, and to provide management and marketing services in the field of data transmission, software development, e-commerce business solutions, hardware, peripherals, consumables, network computers, related Activities globally and indigenously and to run software training institutions.”

Clause 1B. “To provide high-tech consulting and services on management of informatics and technology for enterprise excellence (MINT-EX) by project management, internet service provider, web applications development, corporate training, business automation analysis, internet advertisements and to set up and run electronic data processing centres and to carry on business of data/word processors, development of management information system, computerization feasibility study and to conduct or sponsor training, programs, courses, seminars for imparting or spreading the knowledge and use of computers, research and development computer programs and publishing and distributions of books, journals and course materials and to purchase, sell these products both in India and abroad.”

2.To carry on the business of and become member of Multi Commodity Exchanges and Spot Exchanges and engage in trading and clearing activities including derivative contracts and options contracts and comply with the rules relating to delivery of goods and payments of price and participate in ready delivery and forward contracts, specific delivery contracts, future contracts in accordance with the rules regulations and bye-laws of commodity exchanges as prescribed and amended from time to time by the Forward Contract (Regulation) Act, 1952.

3. To carry on the business as a member or authorized user in commodity exchange and to invest, acquire and to deal in gold, silver, platinum, aluminium, iron, steel, copper, petroleum, crude oil, cotton, jute oils, oilseeds, rubber, pepper and commodities of all kinds, agricultural or otherwise, finished or unfinished goods and to take delivery and hold them as permitted under Forward Contracts (Regulation) Act, 1952 and the rules made there under.

Clause III.(B).(24) of the memorandum of association of Spacenet permits Spacenet:

24) “To amalgamate with any other company or companies having objects altogether or in part similar to those of this company.”

- v) There has been no change in the main objects in the Memorandum of Association of Spacenet Enterprises India Limited during the last 5 years. A copy of the Memorandum of Association is available for inspection at the registered office as mentioned in Point No. 21 of this statement.
- vi) Spacenet is, *inter alia*, engaged in the business of Software Development and Commodity Trading.
- vii) The authorised, issued, subscribed and paid-up share capital of Spacenet as on March 31, 2019 is as under:

Particulars	Amount (₹)
<u>Authorised Capital</u>	
50,00,00,000 Equity Shares of ₹ 1/- each.	50,00,00,000
Total (Authorised Capital)	50,00,00,000
<u>Issued, Subscribed and Paid-up capital</u>	
4,90,18,590 Equity Shares of ₹ 1/- each.	4,90,18,590
Total (Issued, Subscribed and Paid-up Capital)	4,90,18,590

There has been no change in the authorised, issued, subscribed and paid-up share capital of Spacenet (Transferee Company) from 31.03.2019 to till date.

viii) The name of the Company has been changed to “Spacenet Enterprises India Limited” from “Northgate Com Tech Limited” w.e.f. 23rd November, 2015. The registered office of the company was changed from A to Z Elite, 1st floor, Plot No. 197, Sy.No. 48P, Guttala Begumpet, Madhapur, Hyderabad to Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad with effect from 01.07.2019.

ix) The equity shares of Spacenet are listed on NSE Limited.

x) The Board of Directors of Spacenet have at their meeting held on May23, 2019 unanimously approved the Scheme. The Directors who voted in favour of / against / did not participate or vote in relation to the Scheme are as follows:

Sl. No.	Name of Director	Voted in favour / against / did not participate or vote
1.	Mr. SrinivasaRaoTatipaka	Voted in favour
2.	Mr. TamineediVenkateswaraRao	Voted in favour
3.	Mr. GaddiLinga Murthy	Voted in favour
4.	Mr. SatyaSrikanthKaraturi	Voted in favour
5.	Mr. VenkataKrishnayyaNekkanti	Voted in favour
6.	Mr. Chukka Lakshmi	Voted in favour

xi) The names of the Promoters and the present directors of Spacenet along with their addresses are as follows:

Sl. No.	Name	Address
Promoters		
1.	Meenavalli Usha Rani	Plot No. 205,Road No 10c,Mp And Mla's Colony,Jubilee Hills,Hyderabad 500033
2.	Meenavalli Krishna Mohan	Plot No. 205,Road No 10c,Mp And Mlas Colony,Jubilee Hills,Hyderabad 500033
3.	M.V Laxmi	Plot No. 205, Road No 10c, Mp And Mlas Colony, Jubilee Hills, Hyderabad 500033500033.
4.	MeenavalliVenkatSrinivas	Plot No. 205,Road No 10c,Mp And Mlas Colony,Jubilee Hills,Hyderabad 500033
5.	Uma Kunareddy	Flat No: 1301 Block-C My Home, Abhra Hi Tech City OppInarbit, Mall MadhapurSerilingampally, Hyderabad, Telangana – 500032.
Directors		
1.	Mr. Kakker Sri Krishna	Flat No. 406, M M Classic Homes, Czech Colony, Sanath Nagar, Hyderabad - 500018
2.	Mr. GaddiLinga Murthy	H.No. 11-14-212/1, Haripuri Colony, L B Nagar, Hyderabad - 500074
3.	Mr. DasigiVenkata Surya Prakash Rao	Plot No. 68 & 69, Flat No 401, Siri Constructions, Anjali Gardens, Puppalaguda, Manikonda, Hyderabad – 500089
4.	Mr. SatyaSrikanthKaraturi	Flat No: 501, SwathiApts, Saleem Nagar Colony, Malakpet, Hyderabad-500 034,

5.	Mr. Chukka Siva Satya Srinivas	D. No. 44-14-13, ThotaVeedhi, AnnapurnammaPeta, Rajahmundry - 533103
6.	Mrs.KorpuVenkata Kali Kanaka Durga	23-15-4/3/1G, Nannaya Street, Rajahmundry- 533103

5. Relationship among the Companies who are parties to the Scheme:

Kling Enterprises India limited is a related party to Spacenet Enterprises India Limited, wherein Mr. Dasigi Venkata Surya Prakash Rao Executive Director & CFO, Mr. Chukka Siva Satya Srinivas, Director of Spacenet is a Director of Kling Enterprises India Limited.

6. RATIONALE FOR THE SCHEME OF ARRANGMENT INVOLVING DEMERGER

The following are rationale and benefits of the Scheme:

1. The Transferor Company predominantly is into the business of buying and selling of securities, apart from buying and selling of securities Transferor Company is also having commodities trading business.
2. The Scheme in the present case provides for demerger of its commodities trading division including with all the related assets and liabilities of Transferor Company into Transferee Company.
3. The Commodity business undertaking of Transferor Company has significant potential for independent growth and is capable of attracting a separate set of investors, strategic partners, creditors and other stakeholders.
4. The Transferor Company has developed an integrated B2B Commodity platform (www.weflip.in) to enable trading transactions cost effective and to make value chain more efficient. Transferor Company's B2B trading platforms aim is to introduce superior transaction practices. This online Platform can bring in transparency in spot transactions in the commodity trade leading to efficient price discovery. This platform primarily designed to flip (buy and sell) various class of assets available in the market i.e. Real estate assets, automobile and e-commerce, etc.
5. The Synergies that exist between Commodities business undertaking of the Transferor Company and the Transferee Company in terms of services and resources can be put to the best advantage of all stakeholders.
6. The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the division being vested by way of demerger.
7. The proposed scheme involves demerge of Commodity business undertaking of Transferor Company with Transferee Company is expected to result in the following benefits:
 1. Realignment and consolidation of Commodity business in efficient manner and building strong capability to effectively meet future challenges in the present competitive business environment.
 2. Synergies in operational process and creation of efficiencies as well as optimization of operation expenditure.
 2. Increase in competitive strength, improvement in the financial managerial and technical capabilities.

The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of the Transferor Company and Transferee Company.

BENEFITS OF THE SCHEME OF ARRANGMENT INVOLVING DEMERGER

- i) The Demerged Business and Remaining Business carried on by Transferor Company have significant potential for growth. The nature of risk and competition involved in each of these units are distinct from other and consequently Demerged Business and Remaining Business is capable of attracting a different set of business leaders, employees, investors, strategic partners, lenders and other stakeholders. The Board of Directors of the Transferor Company felt that the Demerged Business and Remaining Business should be bifurcated and should be managed separately.
- ii) In order to have greater and complete focus to the operations of each of Demerged Business and Remaining Business and evolve strategies for growth and expansion of activities of Demerged Business and Remaining Business separately, apart from attracting investors into each of the Demerged Business and Remaining Business, Transferor Company proposes to re-organize and segregate, by way of demerger, its business.
- iii) Demerged Business and Remaining Business has tremendous growth and profitability potential, especially the Remaining Business is at a stage where they require focused leadership and management attention.
- iv) It is believed that the proposed segregation will create enhanced value for all stakeholders and allow a focused strategy in operations, which would be in the best interest of Transferor Company, its all stakeholders, creditors and all persons connected with Transferor Company.
- v) The Demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.
- vi) The Demerger also envisages the utilisation of the B2B Commodity platform (www.weflip.in) of the Transferee Company to enhance the performance of Demerged Business which will benefit all the stakeholders, creditors and all other persons connected with Transferor Company and Transferee Company.
- vii) With aforesaid objective, it is proposed to Demerge Transferor Company's Commodity Business from the Transferor Company to Transferee Company.
- viii) The Board of Directors of the Transferor Company and Transferee Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of the Transferor Company and Transferee Company.

7. Salient features of the Scheme:

- i. This Scheme is between Kling Enterprises India Limited and Spacenet Enterprises India Limited and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.
- ii. Kling Enterprises India Limited and Spacenet Enterprises India Limited shall, as may be required, make petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act read with applicable rules made thereunder, to the National Company Law Tribunal, Hyderabad, for sanction of the Scheme and all matters ancillary or incidental thereto.
- iii. "Appointed Date" means the 1st day of April, 2019.
- iv. "Effective Date" means the date or last of the dates on which the certified copy of the order of the Tribunal sanctioning the Scheme is filed with the Registrar of Companies, Hyderabad, Telangana by the Transferor and Transferee Companies.
- v. Pursuant to the Scheme coming into effect for demerger of its commodity trading division including with all the related assets and liabilities of Kling Enterprises India Limited (Transferor Company) being transferred to and vested in Transferee Company (Spacenet Enterprises India Limited), the Transferee Company shall without any further application or deed, issue, allot and credit as fully paid up, to every shareholder of the Transferor Company whose names appear in the Register of Members of Transferor Company on the Record Date, new equity shares in the following proportion:
 - (a) 58 (Fifty Eight Only) Equity Shares of the Transferee Company, credited as fully paid-up with rights attached thereto for every 93 (Ninty Three Only) Equity Shares of Rs.1/- each fully paid-up, held by such shareholder in the capital of the Transferor Company ("Share Exchange Ratio").

vi. The Scheme is conditional upon and subject to the following:

- Approval of the Scheme by requisite majority of shareholders of Spacenet Enterprises India Limited and such class of persons of the said Company, if any, as applicable or as may be required under the Act and / or as may be directed by the Tribunal;
- Compliance with the other provisions of the SEBI Circular, including seeking approval of the shareholders of Spacenet Enterprises India Limited through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders of Spacenet Enterprises India Limited are more than the votes cast by the public shareholders against it as required by the SEBI Circular.
- The Scheme being sanctioned by the NCLT under Sections 230 to 232 of the Act; and
- Certified or authenticated copy of the final Order of the NCLT, sanctioning this Scheme under the provisions of Sections 230 to 232 of the Act, being filed with the Registrar of Companies by the Transferor Company and the transferee Company.

vii. The Scheme, inter-alia, provides for the following matters:

- Transfer and vesting of the Commodity Trading Division of Kling Enterprises India Limited (Transferor Company) comprising its related all assets and liabilities of whatsoever nature and whosoever situated, shall, under the provisions of sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, with Spacenet Enterprises India Limited (Transferee Company) on a going concern basis as expressed in Para 4.1 of Part II of the Scheme;
- Transfer of all legal proceedings by or against Kling Enterprises India Limited (Transferor Company) as on the Appointed Date, to the name of the Transferee Company and the same shall be continued and enforced by or against Spacenet Enterprises India Limited (Transferee Company), to the exclusion of the Transferor Company as expressed in Para 10.1 of Part II of the Scheme;
- Transfer of all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Kling Enterprises India Limited (Transferor Company) is a party, to Spacenet Enterprises India Limited (Transferee Company) as expressed in Para 11.1 of Part II of the Scheme;
- The executives, staff, workers and other employees in the service of Kling Enterprises India Limited (Transferor Company) shall become the executives, staff, workers and other employees of Spacenet Enterprises India Limited (*Transferee Company*) as expressed in Para 9.1 of Part II of the Scheme;

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

8. Summary of Valuation Report including basis of valuation and Fairness opinion

- i. Summary of Valuation Report obtained from G.Murali, IBBI Registered Valuer No, IBBI/RV/06/2018/10340.

The valuation of Kling Enterprises India Limited and Spacenet Enterprises India Limited were done for determining the Share Exchange Ratio, the Valuer have adopted various models such as NAV Method (Net Assets Value), Discounted Cash Flows method (DCF), Stock Exchange Quotation.

- ii. Fairness Opinion obtained from Ashika Capital Limited, Category I Merchant Banker:

The Merchant Banker is of the opinion that the Share Exchange Ratio, considered for the purpose of the Scheme is fair to the equity shareholders of Spacenet Enterprises India Limited.

- iii. The Valuation Report and Fairness Opinion are available for inspection at the Registered Office of Spacenet Enterprises India Limited.
- iv. A copy of the Valuation Report and Fairness Opinion are enclosed to this notice as **Annexure 2** and **Annexure 3** respectively.

- v. The Valuation Report dated May22, 2019 issued by G. Murali, IBBI Registered Valuer, recommending the Share Exchange Ratio for issue of shares pursuant to the Scheme;
9. The proposed Scheme was placed before the Audit Committee of Spacenet Enterprises India Limited at its meeting held on May23, 2019. The Audit Committee recommended the Scheme to the Board of Directors of Spacenet Enterprises India Limited after taking the following into consideration:

10 Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:

- ii) Spacenet Enterprises India Limited has received, in terms of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Observation Letter dated December4, 2019 from NSE Limited giving its no-objection to the Scheme. A Copy of the said letter is enclosed as **Annexure 4**.
- iii) As required by the SEBI Circular, Spacenet Enterprises India Limited has filed the Complaints Report dated October03, 2019 with the NSE Limited. After filing of the Complaint Report, Spacenet Enterprises India Limited has not received any complaints. Copy of the said report is enclosed as **Annexure 5**.
- iv) Further, it is confirmed that the copy of the NCLT Order sanctioning the Draft Scheme shall be filed with the Registrar of Companies, Hyderabad by Spacenet Enterprises India Limited and Kling Enterprises India Limited.
- v) In compliance with the requirement of Section 230 (5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.

11. Amounts due to Unsecured Creditors as on December 31, 2019

Particulars of amounts due to Unsecured Creditors from respective Companies involved in the Scheme as at December 19, 2019 and December31, 2019 are detailed herein:

Name of Company	Amount (in Rs.)
Spacenet Enterprises India Limited	1,05,93,638.38
Kling Enterprises India Limited	1,07,66,262.20

12. Capital Structure Pre and Post Scheme:

Pre Scheme shareholding pattern of Spacenet Enterprises India Limited and Kling Enterprises India Limited as on May23, 2019 and the Post Scheme (expected) shareholding pattern of Spacenet Enterprises India Limited and Kling Enterprises India Limited are as under:

A) Pre-Scheme shareholding pattern of Spacenet Enterprises India Limited is as under:

Sl. No.	Description	Name of Shareholder	Transferee Company Spacenet Enterprises India Limited - Equity Shares Pre-Scheme	
			No. of shares	%
(A)	Shareholding of Promoter and Promoter Group			
1.	Indian			
(a)	Individuals / Hindu Undivided Family	Meenavalli Usha Rani	3226360	6.58
		Meenavalli Krishna Mohan	80786	0.16
		Uma Kunareddy	2668852	5.44
		M.V Laxmi	74466	0.15
		Meenavalli Venkat Srinivas	3254586	6.64
(b)	Central Government/ State Government(s)		-	-
(c)	Bodies Corporate		-	-
(d)	Financial Institutions / Banks		-	-
(e)	Any Others			
	Sub Total(A)(1)		9305050	18.98
2.	Foreign			
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)		-	-
(b)	Bodies Corporate		-	-
(c)	Institutions		-	-
(d)	Any Others		-	-
	Sub Total(A)(2)		9305050	18.98
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		9305050	18.98
(B)	Public shareholding			
1.	Institutions			
(a)	Mutual Funds/ UTI		-	-
(b)	Financial Institutions / Banks		-	-
(c)	Any Other	Albula Investment Fund Ltd	2832492	5.78
	Sub-Total (B)(1)		2832492	5.78
2.	Central Government / State Government(s)		-	-
(d)	Venture Capital Funds		-	-
(e)	Insurance Companies		-	-
(f)	Foreign Institutional Investors		-	-
(g)	Foreign Venture Capital Investors		-	-
(h)	Any Other		-	-
	Sub-Total (B)(2)		-	-
3.	Non-institutions			
(a)	Individuals	(i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	24566586	50.11
		(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	7425201	15.15
(b)	Any Other	(i) Clearing Members	26933	0.05
		(ii) Trusts	-	-
		(iii) Non Resident Indians	514604	1.05
		(iv) Bodies Corporate	4347724	8.87
	Sub-Total (B)(3)		36881048	75.23

(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)+B(3)		39713540	81.02
	TOTAL (A)+(B)		49018590	100.00
(C)	i) Shares held by Custodians and against which DRs have been issued		---	---
	ii) Employee benefit trust under SEBI (Share based Employee benefit) Regulations, 2014		---	---
	TOTAL (C)		---	---
	GRAND TOTAL (A)+(B)+(C)		49018590	100.00

Post-Scheme (Expected):

Sl. No.	Description	Name of Shareholder	Transferee Company Spacenet Enterprises India Limited - Equity Shares Pre-Scheme	
			No. of shares	%
(A)	Shareholding of Promoter and Promoter Group			
1.	Indian			
(a)	Individuals / Hindu Undivided Family	Meenavalli Usha Rani	101459064	64.15
		Meenavalli Krishna Mohan	80786	0.05
		Uma Kunareddy	2668852	1.69
		M.V Laxmi	74466	0.05
		Meenavalli VenkatSrinivas	----	---
(b)	Central Government/ State Government(s)		-	-
(c)	Bodies Corporate		-	-
(d)	Financial Institutions / Banks		-	-
(e)	Any Others			
	Sub Total(A)(1)		104283168	65.94
2.	Foreign		-	-
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)		-	-
(b)	Bodies Corporate		-	-
(c)	Institutions		-	-
(d)	Any Others		-	-
	Sub Total(A)(2)		-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		104283168	65.94
(B)	Public shareholding			
1.	Institutions			
(a)	Mutual Funds/ UTI		-	-
(b)	Financial Institutions / Banks		-	-
(c)	Any Other	Albula Investment Fund Ltd	2832492	1.79
	Sub-Total (B)(1)		2832492	1.79
2.	Central Government / State Government(s)		-	-
(d)	Venture Capital Funds		-	-
(e)	Insurance Companies		-	-
(f)	Foreign Institutional Investors		-	-
(g)	Foreign Venture Capital Investors		-	-
(h)	Any Other		-	-

	Sub-Total (B)(2)		-	-
3.	Non-institutions			
(a)	Individuals	(i) Individual shareholders holding nominal share capital upto Rs. 2 lakhs	28188468	17.82
		(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	17964986	11.36
(b)	Any Other	(i) Clearing Members	26933	0.02
		(ii) Trusts	--	--
		(iii) Non Resident Indians	514604	0.33
		(iv) Bodies Corporate	4347724	2.75
	Sub-Total (B)(3)		51042715	32.27
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)+B(3)		53875207	34.06
	TOTAL (A)+(B)			
(C)	i) Shares held by Custodians and against which DRs have been issued ii) Employee benefit trust under SEBI (Share based Employee benefit) Regulations, 2014		---	----
	TOTAL (C)			
	GRAND TOTAL (A)+(B)+(C)		158158375	100.00

Pre-Scheme and Post-Scheme shareholding pattern of Kling Enterprises India Limited is as under:

Sr	Description	Name of Shareholder	Pre-Scheme	
			No. of shares	%
(A)	Shareholding of Promoter and Promoter Group			
1	Indian			
	Individuals/ Hindu Undivided Family	Name of the Promoters		
		Meenavalli Usha Rani	152292500	87.02
(b)	Central Government/ State Government(s)			
(c)	Bodies Corporate		-	-
(d)	Financial Institutions/ Banks		-	-
(e)	Any Others		-	-
	Sub Total(A)(1)		152292500	87.02
2	Foreign			
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-
(b)	Bodies Corporate	-	-	-
(c)	Institutions	-	-	-
(d)	Any Others	-	-	-
	Sub Total(A)(2)	-		
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	152292500	87.02
(B)	Public shareholding			
1	Institutions			

(a)	Mutual Funds/ UTI	-	-	-
(b)	Financial Institutions / Banks	-	-	-
(c)	Central Government/ State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Any Other	-	-	-
	Sub-Total (B)(1)	-	-	-
2	Non-institutions			
(a)	Bodies Corporate	-	3100000	1.77
(b)	Individuals	-	-	-
I	Individuals i. Individual shareholders holding nominal share capital up to Rs 2 lakh	-	1050500	0.60
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	18557000-	10.60
(c)	Any Other	-	-	-
	Sub-Total (B)(2)	-	22707500	12.98
(B)	Total Shareholding Public (B)= (B)(1)+(B)(2)	-	22707500	12.98
	TOTAL (A)+(B)	-	175000000	100
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-
	GRAND TOTAL (A)+(B)+(C)	-	175000000	100

Post-Scheme (Expected):

Sr	Description	Name of Shareholder	Pre-Scheme	
			No. of shares	%
(A)	Shareholding of Promoter and Promoter Group			
1	Indian			
	Individuals/ Hindu Undivided Family	Name of the Promoters		
		Meenavalli Usha Rani	42641900	87.02
(b)	Central Government/ State Government(s)			
(c)	Bodies Corporate		-	-
(d)	Financial Institutions/ Banks		-	-
(e)	Any Others		-	-
	Sub Total(A)(1)		42641900	87.02
2	Foreign			

(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-
(b)	Bodies Corporate	-	-	-
(c)	Institutions	-	-	-
(d)	Any Others	-	-	-
	Sub Total(A)(2)	-		
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	-	42641900	87.02
(B)	Public shareholding			
1	Institutions			
(a)	Mutual Funds/ UTI	-	-	-
(b)	Financial Institutions / Banks	-	-	-
(c)	Central Government/ State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Any Other	-	-	-
	Sub-Total (B)(1)	-	-	-
2	Non-institutions			
(a)	Bodies Corporate	-	868000	1.77
(b)	Individuals	-	-	-
I	Individuals i. Individual shareholders holding nominal share capital up to Rs 2 lakh	-	1878100	3.83
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	-	3612000	7.37
(c)	Any Other	-	-	-
	Sub-Total (B)(2)	-	6358100	12.98
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	-	6358100	12.98
	TOTAL (A)+(B)	-	49000000	100
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-
	GRAND TOTAL (A)+(B)+(C)	-	49000000	100

13. Effect of the Scheme on various parties:

i. Directors and Key Managerial Personnel (KMP)

The Directors and KMP and their respective relatives of Spacenet Enterprises India Limited, Kling Enterprises India Limited may be deemed to be concerned / interested in the Scheme only to the extent of their shareholding in Spacenet Enterprises India Limited / Kling Enterprises India Limited or to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in Spacenet Enterprises India Limited / Kling Enterprises India Limited, if any. Save as aforesaid, none of the Directors / KMP of Spacenet Enterprises India Limited, Kling Enterprises India Limited have any material interest in the Scheme.

Shareholding of Directors and Key Managerial Personnel of Spacenet Enterprises India Limited:

Name of the Directors and Key Managerial Personnel	Equity Shares held in	
	Spacenet Enterprises India Limited	Kling Enterprises India Limited
Mr. KAKKERA SRI KRISHNA	-	-
Mr. GADDI LINGA MURTHY	-	-
Mr. DASIGI VENKATA SURYA PRAKASH RAO	357754	-
Mr. CHUKKA SIVA SATYA SRINIVAS	-	-
Mr. SATYA SRIKANTH KARATURI	3473	-
Mrs. KORPU VENKATA KALI KANAKA DURGA	-	257298
Mr. KIRAN KODURI	24217	1000000

Shareholding of Directors and Key Managerial Personnel of Kling Enterprises India Limited:

Name of the Directors and Key Managerial Personnel	Equity Shares held in	
	Spacenet Enterprises India Limited	Kling Enterprises India Limited
Mr. SURESH TAMMINEEDI	200933	100
Mr. DASIGI VENKATA SURYA PRAKASH RAO	357754	-
Mr. CHUKKA SIVA SATYA SRINIVAS	-	-
Mr. CHUKKA LAKSHMI	-	-
Mr. SUDHEER VEGI	16850	-
Mr. ANSHUL GUPTA	-	-

ii. Promoter and Non-Promoter Members

• Kling Enterprises India Limited

Promoters of Kling Enterprises India Limited will get direct shareholding in Spacenet Enterprises India Limited in accordance with the Share Exchange Ratio mentioned in the proposed Scheme which is based on the valuation report obtained from G.Murali, Practicing Chartered Accountant.

Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Spacenet and Promoter of Kling involved in the Scheme will not be prejudicially affected by the Scheme.

iii. Depositors

As on date, Spacenet Enterprises India Limited and Kling Enterprises India Limited do not have any depositors, therefore, the effect of the Scheme on any depositors does not arise.

iv. Creditors

Under the Scheme, there is no arrangement with the creditors of Kling. Pursuant to the Scheme, the creditors of Kling will become the creditors of Spacenet. No compromise is offered under the Scheme to any of the creditors of Kling. The liability towards the creditors of Kling is neither reduced nor extinguished and consequently, the creditors of Kling not be affected in any manner by the Scheme.

v. Debenture holders

As on date, Spacenet Enterprises India Limited and Kling Enterprises India Limited do not have any debenture holders, therefore, the effect of the Scheme on debenture holders does not arise.

vi. Deposit trustee and debenture trustee

As on date, Spacenet Enterprises India Limited and Kling Enterprises India Limited do not have any deposit trustee or debenture trustee, therefore, the effect of the Scheme on deposit trustee and debenture trustee does not arise.

vii. Employees

The employees of the Kling Enterprises India Limited (*Transferor Company*) shall become the employees of the Spacenet Enterprises India Limited (*Transferee Company*) as expressed in Para 9.1 of Part II of the Scheme. Hence, the rights and interests of the employees of the Companies involved in the Scheme will not be prejudicially affected by the Scheme.

14. Effect of the Scheme on material interest of Directors, KMP & Debenture Trustee

None of the Directors and Key Managerial Personnel of Spacenet Enterprises India Limited and Kling Enterprises India Limited respectively have any material personal interest in the Scheme, save to the extent of shares held by the Directors / KMP in Spacenet Enterprises India Limited and Kling Enterprises India Limited, if any.

As on date, Spacenet Enterprises India Limited and Kling Enterprises India Limited do not have any debenture trustee, therefore, the effect of the Scheme on debenture trustee does not arise.

- 15.** No investigation or proceedings under the Companies Act, 1956 and /or Companies Act, 2013 have been instituted or are pending in relation to the Spacenet Enterprises India Limited and Kling Enterprises India Limited.
- 16.** There are no insolvency / winding up proceedings pending against Spacenet Enterprises India Limited and Kling Enterprises India Limited as of date.
- 17.** Spacenet Enterprises India Limited and Kling Enterprises India Limited have made a joint application before the Hyderabad Bench of the National Company Law Tribunal for the sanction of the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 of the Companies Act, 2013.
- 18.** In compliance with the provisions of Section 232 (2) of the Companies Act, 2013, the Board of Directors of Spacenet Enterprises India Limited, at its meeting held on May23, 2019, have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of shareholders (promoter and non-promoter shareholders) and key managerial personnel. A copy of the Report adopted by the Board of Directors of the Transferee Company is enclosed to this Explanatory Statement as **Annexure 6A**.
- 19.** It is confirmed that the copy of the Scheme, as approved by Board, has been filed with the Registrar of Companies, Hyderabad by the Transferee Company and Transferor Company as the case may be.

- 20.** Following documents will be available for inspection by the shareholders of the Applicant Company at its registered office between 10:30 a.m. to 12:30 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to the date of the meeting namely:
- a Latest Audited Financial Statements(including Consolidated Financial Statements, as applicable) of Spacenet Enterprises India Limited and Kling Enterprises India Limited for the year ended March 31, 2019;
 - b Copy of Memorandum of Association and Articles of Association of Spacenet Enterprises India Limited and Kling Enterprises India Limited;
 - c Copy of the order of National Company Law Tribunal, Hyderabad Bench dated February 21, 2019 in pursuance of which the meeting is to be convened;
 - d Copy of the Scheme of Arrangement Involving Demerger Between Kling Enterprises India Limited and Spacenet Enterprises India Limited;
 - e Certificate issued by the Auditors of Spacenet Enterprises India Limited and Kling Enterprises India Limited to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
 - f Copies of the resolutions passed by the respective Board of Directors of Spacenet Enterprises India Limited and Kling Enterprises India Limited ;
 - g Report adopted by the Board of Directors of Spacenet Enterprises India Limited and Kling Enterprises India Limited at their respective meetings held on May23, 2019 pursuant to the provisions of Section 232 (2) (c) of the Companies Act, 2013;
 - h Valuation Report on recommendation of Share Exchange Ratio dated May22, 2019 issued by G. Murali, IBBI Registered Valuer;
 - i Fairness Opinion dated May 23, 2019 issued by Ashika Capital Limited, Category 1 merchant banker; and
 - j Such other information or documents as the Board or the management believes necessary and relevant for making decision for or against the Scheme.
- 21.** The persons to whom the Notice is sent may vote in the meeting either in person or by proxy, or where applicable, by voting through electronic means.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Section 102, Section 108&110 and other applicable provisions of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of the Applicant Company.

Dated this March 11, 2020
Place: Hyderabad

V. B. Raju
Chairman Appointed for the Meeting

Registered Office:

Spacenet Enterprises India Limited.

CIN: L72200TG2010PLC068624
Royal Pavilion Apartment, H.No. 6-3-787,
Flat No. 1003, Block - A,
Ameerpet, Hyderabad - 500016
Telangana.

106, Dhanunjaya Towers,
Main Road, Banjara Hills,
Hyderabad – 500034.

SCHEME OF ARRANGEMENT INVOLVING DEMERGER
BETWEEN
KLING ENTERPRISES INDIA LIMITED
(CIN U67120TG2007PLC053474)
(TRANSFEROR COMPANY)
AND
SPACENET ENTERPRISES INDIA LIMITED
(CIN L72200TG2010PLC068624)
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)

PREAMBLE

- (A) KLING ENTERPRISES INDIA LIMITED (“**Transferor Company**”), a Public Company, having its registered office at A to Z Elite, 1st Floor, Plot No. 197, S.Y. No. 48P, Guttala Begumpet, Madhapur, Hyderabad - 500081, Telangana, having Corporate Identification Number U67120TG2007PLC053474 Transferor Company is engaged in business of Commodity Trading and buying and selling Securities.
- (B) SPACENET ENTERPRISES INDIA LIMITED (“**Transferee Company**”), a Public listed Company, having its registered office at A to Z Elite, 1st Floor, Plot No. 197, S.Y. No. 48P, Guttala Begumpet, Madhapur, Hyderabad - 500081, Telangana, having Corporate Identification Number L72200TG2010PLC068624. Transferee Company is engaged into business of Software Development and Commodity Trading.

RATIONALE FOR THE SCHEME OF ARRANGMENT INVOLVING DEMERGER

- i) The Transferor Company predominantly is into the business of buying and selling of securities, apart from buying and selling of securities Transferor Company is also having commodities trading business.
- ii) The Scheme in the present case provides for demerger of its commodities trading division including with all the related assets and liabilities of Transferor Company into Transferee Company.

- iii) The Commodity business undertaking of Transferor Company has significant potential for independent growth and is capable of attracting a separate set of investors, strategic partners, creditors and other stakeholders.
- iv) The Transferor Company has developed an integrated B2B Commodity platform (www.weflip.in) to enable trading transactions cost effective and to make value chain more efficient. Transferor Company's B2B trading platforms aim is to introduce superior transaction practices. This online Platform can bring in transparency in spot transactions in the commodity trade leading to efficient price discovery. This platform primarily designed to flip (buy and sell) various class of assets available in the market i.e. Real estate assets, automobile and e-commerce, etc.
- v) The Synergies that exist between Commodities business undertaking of the Transferor Company and the Transferee Company in terms of services and resources can be put to the best advantage of all stakeholders.
- vi) The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the division being vested by way of demerger.
- vii) The proposed scheme involves demerge of Commodity business undertaking of Transferor Company with Transferee Company is expected to result in the following benefits:
 - a) Realignment and consolidation of Commodity business in efficient manner and building strong capability to effectively meet future challenges in the present competitive business environment.
 - b) Synergies in operational process and creation of efficiencies as well as optimization of operation expenditure.
 - c) Increase in competitive strength, improvement in the financial managerial and technical capabilities.

The Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of the Transferor Company and Transferee Company.

BENEFITS OF THE SCHEME OF ARRANGMENT INVOLVING DEMERGER

- i) The Demerged Business and Remaining Business carried on by Transferor Company have significant potential for growth. The nature of risk and competition involved in each of these units are distinct from other and consequently Demerged Business and Remaining Business is capable of attracting a different set of business leaders, employees, investors, strategic partners, lenders and other stakeholders. The Board of Directors of the Transferor Company felt that the Demerged Business and Remaining Business should be bifurcated and should be managed separately.
- ii) In order to have greater and complete focus to the operations of each of Demerged Business and Remaining Business and evolve strategies for growth and expansion of activities of Demerged Business and Remaining Business separately, apart from attracting investors into each of the Demerged Business and Remaining Business, Transferor Company proposes to re-organize and segregate, by way of demerger, its business.
- iii) Demerged Business and Remaining Business has tremendous growth and profitability potential, especially the Remaining Business is at a stage where they require focused leadership and management attention.
- iv) It is believed that the proposed segregation will create enhanced value for all stakeholders and allow a focused strategy in operations, which would be in the best interest of Transferor Company, its all stakeholders, creditors and all persons connected with Transferor Company.
- v) The Demerger will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.
- vi) The Demerger also envisages the utilisation of the B2B Commodity platform (www.weflip.in) of the Transferee Company to enhance the performance of Demerged Business which will benefit all the stakeholders, creditors and all other persons connected with Transferor Company and Transferee Company.
- vii) With aforesaid objective, it is proposed to Demerge Transferor Company's Commodity Business from the Transferor Company to Transferee Company.
- viii) The Board of Directors of the Transferor Company and Transferee Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of the Transferor Company and Transferee Company.

This Scheme of Arrangement is divided into the following parts:-

Part I: Definitions of the terms used in this Scheme of Arrangement, Effective Date and the Share Capital.

Part II: Dealing with the vesting of undertaking of Commodity Buiness of Transferor Company into Transferee Company.

Part III: General Terms and Conditions that would be applicable to the Scheme.

PART – I

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “The Act”** means the Companies Act, 2013 as in force from time to time.;
- 1.2 **“Appointed Date”** means, for the purpose of this Scheme 1st April 2019 and subject to being approved by the National Company Law Tribunal (NCLT), Hyderabad Bench for the State of Telangana and the State of Andhra Pradesh;
- 1.3 **“Demerged Business”** means the Commodity Business as on 31st March 2019 mentioned in the Schedule of the Transferor Company (as modified and altered from time to time to the Effective Date), including but not limited to debts, liabilities, duties and obligations including reserves, if any, appertaining or allocated to the Investments as on the Appointed Date and more particularly described at Schedule:
- 1.4 **“NCLT”** means the National Company Law Tribunal at Hyderabad for the State of Telangana and the State of Andhra Pradesh. ;
- 1.5 **“Record Date”** means the date to be fixed jointly by the Board of Directors of Transferor Company and Transferee Company for the purposes of determining the shareholders of Transferor Company to whom consideration would be given for vesting of the Demerged Business, in accordance with this Scheme (as defined hereinafter);
- 1.6 **“Remaining Business”** means, all other businesses, divisions, assets and liabilities of the Transferor Company other than the Demerged Business as defined in sub clause 1.3 above.
- 1.7 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement involving demerger of Commodity Business held by Transferor Company into Transferee Company;
- 1.8 **“Stock Exchange” or “Stock Exchanges”** means the National Stock Exchange of India Limited on which the shares of the Company are listed.
- 1.9 **“Transferee Company”** means Spacenet Enterprises India Limited, a Public listed Company incorporated under the Companies Act, 1956 having its registered office at A to Z Elite, 1st Floor, Plot No. 197, S.Y. No. 48P, Guttala Begumpet, Madhapur, Hyderabad - 500081, Telangana, having Corporate Identification Number L72200TG2010PLC068624;

- 1.10 **“Transferor Company”** means Kling Enterprises India Limited, a Public Company, incorporated under the Companies Act, 1956 having its registered office at A to Z Elite, 1st Floor, Plot No. 197, S.Y. No. 48P, Guttala Begumpet, Madhapur, Hyderabad - 500081, Telangana, having Corporate Identification Number U67120TG2007PLC053474;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date.

3. SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid share capital of Spacenet Enterprises India Limited (Transferee) as on March 31, 2019 is as under:

Particulars	Amount (Rs.)
Authorised Capital	
17,50,00,000 equity shares of Re. 1 each	17,50,00,000
Total	17,50,00,000
Issued Subscribed and Paid-up Capital	
17,50,00,000 equity shares of Re. 1 each	17,50,00,000
Total	17,50,00,000

- 3.2 The authorized, issued, subscribed and paid share capital of Kling Enterprises India Limited (Transferor) as on March 31, 2019 is as under:

Particulars	Amount (Rs.)
Authorised Capital	
50,00,00,000 shares of Rs.1/- each	50,00,00,000
Total	50,00,00,000

Issued, Subscribed and Paid-up Capital	
4,90,18,590 shares of Rs.1/- each	4,90,18,590
Total	4,90,18,590

PART – II

4. VESTING OF THE DEMERGED BUSINESS

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Business of Transferor Company, shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to the Transferee Company as a going concern in accordance with Section 2(19AA) of the Income Tax Act, 1961, so as to become, as and from the Appointed Date, the assets and liabilities of the Transferee Company and there shall be vested in the Transferee Company all the rights, titles, interests or obligations of the said Demerged Business therein and shall be free from all encumbrances.
- 4.2 With effect from the Appointed Date and upon the Scheme becoming effective, all the assets relating to the Demerged Business of Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Transferor Company, and shall upon transfer become the property and an integral part of the Transferee Company. In respect of such of the said assets other than those referred to hereinabove, the same shall, without any further act, instrument or deed, be transferred to, and vested in, and/or be deemed to be transferred to and vested in, the Transferee Company.
- 4.3 For avoidance of doubt, upon the Scheme becoming effective, all the rights, title, interest and claims of the Transferor Company in relation to the Demerged Business shall, pursuant to Section 230 to 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. The Transferor Company shall, wherever necessary, execute all necessary documents at the cost of the Transferee Company, to effect and evidence such transfer and vesting of assets, rights, licences, etc., covered in this Scheme and make necessary applications to the authorities concerned independently and/or jointly with the Transferee Company for such transfer and vesting.
- 4.4 For the purpose of giving effect to the order passed under Sections 230 to 232 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and appurtenant legal right(s) upon the vesting of such assets of the Demerged Business of Transferor Company in the Transferee Company.

- 4.5 All liabilities and obligations attributed to the Demerged Business of Transferor Company, taken over by the Transferee Company may be discharged by the Transferee Company.
- 4.6 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

5. CONSIDERATION

- 5.1 In consideration for the demerger of the Demerged Business, including the transfer and vesting thereof in the Transferee Company pursuant to Part II of the Scheme, the Transferee Company shall, without any further payment, issue and allot to each member of the Transferor Company a fully paid Equity Share to on a proportionate basis in the Ratio of 58 Equity Shares in the Transferee Company of the Face Value of Re. 1/- for every 93 Equity Share of Re. 1/- each fully paid up held by such member or his/her/its heirs executors, administrators or successors in the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date.

A person who is holding less than 93 shares in the Transferor shall get shares in the Transferee Company proportionately and any fractional entitlement shall be dealt in accordance with clause 5.3 of the Scheme.

Ex: A person who is holding 92 shares in the Transferor Company is entitled to receive 57.38 shares in the Transferee Company. The Transferee Company shall issue 57 shares to such shareholder and balance fractional entitlement shall be dealt in accordance with clause 5.3 of the Scheme.

- 5.2 The Equity Shares to be issued and allotted pursuant to Clause 5.1 shall in all respects, rank pari passu with the existing equity shares of the Transferee Company, save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date.
- 5.3 No fractional share shall be issued by the Transferee Company. In respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with the scheme. The Board of Directors/committee of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of Transferor may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a Board of trustees or a corporate trustee (the trustee), who shall hold such fractional entitlements with

all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the trustee may in its sole discretion decide, the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

- 5.4 The shares shall be issued to the members of the Transferor Companies in dematerialised form by the Transferee Company.
- 5.5 The issue and allotment of new equity shares by the Transferee Company to the shareholders of the Transferor Companies is an integral part of this Scheme and shall be deemed to have been carried out without any further act or deed and the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be due compliance of the provisions of Sections 42 and 62 and other relevant or applicable provisions of the Act and all other laws including but not limited Securities and Exchange Board of India regulations.
- 5.6 The equity shares of the Transferee Company are listed and admitted to trading on the Stock Exchange(s). The Transferee Company shall enter into such arrangements and give such confirmation and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issued equity shares under this Scheme. On such formalities being fulfilled, the Stock Exchange(s) shall list and/ or admit such equity shares issued pursuant to this Scheme, for the purpose of trading. The equity shares allotted pursuant to Clause 5.1 shall remain frozen in the depositories system till listing/ trading permission is given by the Stock Exchanges, respectively.
- 5.7 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by the Transferee Company of New Equity Shares to the members of the Transferor Company.

REDUCTION OF CAPITAL OF TRANSFEROR COMPANY:

- 5.8 Upon the sanction of the Scheme of Arrangement and transfer of the Demerged Undertaking hereof, and the Scheme of Arrangement becoming effective 12,60,00,000 fully paid-up Equity Shares of Re.1/- each in the Transferor Company shall stand cancelled. Accordingly the paid up share capital of the Transferor Company shall stand reduced by Rs. 12,60,00,000/- and the paid up share capital of the Transferor Company shall stand at Rs. 4,90,00,000/-.

- 5.9 The above reduction of share capital will be effected by cancelling all the existing shares held by the shareholders of the Transferor Company and issuing new shares of Rs. 1/- each in the ratio of 28 shares for every 100 shares held by such shareholder.

Ex.1: A person who is holding 100 (One Hundred) Equity Shares of Rs. 1/- each aggregating to Rs. 100/- (Rupees One Hundred only) shall hold after reduction 28 (Twenty Eight) Equity Share of Rs. 1/- each aggregating to Rs. 28/- (Rupees Twenty Eight only).

Ex.2: A person who is holding 10 (Ten) Equity Shares of Rs. 1/- each aggregating to Rs. 10/- (Rupees Ten only) who is entitled to for 2.8 shares, out of which the Transferor Company shall issue 2 (Two) Equity Share of Rs. 1/- each aggregating to Rs. 2/- (Rupee Two only) and balance fraction will be dealt in accordance with clause 5.10 of this Scheme. Similarly a person who is holding 8 (Eight) Equity Shares of Rs. 1/- each aggregating to Rs. 8/- (Rupees Eight only) who is entitled to for 2.24 shares, out of which the Company shall issue 2 (Two) Equity Share of Rs. 1/- each aggregating to Rs. 2/- (Rupee Two only) and balance fraction will be dealt in accordance with clause 5.10 of this Scheme. A person who is holding 2 (Two) Equity Shares of Rs. 1/- each aggregating to Rs. 2/- (Rupees Two only) who is entitled for fractional shares shall not receive any shares his fraction will be dealt in accordance with clause 5.10 of this Scheme.

- 5.10 No fractional share shall be issued by the Transferor Company to its shareholders pursuant to the reduction. In respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferor Company in accordance with the scheme. The Board of Directors/committee of Directors of the Transferor Company shall instead consolidate all such fractional entitlements to which the shareholders of Transferor may be entitled on issue and allotment of the equity shares of the Transferor Company as aforesaid and shall without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a Board of trustees or a corporate trustee (the trustee), who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements at such price or prices and at such time or times as the trustee may in its sole discretion decide, the net sale proceeds thereof and any additions and accretions, whereupon the Transferor Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

- 5.11 Such reduction of Equity Share Capital of the Transferor Company as provided in the Clauses 5.8, 5.9 and 5.10 above, shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the National Company Law Tribunal sanctioning the Scheme

shall be deemed to be an order under Section 66 of the Act confirming the reduction without the need on the part of the Transferor Company, to carry out any further act or deed. While approving the Scheme as a whole, the Shareholders of the Transferor Company shall have resolved and accorded the relevant consents as required under Section 66 of the Act or any other provisions of the Act.

6. ACCOUNTING TREATMENT

In the books of Transferee Company

- 6.1 Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Business of Transferor Company vested in it pursuant to this Scheme, at respective book values, as appearing in the books of Transferor Company at the close of business on the day immediately preceding the Appointed Date in accordance with Accounting Standards as may be applicable from time to time.
- 6.2 The Transferee Company shall credit to its share capital account, the aggregate face value of the new shares on Demerger issued by it pursuant to Clause 5.1 of this Scheme.
- 6.3 The amount of the net assets/ (liabilities) of the Demerged Business of the Transferor Company transferred to Transferee Company (being the difference between the value of assets and value of liabilities of the Demerged Business, as recorded in the books of Transferee Company as per clause 6.1 above), after adjusting against the shares allotted by the Transferee Company would be adjusted respectively against the reserves of Transferee Company.

In the books of Transferor Company

- 6.4 Upon the Scheme becoming effective, Transferor Company shall reduce the book value of assets and liabilities pertaining to the Demerged Business Transferred to Transferee Company.
- 6.5 The excess of the book value of assets vested over the book value of liabilities vested (i.e. net book value of assets vested) if any, shall be adjusted against the balance in the General Reserve/balance in profit and loss account of the Transferor company. In case of a shortfall, the shortfall shall be credited to Capital Reserve account of the Transferor Company.

In case of any inconsistency between the accounting treatment mentioned in clause 6 of this Scheme and Accounting Standards, then the accounting treatment shall done be in accordance with the applicable Accounting Standards.

7. PROFITS, DIVIDEND, BONUS/RIGHT SHARES

Transferor Company shall not utilise profits or income, if any, pertaining to the Demerged Business for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date. Transferor Company shall also not utilise profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Demerged Business after the Appointed Date.

8. CONDUCT OF THE DEMERGED BUSINESS OF TRANSFEROR COMPANY TILL THE EFFECTIVE DATE

With effect from the Appointed Date:

- 8.1 Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Business and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Demerged Business for and on account of and in trust for the Transferee Company.
- 8.2 Transferor Company shall carry on its business and activities relating to the Demerged Business with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Business or part thereof.
- 8.3 All the profits or income accruing or arising to Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company pertaining to the Demerged Business shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 8.4 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

9. STAFF, WORKMEN AND EMPLOYEES OF THE TRANSFEROR COMPANY:

- 9.1 On the Scheme becoming operative, all staff, workmen and employees (if any) of Transferor Company pertaining to the Demerged Business in service on the Effective Date shall be deemed to have become staff and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favourable than those applicable to them with reference to their employment in Transferor Company.

- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff, workmen and employees of Transferor Company pertaining to the Demerged Business or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company in relation to the Demerged Business in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of Transferor Company pertaining to the Demerged Business will be treated as having been continuous for the purpose of the said Fund or Funds.
- 9.3 Transferee Company shall not vary the terms and conditions of employment of any of the employees of Transferor Company pertaining to the Demerged Business except in the ordinary course of business.

10. LEGAL PROCEEDINGS

- 10.1 If any suit, appeal or other proceeding of whatever nature by or against Transferor Company in relation to the Demerged Business is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company in relation to the Demerged Business as if this Scheme had not been made.
- 10.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Transferor Company in relation to the Demerged Business, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

11. VESTING OF RIGHTS AND OBLIGATIONS UNDER CONTRACTS, DEEDS AND OTHER INSTRUMENTS.

- 11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Demerged Business to which Transferor Company is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of and may be enforced by or against the Transferee Company as fully and effectually as if, instead of Transferor Company the Transferee Company had been a party thereto.

- 11.2 Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Transferor Company for the Demerged Business and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

12. SAVING OF CONCLUDED TRANSACTIONS

The vesting of the Demerged Business of Transferor Company into Transferee Company under Clause 4 above and the continuance of proceedings by or against Transferee Company under Clause 10 above shall not affect any transaction or proceedings already concluded by Transferor Company for the Demerged Business on or after the Appointed Date till the Effective Date, to the end and intent that Transferee Company accept and adopts all acts, deeds and things done and executed by Transferor Company for the Demerged Business in respect thereto as done and executed on behalf of the Transferee Company.

13. REMAINING BUSINESS OR UNDERTAKING OF TRANSFEROR COMPANY

- 13.1 The remaining business of Transferor Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Transferor Company.
- 13.2 All legal and other proceedings by or against Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the remaining business of Transferor Company (including those relating to any property, right, power, liability, obligation or duty of Transferor Company in respect of the remaining business of Transferor Company) shall be continued and enforced by or against Transferor Company.
- 13.3 With effect from the Appointed Date -
- (a) Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the remaining business of Transferor Company for and on its own behalf;
 - (b) All profit accruing to Transferor Company thereon or losses arising or incurred by it relating to the remaining business of Transferor Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of Transferor Company.

- 13.4 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Remaining Business to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Appointed Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferor Company.

14. TREATMENT OF TAXES

- 14.1 Any liabilities including all liabilities under the Income-tax Act, 1961, Excise Laws, Service Tax Laws, Central Sales Tax Laws, applicable State Value Added Tax Laws, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Telangana Goods and Services Tax Act, 2017 and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, Stamp Laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the Demerged Business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.
- 14.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, UTGST, GST Compensation Cess, VAT etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the Demerged Business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, UTGST, GST Compensation Cess, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Demerged Business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 14.3 The Transferee Company shall be entitled to carry forward, avail or set-off any unutilized CENVAT credit, VAT credit, Entry tax, unutilised input tax credit of CGST, IGST, SGST, UTGST, GST Compensation Cess etc. lying unutilized in the Transferor Company pertaining to the Demerged Business of the Transferor Company on and from the Appointed Date.
- 14.4 Without prejudice to the generality of the above, all benefits including under the income tax, excise duty, service tax, applicable State Value Added Tax Laws, Goods & Service tax, etc., relating to the Demerged Business of the Transferor Company to which the Transferor Company is entitled to in

terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

- 14.5 It is clarified that all taxes, levies, imposts, fines and duties payable by Transferor Company, accruing and relating to the operations of the Demerged Business from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims of the Transferee Company. Accordingly, upon this Scheme becoming effective, Transferor Company is expressly permitted to revise, and Transferee Company is expressly permitted to file their respective income tax returns, including tax deducted at source certificates, sales tax/ value added tax returns, excise returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme. Similarly, the unabsorbed depreciation and brought forward losses of the Transferor Company as are relating to the Demerged Business as considered for the purposes of Explanation 1 to Section 115JB (2) of the Income Tax Act, 1961 shall stand vested in the hands of the Transferee Company shall consolidate the same with its unabsorbed depreciation and brought forward losses for the purpose of Explanation 1 to Section 115JB (2) of the Income-tax Act, 1961.
- 14.6 All expenses paid by Transferor Company under Section 43B of the Income-tax Act, 1961, in relation to the Demerged Business, shall be claimed as a deduction by the respective Transferee Company and the vesting of Demerged Business shall be considered as succession of business by the Transferee Company.
- 14.7 The Demerger as contemplated in this Scheme would be completed in a manner so as to comply with the conditions relating to 'demerger' as specified under section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at the later date including Transferee from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income-tax Act, 1961.

It is clarified that demerger in itself is a specific code and the taxability is envisaged specifically under the Income Tax Act, 1961. Subject to the compliance with the prescribed conditions under Section 2(19AA) of the Income Tax Act, 1961, the demerger shall be tax neutral transaction as provided under relevant clauses of Section 47 of the Act as no other tax implications are envisaged.

PART – III

15. APPLICATION TO THE NCLT

Transferor Company and Transferee Company shall with all reasonable dispatch, make necessary applications to the NCLT pursuant to Sections 230 to 232 of the Act, for convening and/or seeking exemption to convene meetings of the shareholders, for sanctioning and carrying out of this Scheme.

16. MODIFICATIONS/AMENDMENTS TO THE SCHEME

Transferor Company and Transferee Company by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the respective Board of Directors of Transferor Company and Transferee Company). Transferor Company and Transferee Company by their respective Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The aforesaid powers of the Board shall be exercised with the approval of the NCLT.

17. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 17.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of Transferor Company and Transferee Company as prescribed under the Act and as may be directed by the NCLT or any other appropriate authority as may be applicable.
- 17.2 The sanction of this Scheme by the NCLT or any other appropriate authority under Sections 230 to 232 and other applicable provisions, if any of the Act in favour of Transferor Company and Transferee Company.
- 17.3 The Company will seek approval from the public shareholders through e-voting, as required under Para 1(A)(9)(a) of Annexure I of SEBI circular dated March 10, 2017.
- 17.4 The scheme is conditional upon scheme being approved by the public shareholders through e-voting in terms of para 9 (a) of part I of Annexure I of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it”

17.5 The Company will comply with all other provisions of the Companies Act, 2013, rules made thereunder and all other applicable laws as may be applicable from time to time for the reduction of share capital as contemplated in this Scheme.

17.6 The Company will comply with all the observations and suggestions given by the Stock Exchanges and other statutory authorities.

18. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in Clause 17 not being obtained and/or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme unless otherwise mutually agreed.

19. COSTS, CHARGES AND EXPENSES

All costs, shortages, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

SCHEDULE

Part – 1

Details of assets and liabilities of Demerged Business Transferable to Transferee Company as on the appointed date

Particulars of the Assets	Amount (Rs.)
Fixed Assets	12,37,785
Sundry Debtors	12,34,59,855
Short term loan and advances	18,76,500
Total Assets	12,65,74,140

Liabilities of the Demerged Undertaking of the Transferor Company Transferable to Transferee Company as on the appointed date

Particulars of the Liabilities	Amount (Rs.)
Liabilities	Nil

G. Murali, FCA, DISA, FAFD, Reg.IP & Reg.Valuer (IBBI)

Date: 22.05.2019

Place: Hyderabad

To,
Board of Directors
Kling Enterprises India Limited
A to Z Elite, 1st Floor, Plot No. 197,
SY No. 48P, GuttalaBegumpet, Madhapur,
Hyderabad, Telangana, 500081, India.

To,
Board of Directors
Spacenet Enterprises India Limited
A to Z Elite, 1st Floor, Plot No. 197,
SY No. 48P GuttalaBegumpet, Madhapur,
Hyderabad, Telangana, 500081, India.

SUB: Recommendation of fair Share exchange Ratio for the proposed Demerger of Commodity Trading Division of M/s. Kling Enterprises India Limited ("KEIL")in to M/s. Spacenet Enterprises India Limited ("SEIL").

Dear Sir / Madam,

I refer to our engagement letters where by KEIL & SEIL (together referred to as "the Companies"/ "Clients"/ "you") have requested for recommendation of the share exchange ratio for proposed demerger of Commodity Trading Division of KEIL into SEIL.

As per the terms of the engagement, I am enclosing my report along with this letter. The report has been prepared exclusively for the purpose of management internal evaluation and hence should not be used for any other purposes. Please note that all comments in our report be read in conjunction with the Caveats to the Report, which are contained in this report.


CA.G.Murali
IBBI Reg. Valuer No. IBBI/RV/06/2018/10340



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1. Introduction

I, Mr.G. Murali, Registered Valuer, Hyderabad have been appointed by KEIL & SEIL for carrying out valuation in relation to the proposed demerger of Commodity Trading Division of M/s. Kling Enterprises India Limited("KEIL") in to M/s. Spacenet Enterprises India Limited ("SEIL"). As per the Engagement of valuation, I issued this valuation report, dated 22/05/2019, summarized herein, including the appendices.

SCOPE AND PURPOSE OF THIS REPORT

Kling Enterprises India Ltd (KEIL)

Kling Enterprises India Limited (KEIL) is a Limited Company incorporated under Companies Act, 1956, having registered office at A to Z Elite, 1st Floor, Plot No. 197, SY No. 48P Guttala Begumpet, Madhapur, Hyderabad, Telangana, 500081, India. KEIL Corporate Identification Number is U67120TG2007PLC053474.

Kling Enterprises India Ltd (KEIL) is engaged in, inter alia, the following business

(a) Commodity trading business through E-Commerce platform (www.weflip.in)

(b) Investment Business

KEIL is a Commodity trader focusing on investing in physical substances like Cotton, minerals, grains and other crops. The Company takes positions based on forecasted economic trends or arbitrage opportunities in the commodity markets.

KEIL has developed an integrated B2B Commodity platform (www.weflip.in) to enable physical Commodity trading transactions cost effective manner and to make value chain more efficient and to introduce superior transaction practices. This platform primarily designed to flip (buy and sell) different class of assets available in the market i.e. Real estate assets, automobile and e-commerce etc.

Spacenet Enterprises India Limited (SEIL)

Spacenet Enterprises India Limited (SEIL) is a Limited Company incorporated under Companies Act, 1956, having registered office at A to Z Elite, 1st Floor, Plot No. 197, SY No. 48P Guttala Begumpet, Madhapur, Hyderabad, Telangana, 500081, India. SEIL Corporate Identification Number is (CIN) L72200TG2010PLC068624.

The company share are listed in the National Stock Exchange (NSE).

SEIL is primarily established for the development of the software tools and platforms for providing fast, flexible and reliable trading tools for the Commodity markets using Quantitative, Derivative and Neuro models.

The Company also established to carry the Commodity trading business of all kinds including derivative contracts and options contracts and comply with the rules relating to delivery of goods and payments of price and participate in ready delivery and forward contracts, specific delivery contracts, future contracts in accordance with the rules, regulations and bye-laws of commodity exchanges.

The Management of KEIL and SEIL are contemplating a proposal which entails demerger of the trading division of KEIL into SEIL through a Scheme of Arrangement ('Scheme') to be implemented under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and in the manner provided in the Scheme of Arrangement. As a consideration for the proposed transaction, equity shareholders of KEIL would be issued equity shares of SEIL. Share exchange ratio for this report refer to the number of equity shares of face value of Rs. 1/- each of SEIL, which would be issued to the Shareholders of KEIL as set out in this report.

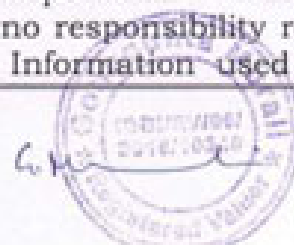
For the aforesaid purpose, the Management of the Companies have requested CA.G.Murali to submit the report recommending the Share Exchange Ratio in connection with the proposed transaction.

The scope of my service is to conduct a relative valuation of the equity shares of SEIL and the value per share attributable to the Trading division of KEIL and recommending a Share Exchange Ratio in accordance with generally accepted professional standards.

The Valuation report is being taken for "The demerger, transfer and vesting of the Commodity Trading Division of KEIL in to the SEIL on a going concern basis and consequent issue of equity shares of the SEIL to the shareholders of the KEIL

This document ("Valuation Report"), within the limits and with the cautions, qualifications, and caveats provided, has been prepared for the sole purpose of supporting the valuation and decision-making process of the Board of Directors of KEIL & SEIL.

In fulfilling this Mandate and performing all valuations, I, Mr.G.Murali have relied on the truth, completeness and accuracy, in all respects, of the documents, data and information provided by KEIL & SEIL (the "Information"), without undertaking any independent verification, certification and/or analysis. I, therefore, accepts no responsibility relating to the truth, completeness and accuracy of the Information used in its



analyses, as it is unable to exclude the possibility that such analyses may lead to different results should such Information be incomplete, inaccurate or untruthful.

None of the information stated in the Valuation Report may be considered a guarantee or an indication of prospective earnings or financial performance of the company.

In preparing the Valuation Report, I have not given any advice, nor undertaken any verification of a legal or tax nature and/or due diligence relating to the Share Valuation, neither is it responsible for the Information used in performing the same, which shall remain, therefore, the sole responsibility of the Management of KEIL& SEIL providing such information.

Capital Structure of the Companies as on 31.03.2019:

Kling Enterprises India Limited (KEIL)

Particulars	Amount (in Rs.)
Authorized Share Capital (17,50,00,000 shares of Rs.1/- each)	17,50,00,000
Issued, Subscribed and Paid Up Share Capital (17,50,00,000 shares of Rs.1/- each)	17,50,00,000

Spacenet Enterprises India Limited (SEIL)

Particulars	Amount (in Rs.)
Authorized Share Capital (50,00,00,000 shares of Rs.1/- each)	50,00,00,000
Issued, Subscribed and Paid Up Share Capital (4,90,18,590 shares of Rs.1/- each)	4,90,18,590

Share holding Pattern of the companies as on 31.03.2019:

Kling Enterprises India Limited (KEIL)

S.N	Category	Percentage
1	Promoter Group	87.02 %
2	Non-Promoter Group	12.98%
	Total	100%

Spacenet Enterprises India Limited (SEIL)

Summary Statement holding Pattern

S.N	Category	Percentage
1	Promoter Group	18.98 %
2	Non-Promoter Group	81.02 %
	Total	100.00%

Purpose of Valuation:

The Valuation report is being taken for "The demerger, transfer and vesting of the Commodity Trading Division of M/s. Kling Enterprises India Ltd(KEIL) in to the M/s. Spacenet Enterprises India Ltd (SEIL) on a going concern basis and consequent issue of equity shares of the Spacenet Enterprises India Ltd (SEIL) to the shareholders of the M/s. Kling Enterprises India Ltd (KEIL)"

This document ("Valuation Report"), within the limits and with the cautions, qualifications, and caveats provided, has been prepared for the sole purpose of supporting the valuation and decision-making process of the Board of Directors of KEIL& SEIL.

In fulfilling this Mandate and performing all valuations, I, Mr.G.Murali have relied on the truth, completeness and accuracy, in all respects, of the documents, data and information provided by KEIL& SEIL (the "Information"), without undertaking any independent verification, certification and/or analysis. I, therefore, accepts no responsibility relating to the truth, completeness and accuracy of the Information used in its analyses, as it is unable to exclude the possibility that such analyses may lead to different results should such Information be incomplete, inaccurate or untruthful.

None of the information stated in the Valuation Report may be considered a guarantee or an indication of prospective earnings or financial performance of the company.

In preparing the Valuation Report, I have not given any advice, nor undertaken any verification of a legal or tax nature and/or due diligence relating to the Share Valuation, neither is it responsible for the Information used in performing the same, which shall remain, therefore, the sole responsibility of the Management of KEIL& SEIL providing such information.

2. Valuation date & Source of Information:

The date of valuation considered is 31st March, 2019. I have been provided the following information for our valuation analysis.

- Audited financial statements of KEIL& SEIL for the years ended March 31, 2017, 31.03.2018.
- Audited financial statements of KEIL for the year ended March 31, 2019.
- Division wise financials of KEIL for year ended 31 March 2019.
- Financial projections prepared by the management for the years ended March 31, 2020, 2021, 2022, 2023 and 2024 relating to commodity trading division of KEIL.
- Information on business and profile provided by the management of KEIL&SEIL.
- Quarterly financial statement of SEIL for June 2018, September 2018 and December 2018.
- Market Share price data of SEIL.
- Other related information from various sources.

I have also obtained necessary explanations and information, which I believed were relevant to the present exercise, from the executive and representatives of **KEIL & SEIL**. It may be mentioned that **KEIL & SEIL** has been provided opportunity to review the draft report (excluding our valuation analysis and recommendation) for the current job as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

3. Valuation methodologies:

According to standard valuation practice, the fundamental precondition for obtaining significant and comparable valuations in determining the Share value transactions is the consistency and comparability of the methods applied according to the characteristics of the companies and/or groups being valued.

In addition, a second fundamental principle often adopted for determining Share value is the "stand alone" assumption. That is, a valuation perspective based on the current configuration and future prospects of the company on an independent basis, without taking any potential synergies from determining the Share value into account.

As stated previously, the selected methodologies – which represent recognized techniques, widely used in valuation practice both in India and internationally - should not be considered individually, but rather as different parts of a single valuation process. Independent use of the results obtained from each methodology, without duly considering the complementary relationship with other methodologies, will result in loss of the meaningfulness of the valuation process itself.

Valuation of the enterprise or its commodity trading division is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be even prepared to pay goodwill. This exercise may be carried out based on the generally accepted methodologies, the relative emphasis of each often varying with the factors such as:

- Specific nature of the business
- Economic life cycle in which the industry or the company is operating and
- Extent to which and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. In this regard, I have evaluated suitability of four commonly used approaches of valuation to determine the fair value of company. I have used three out of four commonly used approaches for valuation. After arriving at the values based on appropriate methods, I have assigned weightings to these methods to determine the fair value for the company.

a. Net Assets Method (NAV):

The value arrived at under this approach is based on the Audited financial statements of the Division and may be defined Net Assets owned by the Division. The Net Assets Value is generally used as the minimum break-up value for the transaction. This methodology calculates the underlying net Assets of the business on a book value basis. I have included this approach as one of the methodologies in the valuation exercise of commodity trading division of KEIL.

I have not considered this method of valuation for SEIL as the company accumulated losses are exceeding the paid up capital and net worth become negative.

b. Discounted Cash Flow Method (DCF):

The DCF method uses the future free cash flows of the Division discounted by the cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business, considering that this method is based on future potential and is widely accepted, I have included this approach as one of the methodologies in the valuation exercise for commodity trading division of KEIL.

I have not considered this method of valuation for SEIL as the company is operational and future revenues, cash flows etc., are not available to use this method.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are expected to be generated by the Division that is available to all providers of the company's Capital-both debt and equity.

"Appropriate discount rate to be applied to cash flows i.e., the cost of capital".

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of Return the capital provider expects to earn on other investments of equivalent risk.

To the values so obtained from DCF analysis, the amount of loans has to be adjusted to arrive at the total value available to the equity shareholders. The total value for equity shareholders is then divided by the total number of commodity trading division in order to work out the value per equity share of the companies.

c. Stock Exchange Quotation or Market Price Method:

This valuation reflects the price that the market at a point in time is prepared to pay for the shares. It is therefore influenced by the condition of the stock market, the concerns and opportunities that are seen for the business in the sector or market in which it operates.

The market price is also reflects the investor's view of the ability of the management to deliver a return on the capital it is using. In the case of companies not frequently traded, this value may be very different from the inherent value of the shares, but nevertheless forms a benchmark value.

I have included this approach as one of the methodologies in the valuation exercise for SEIL.

Since the company (**KEIL**) is not listed in any of the stock exchanges in India. Hence I have not used this market price method for the purpose of this valuation analysis as KEIL is not listed on any of the Stock Exchanges.

d. Comparable Company Market Multiple Method:

Under this methodology, market multiples of comparable listed companies are computed and applied to the business being valued in order to arrive at a multiple based valuation. This approach is usually applied in case of valuation of unlisted companies. Some of the common multiples used in a valuation are listed below:

- Market Cap / Sales Multiple
- Price / Earnings Multiple
- Precedent Transactions Multiple Method

Since the comparable companies are not available in the market with the exact size, nature of business have not used the comparable company market multiple method for both KEIL & SEIL.

I have carried out the valuation analysis as described above, based on the fundamental assumption of going concern for the business under consideration.

On the basis of these considerations, the following valuation methodologies have been selected for commodity trading division of KEIL:

- ❖ **The Discounted Cash Flow Method (DCF Method).**
- ❖ **Net Assets Method (NAV).**

On the basis of these considerations, the following valuation methodologies have been selected for commodity trading division of SEIL:

- ❖ **Stock Exchange Quotation or Market Price Method.**

In selecting and applying the stated methods, I have considered the advantages and limitations implicit in each on the basis of common practice in the sector and its own experience.

4. Valuations Analysis of Commodity Trading Division:

We have carried out the valuation analysis as described above, based on the fundamental assumption of going concern for the business under consideration. The detailed analysis and the assumptions made these purpose are given below:

Method 1: Net Asset Value Method (NAV)

In order to assess the NAV of "Commodity Trading Division", we have used the Adjusted Audited financial statements as on 31st March 2019. The value arrived under this approach using the shareholders' funds of

Net Assets owned by the business as at 31st March 2019 is Rs. 728.45 lakhs.

PARTICULARS	Rs. In Lakhs
Fixed Assets: Net Block	12.38
Capital work in progress	-
Total fixed assets (Net)	12.38
Investments	-
Current Assets	
Net Realisable Value of Sundry Debtors	716.07
Cash & Bank Balances	-
Total Assets	728.45
Less: Current Liabilities	
Borrowings	
Secured Loans	-
Un Secured Loans	-
Deferred tax liability	-
Less: Total borrowings	-
Net worth - unadjusted	728.45
Less: Contingent liabilities	-
Less: Misc. expenses	-
NET VALUE	728.45

Source: Adjusted Audited financial statements of "Commodity Trading Division"

Method 2: Discounted Cash Flow Method (DCF)

Estimated Free Cash Flows:

We can set the forecast period in such a way that the Division reaches a stable phase after that. In other words, we are assuming that the company will grow at a constant rate after the forecast period.

For the purpose of valuation exercise, I have considered that the company will grow at a constant rate after the forecast period of a four year projected period i.e. from the financial year 2020 to 2024.

The cash flow projections as on a free cash flow to Firm (FCFF) basis are summarized below:

FCFF - DCF Calculation	Financial Year ended 31 st March Projections				
	2020	2021	2022	2023	2024
EBIAT (Earnings before Interest after tax)	21.26	29.81	38.97	50.67	65.61
Add: Depreciation and Amortizations	1.24	1.11	1.00	0.90	0.81
Less: Capital Expenditure	-	-	-	-	-



Less: Working Capital Changes	231.97	98.99	(1.08)	48.62	93.23
Free Cash Flows	254.46	129.92	38.89	100.19	159.65

Source: Projected financial statements of "Commodity Trading Division".

Valuation assumptions:

Discounting factor:

The discounting factor considered for arriving at the present value of the free cash flows to the equity is cost of equity, since the free cash flows to equity shareholders are estimated. The cost of equity computed using the Capital Assets Pricing Model (CAPM) using the formula;

$$K_e = r_f + \beta(r_m - r_f) \text{ where}$$

K_e = Cost of Equity

r_f = Risk Free Return

r_m = Market Price of Return and

β (beta) = Measure of Market Risk

Terminal Value:

The terminal value refers to the present value of the business as a going concern basis beyond the period of projections up to perpetuity. There are so many approaches for determining the terminal value.

Approach 1: Terminal value is a growing perpetuity

Approach 2: Terminal Value is a Stable perpetuity

Approach 3: Terminal Value as a Multiple of Book Value

Approach 4: Terminal Value as a multiple of earnings.

In these approaches, I have applied Approach 1, i.e. "Terminal Value is a growing perpetuity", because I assumed that the company will grow at a constant rate after the forecast period. So, I considered it as the more appropriate approach.

Assumptions	
Cost of Equity %	14.42%
Beta	1.00
Risk free rate %	7.42
Risk Premium	7.00
Perpetual Growth %	4.00%

Terminal Value

The terminal value refers to the present value of the business as a going concern basis beyond the period of projections up to perpetuity. This value is estimated taking into business growth rates as well estimated growth rates of the industry and economy. Based on the factors specific to the company as mentioned above, the free cash flow to the



"Commodity Trading Division" after considering the value of the debt Rs.Nil and considering the Rs. 812.51Lakhs terminal value is Rs. 1,299.96lakhs.

5. Business valuation of Commodity Trading Division of KEIL:

We have assigned weights to NAV & DCF methods to arrive at the average value of "**Commodity Trading Division**" of the Company. We have given the weights for Net Asset Value method a weight of 50% and 50% weights given for Discounted Cash Flow method as while it takes into consideration future business potential, it is based on forecast.

Particulars	Weight	Value under method	Weighed Value
DCF Method	50%	1299.96	649.98
Net Asset Method	50%	728.45	364.22
Value of the Business	100%		1014.20

6. Valuations Analysis of SEIL:

Equity share of the SEIL is listed on National Stock Exchange (NSE), as per the trading data available on NSE website the equity shares of SEIL are frequently traded in terms of regulation 164(5) the SEBI (ICDR) Regulations, 2018. As per Regulation 164(1) of the SEBI (ICDR) Regulations 2018; the equity shares of the issuer have been listed on a recognised stock exchange for a period twenty –six weeks or more as on the relevant date, the equity shares shall be allotted at a price not less than higher of following;

- The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or
- The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

Calculation of minimum issue price as prescribed under Chapter V of the SEBI (ICDR) Regulation. 2018

Relevant Date (Board Meeting date)	23-05-2019
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- The average of the weekly high and low of the volume weighted average price of the equity shares of Spacenet Enterprises India Ltd (SEIL) quoted on the NSE during the twenty six weeks preceding the relevant date

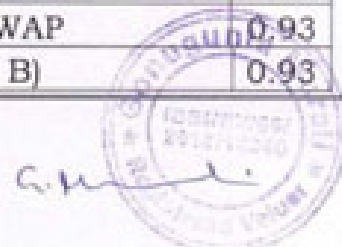


Week	From	To	VWAP High	VWAP Low	Average
1	22-11-18	28-11-18	0.39	0.32	0.36
2	29-11-18	05-12-18	0.45	0.32	0.39
3	06-12-18	12-12-18	0.68	0.50	0.59
4	13-12-18	19-12-18	0.76	0.67	0.72
5	20-12-18	26-12-18	0.70	0.66	0.68
6	27-12-18	02-01-19	0.72	0.60	0.66
7	03-01-19	09-01-19	0.74	0.70	0.72
8	10-01-19	16-01-19	0.80	0.70	0.75
9	17-01-19	23-01-19	0.89	0.76	0.83
10	24-01-19	30-01-19	0.95	0.78	0.87
11	31-01-19	06-02-19	0.98	0.93	0.96
12	07-02-19	13-02-19	0.92	0.83	0.88
13	14-02-19	20-02-19	0.95	0.81	0.88
14	21-02-19	27-02-19	0.91	0.80	0.86
15	28-02-19	06-03-19	0.90	0.84	0.87
16	07-03-19	13-03-19	0.92	0.86	0.89
17	14-03-19	20-03-19	1.05	0.88	0.97
18	22-03-19	27-03-19	1.19	1.10	1.15
19	28-03-19	03-04-19	1.45	1.22	1.34
20	04-04-19	10-04-19	1.70	1.50	1.60
21	11-04-19	16-04-19	1.73	1.50	1.62
22	18-04-19	24-04-19	1.45	1.30	1.38
23	25-04-19	30-04-19	1.25	1.15	1.20
24	02-05-19	08-05-19	1.10	0.91	1.01
25	09-05-19	15-05-19	0.96	0.86	0.91
26	16-05-19	22-05-19	0.99	0.90	0.95
Average Price (Rs.)					0.92

- A. The average of the weekly high and low of the volume weighted average prices of the equity shares of Spacenet Enterprises India (SEIL) Ltd quoted on the NSE during the two weeks preceding the relevant date.

Week	From	To	VWAP High	VWAP Low	Average
1	09-05-19	15-05-19	0.96	0.86	0.91
2	16-05-19	22-05-19	0.99	0.90	0.95
Average Price (Rs.)					0.93

A	Average of 26 Weeks Low and High of VWAP	0.92
B	Average of 2 Weeks Low and High of VWAP	0.93
C	Higher of the above two (Higher of A or B)	0.93



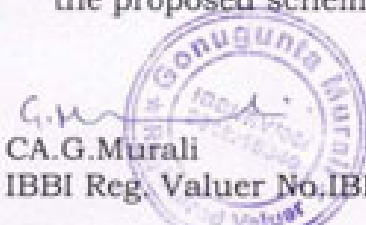
however, have no obligation to update this report for events, trends or transactions relating to the companies or the market/economy in general and occurring subsequent to the date of this report.

The terms of our engagement were such that I was entitled to rely upon the information provided by the companies without detailed inquiry. Also, I have been given to understand by the Management that they have not omitted any relevant and material factors. Our conclusions are based on these assumptions, forecasts and other information given by/on behalf of the companies.

No investigation of the companies claim to title of assets has been made for the purpose of this review and the companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matter of a legal nature. I have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the companies in that regard.

Our report is not nor should it be construed as our recommending the Acquisition or opining or certifying the complains of the proposed Acquisition with the provisions of any law including companies, taxation and capital market related loss or as regards any legal complications or issues arising from proposed Acquisition. The fee for the report is not contingent upon the results reported.

Subject to the limitations and exclusions has mentioned above, I owe responsibility to only to the Board of Directors of the company that has retained us and nobody else. I do not accept any liability to any third party in relation to the issue of this report. Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or documents given to third parties, other than in connection with the proposed acquisition of the companies contained in the proposed scheme, without our prior written consent.


CA.G.Murali
IBBI Reg. Valuer No. IBBI/RV/06/2018/10340

Place: Hyderabad

Date: 22nd May, 2019

Strictly Private & Confidential

May 23, 2019

To
 The Board of Directors,
 Spacenet Enterprises India Limited,
 1st Floor, A to Z Elite,
 Plot No.197, Guttala Begumpet Village,
 Madhapur, Hyderabad-500081.

Sub.: Proposed Scheme of Arrangement between Kling Enterprises India Limited ('Kling' or 'Transferor Company') and Spacenet Enterprises India Limited ('Spacenet' or 'Transferee Company') and their respective Shareholders and Creditors

Dear Sir/Madam,

We refer to our engagement and our ongoing discussions, wherein the management of Spacenet Enterprises India Limited ('Spacenet' or 'Transferee Company') have requested Ashika Capital Limited ('Ashika'), a SEBI registered Merchant Banker, to provide a Fairness Opinion on the Recommendation of Share Exchange Ratio dated May 22, 2019 ('Valuation Report') being issued by CA G Murali, Registered Valuer (IBBI) ('Valuer') in respect of the proposed Demerger of Commodity Trading Division of Kling Enterprises India Limited ('Kling' or 'Transferor Company') into Spacenet Enterprises India Limited ('Spacenet' or 'Transferee Company'), through a Scheme of Arrangement ('Scheme') under the provisions of sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013.

We understand that the management of Spacenet and Kling are contemplating the Demerger of Commodity Trading Division of Transferor Company into Transferee Company, whereby the equity shares of Transferee Company, would be issued/allotted to the equity shareholders of Transferor Company under the Scheme.

1. Background of the Companies that are parties to the Scheme:

1.1. Spacenet Enterprises India Limited:

- a. Spacenet Enterprises India Limited was originally incorporated as Northgate Com Tech Private Limited on May 28, 2010 under the Companies Act, 1956. The name of the company was changed to Northgate Com Tech Limited on August 01, 2011 vide fresh certificate consequent to change of name on conversion to public limited company. The name of the company further changed to its present name, with effect from November 23, 2015 vide fresh certificate of incorporation pursuant to change of name. The registered office of the Company is situated at 1st Floor, A to Z Elite, Plot No.197, Guttala Begumpet Village, Madhapur, Hyderabad-500081.
- b. The Corporate Identification Number (CIN) of the Company is L72200TG2010PLC068624.
- c. The Main Objects Clause of the Target Company as per its Memorandum of Association is to design, develop and carry on the business of development of Software tools and platforms providing fast, flexible and reliable commodities trading tools and to provide order management and risk management software tools for Global commodity markets using the Quantitative, Derivative and Neuro models.
- d. The Transferee Company is engaged into business of Software Development and Commodity Trading.

Registered Office:
 Trinity, 226/1, A. J. C. Bose Road
 7th Floor, Kolkata 700 020
 Tel.: +91 33 4010 2500
 Fax: +91 33 4010 2543
 E-mail: ashika@ashikagroup.com

Corporate Office:
 1008, 10th Floor, Raheja Centre
 214, Nariman Point, Mumbai-400 021
 Tel.: +91 22 6611 1700
 Fax: +91 22 6611 1710
 E-mail: mbd@ashikagroup.com


www.ashikagroup.com

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- e. The authorised, issued and subscribed and paid-up capital of Spacenet as per the audited financial statements as on March 31, 2019 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
50,00,00,000 Equity Shares of Rs. 1/- each	50,00,00,000
Issued, Subscribed and Paid-up Share Capital	
4,90,18,590 Equity Shares of Rs. 1/- each	4,90,18,590

Subsequent to March 31, 2019 and as on Date there is no change in the authorised, issued and subscribed and paid-up capital of Spacenet.

- f. The equity shares of Spacenet are listed on National Stock Exchange of India Ltd., Mumbai ('NSE').

1.2. Kling Enterprises India Limited;

- a. Kling is a public company incorporated on April 05, 2007 under the Companies Act, 1956. The registered office of the Company is situated at 1st Floor, A to Z Elite, Plot No.197, Guttala Begumpet Village, Madhapur, Hyderabad-500081.
- b. The Corporate Identification Number (CIN) of the Company is U67120TG2007PLC053474.
- c. Kling is engaged in the business of Commodity Trading and buying and selling Securities.
- g. The authorised, issued and subscribed and paid-up capital of Kling as per the audited financial statements as on March 31, 2019 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
17,50,00,000 Equity Shares of Rs. 1/- each	17,50,00,000
Issued, Subscribed and Paid-up Share Capital	
17,50,00,000 Equity Shares of Rs. 1/- each	17,50,00,000

Subsequent to March 31, 2019 and as on Date there is no change in the authorised, issued and subscribed and paid-up capital of Kling.

- d. The shares of Kling are not listed on any stock exchanges.

2. Scope and Purpose;

The Companies have appointed CA. G Murali, Registered Valuer (IBBI) ('Valuer') to carry out the valuation of Transferor Company and Transferee Company and recommend the Share Entitlement Ratio for the proposed Demerger of Commodity Trading Division of Kling into Spacenet.

The Valuer vide his Recommendation Report dated May 22, 2019 ('Valuation Report') has recommended that 58 (Fifty Eight) equity shares of Transferee Company of INR 1/- each fully paid up shall be issued for every 93 (Ninety Three) equity shares of Transferor Company of INR 1/- each fully paid up.

Registered Office:
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 Fax: +91 33 4010 2543
 E-mail: ashika@ashikagroup.com

Corporate Office:
 1008, 10th Floor, Ashoka Centre
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 Fax: +91 22 6611 1710
 E-mail: mbd@ashikagroup.com



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The Transferee Company has appointed Ashika Capital Limited to examine the Valuation Report and such other information provided by them and issue an opinion on the Share Entitlement Ratio in respect of the proposed Demerger ("Fairness Opinion").

We have reviewed the methodologies as adopted by the Valuer for arriving at the fair valuation of the equity shares of the Companies and also reviewed the working and underlining assumptions adopted to arrive at the values under the approach, for determining their respective per share value and to recommend the Share Entitlement Ratio.

Scope of this Fairness Opinion includes commenting only on the fairness of the Share Entitlement Ratio recommended by the Valuer and not on the fairness or economic rationale of the Scheme.

This Fairness Opinion is addressed to the Board of Directors of the Companies. This Fairness Opinion is subject to the scope, assumptions, exclusions, scope limitations and declarations detailed hereinafter. As such the Fairness Opinion is to be read in totality not in parts and in conjunction with the relevant documents referred to herein. The same has been issued as per the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular No. CFC/DIL3/CIR/2018/2 dated January 03, 2018, as applicable.

This Fairness Opinion has been issued only for the purpose of opting on the fairness of the Share Entitlement Ratio for the Demerger under the proposed Scheme and should not be used for any other purpose.

3. Sources of Information:

For the purpose of examination and for arriving at the opinion, we have relied upon the following information provided by the management of the companies:

- i. Memorandum and Articles of Association of the Spacenet and Kling.
- ii. Audited Financial Statements of Spacenet and Kling for the financial year ended March 31, 2018 and audited Financial Statements of Kling for the financial year ended March 31, 2019 and Financial Results of Spacenet for the quarter and nine months period ended December 31, 2018.
- iii. Valuation Report issued by the Valuer.
- iv. Draft Scheme of Arrangement, certified by the management of the Companies.
- v. Other relevant details of the companies such as its history, past and present activities, future plans & prospects and information in the public domain.
- vi. Such other information and explanations as we required and which have been provided by the management of the respective companies.

4. Exclusions and Limitations:

We have relied upon and assumed, without independent verification, the truthfulness, accuracy, and completeness of information that was provided or made available to us by the companies in all material respects for the purpose of this Fairness Opinion. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. We have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any

Registered Office:
 Trinity, 336/1, A. J. C. Bose Road
 7th Floor, Kolkata 700 020
 Tel.: +91 33 4030 2500
 Fax: +91 33 4030 2543
 E-mail: ashika@ashikagroup.com

Corporate Office:
 1008, 10th Floor, Raheja Centre
 214, Nariman Point, Mumbai-400 021
 Tel.: +91 22 6611 1700
 Fax: +91 22 6611 1710
 E-mail: mbd@ashikagroup.com



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responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our Fairness Opinion.

This Fairness Opinion is prepared solely for the purpose of discussion by the management of the Companies in relation to the proposed Demerger between Kling and Spacenet and shall not be disclosed or referred to public or to any third party other than the purpose as mentioned above.

This Fairness Opinion is prepared with a limited purpose/scope as identified/stated earlier and will be confidential being for use only to which it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

This Fairness Opinion does not give any valuation or suggest any share exchange ratio. However, it is limited to provide its fairness opinion on the Valuation Report given by the Valuer. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein.

In no circumstances, Ashika or its directors, officers, employees and controlling persons of Ashika will accept any responsibility or liability including any pecuniary or financial liability to any third party.

5. Conclusion:

Based on the facts, information and explanation relevant to the present case, our examination of the Valuation Report provided to us by the companies and our independent analysis and evaluation of such information and subject to the exclusions and limitations as mentioned herein and to the best of our knowledge and belief, we are of the opinion that the share entitlement ratio of the equity shares of the Transferee Company to be issued to the equity shareholders of the Transferor Company, pursuant to the Scheme, recommended by the Valuer is fair.

6. Distribution of Fairness Opinion:

This Fairness Opinion is for the purpose of submission to Stock Exchanges and disclosure on the companies and Stock Exchange Websites as required under the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular No. CFC/DIL3/CIR/2018/2 dated January 03, 2018 and shall not be disclosed or referred to publicly or to any third party other than the purpose as mentioned above.

Thanking you,

For Ashika Capital Limited



Mihir Mehta
Vice President-MBD

**Registered Office:**

Trinity, 226/1, A. J. C. Bose Road
7th Floor, Kolkata 700 020
Tel.: +91 33 4010 2500
Fax: +91 33 4010 2543
E-mail: ashika@ashikagroup.com

Corporate Office:

1008, 10th Floor, Raheja Centre
214, Nariman Point, Mumbai-400 021
Tel.: +91 22 6611 1700
Fax: +91 22 6611 1710
E-mail: mbd@ashikagroup.com



National Stock Exchange Of India Limited

Ref: NSE/LIST/21071_III

December 04, 2019

The Company Secretary
Spacenet Enterprises India Limited
Royal Pavilion Apartment,
H.No. 6-3-787, Flat No. 1003,
Block - A, Ameerpet, Hyderabad
Hyderabad- 500089

Kind Attn.: Mr. Abhishek Mishra

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement between Spacenet Enterprises India Limited and Kling Enterprises India Limited and their respective shareholders and creditors

We are in receipt of the Draft Scheme of Arrangement between Spacenet Enterprises India Limited (Transferee Company) and Kling Enterprises India Limited (Transferor Company) and their respective shareholders and creditors (Scheme) vide application dated June 07, 2019.

Based on our letter reference no Ref: NSE/LIST/21071 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated December 03, 2019 has given following comments:

- a. The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. The Company shall duly comply with various provisions of the Circular.*
- c. The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

This Document is Digitally Signed



Signer: Rajendra P. Dhanraj
Date: Wed, Dec 4, 2019 17:15:20 IST
Location: NSC

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from December 04, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Annexure - 5

Period of Complaints Report:
9th September, 2019 to 2nd October, 2019

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Nil
5.	Number of complaints pending	Nil

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NA	NA	NA
2.	NA	NA	NA
3.	NA	NA	NA


Gaddi Linga Murthy
(Executive Director)



Date: 03-10-2019

ANNEXURE- 6A**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SPACENET ENTERPRISES INDIA LIMITED ON 23rd May, 2019 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON THE EQUITY SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER) & KEY MANAGERIAL PERSONNEL OF THE COMPANY****1. BACKGROUND**

- 1.1 The Board of Directors ("Board") of Spacenet Enterprises India Limited at its meeting held on 23rd May, 2019 have approved the draft Scheme of Arrangement amongst the Company, Kling Enterprises India Limited, and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Company Act, 2013 ("Scheme").
- 1.2 Provisions 232(2) (c) the Company Act, 2013 require the Directors to adopt a report explaining the effects of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company, laying out in particular, the share entitlement ratio and specifying any special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3 This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4 Under the Scheme it is proposed to demerge the Commodity trading division (as defined in the Scheme) of the Kling Enterprises India Limited into the Company and the Company shall issue equity shares to the eligible shareholders of the Kling Enterprises India Limited.
- 1.5 The following documents were, *inter alia*, placed before the Board:
 - a) Draft Scheme, duly initialled by the Company Director of the Company for the purpose of identification; and
 - b) Valuation report dated 22nd May, 2019 ("Valuation Report") prepared by CA G.Murali, IBBI Registered valuer describing the methodology adopted by them in arriving at the share exchange ratio/consideration.
 - c) Fairness opinion dated 23rd May, 2019 ("Fairness Opinion") prepared by Ashika Capital Limited, a Category-I independent Merchant Banker providing the Fairness Opinion on the share entitlement ratio as recommended by the Valuation Report.

2. VALUATION REPORT I ENTITLEMENT RATIO I ISSUE OF SHARES OR CONSIDERATION PURSUANT TO THE SCHEME

- 2.1 Valuers have approved the following share entitlement ration and consideration in terms of the Scheme:

"For every Ninety Three (93) fully paid-up equity shares of INR 1/- each held in Kling Enterprises India Ltd; Fifty Eight (58) fully paid-up equity share of INR 1/- each of the Company shall be issued".
- 2.2 In case any shareholder's shareholding in Kling Enterprises India Limited is such that such shareholder becomes entitled to a fraction of an equity share of the Company, the Company shall not issue fractional shares to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board, who shall sell such shares in the market at such price or prices and on such time or times the trustee may in its sole discretion decide and on such sale, shall pay to the Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Company in proportion to their respective fractional entitlements so sold by the trustee.
- 2.3 The equity shares of the Company, to be issued and allotted as above shall rank *pari passu* in all respects with the existing equity shares of the Company, as the case may be, after the date of allotment of such

equity shares including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached thereto.

3. EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER) OF THE COMPANY

- 3.1 In consideration for the demerger of the commodity division of Kling Enterprises India Limited into the Company, the shareholders of Kling Enterprises India Limited as on the Record Date (*defined in the Scheme*) shall be issued shares of the Company and upon the Scheme becoming effective, the shareholders of the Company shall change to the extent of the issuance of shares to the eligible shareholders of Kling Enterprises India Limited.

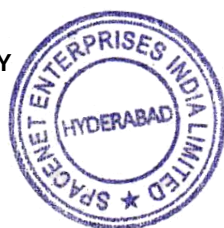
4. EFFECT OF THE SCHEME ON THE KMPS OF THE COMPANY

The KMPS forming part of the Company shall not be effected on the effectiveness of the Scheme, in accordance with the terms of the Scheme.

Further none of the KMPS have any interest in the Scheme except to the extent of the equity shares held by them, if any in the Company/ Kling Enterprises India Limited.

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

GADDI LINGA MURTHY
Executive Director
(Din: 02605861)



Place: Hyderabad
Date: 23rd May, 2019

ANNEXURE- 6B

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KLING ENTERPRISES INDIA LIMITED ON 23RD MAY, 2019 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON THE EQUITY SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER) & KEY MANAGERIAL PERSONNEL OF THE COMPANY

1. BACKGROUND

- 1.1 The Board of Directors ("Board") of the Company at its meeting held on 23rd May, 2019 have approved the draft Scheme of Arrangement amongst the Company, Spacenet Enterprises India Limited, and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Company Act, 2013 ("Scheme").
- 1.2 Provisions 232(2) (c) the Company Act, 2013 require the Directors to adopt a report explaining the effects of the arrangement on each class of shareholders, key managerial personnel ("KMPs"), promoters and non-promoter shareholders of the Company, laying out in particular, the share entitlement ratio and specifying any special valuation difficulties, if any, and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3 This report of the Board of Directors is accordingly being made pursuant to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4 Under the Scheme it is proposed to demerge the Commodity trading division (as defined in the Scheme) of the Company into the Spacenet Enterprises India Limited and Spacenet Enterprises India Limited shall issue equity shares to the eligible shareholders of the Company.
- 1.5 The following documents were, *inter alia*, placed before the Board:
 - a) Draft Scheme, duly initialled by the Company Director of the Company for the purpose of identification; and
 - b) Valuation report dated 22nd May, 2019 ("Valuation Report") prepared by CA G.Murali, IBBI Registered valuer describing the methodology adopted by them in arriving at the share exchange ratio/consideration.
 - c) Fairness opinion dated 23rd May, 2019 ("Fairness Opinion") prepared by Ashika Capital Limited, a Category-I independent Merchant Banker providing the Fairness Opinion on the share entitlement ratio as recommended by the Valuation Report.

2. VALUATION REPORT I ENTITLEMENT RATIO I ISSUE OF SHARES OR CONSIDERATION PURSUANT TO THE SCHEME

- 2.1 Valuers have approved the following share entitlement ration and consideration in terms of the Scheme:

"For every Ninety Three (93) fully paid-up equity shares of INR 1/- each held in the Company; Fifty Eight (58) fully paid-up equity share of INR 1/- each of Spacenet Enterprises India Limited shall be issued".
- 2.2 In case any shareholder's shareholding in the Company is such that such shareholder becomes entitled to a fraction of an equity share of Spacenet Enterprises India Limited, Spacenet Enterprises India Limited shall not issue fractional shares to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board of Spacenet Enterprises India Limited, who shall sell such shares in the market at such price or prices and on such time or times the trustee may in its sole discretion decide and on such sale, shall pay to the Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon Spacenet Enterprises India Limited shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Company in proportion to their respective fractional entitlements so sold by the trustee.

2.3 The equity shares of Spacenet Enterprises India Limited, to be issued and allotted as above shall rank *pari passu* in all respects with the existing equity shares of Spacenet Enterprises India Limited, as the case may be, after the date of allotment of such equity shares including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached thereto.

3. EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER) OF THE COMPANY

3.1 In consideration for the demerger of the commodity division of the Company into Spacenet Enterprises India Limited, the shareholders of Kling Enterprises India Limited as on the Record Date (*defined in the Scheme*) shall be issued shares of Spacenet Enterprises India Limited and upon the Scheme becoming effective, the shareholders of the Company shall remain unchanged.

4. EFFECT OF THE SCHEME ON THE KMPS OF THE COMPANY

None of the KMPS will get affected by this Scheme except to the extent of the equity shares held by them, if any in the Company/ Spacenet Enterprises India Limited.

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



DASIGI VENKATA SURYA PRAKASH RAO
Director
(Din: 03013165)

Place: Hyderabad
Date: 23rd May, 2019



Spacetel Enterprises India Limited

Balance Sheet as at 31 March 2019

(All amounts in Indian Rupees in lakhs of rupees and rounded off to nearest lakhs)

Particulars	Note No.	Year 31 March 2019	Year 31 March 2018
ASSETS			
Non-current Assets			
Investments, fixed deposits etc.	2.1.1		251.12
Plant and Machinery	2.1.1.1	1,68,015	161,621
Goodwill			
Goodwill arising from	2.2	1,22,134	5,1662
Intangible Non-current Assets	2.3	232,677	2,25,997
Total Non-current Assets		1,791,051	987,491
Current Assets			
Receivables			
Trade receivables			
Balance of Receivables	2.4	2,467	12,117
Other receivables	2.5	1,01,912	
Total Current Assets		1,67,379	947,111
TOTAL ASSETS		1,958,430	1,934,602
EQUITY AND LIABILITIES			
Shareholder's Funds			
Reserves and Surplus	2.6	66,014.96	1,00,53.92
Other Equity	2.7	152,388.11	1,12,526.17
TOTAL EQUITY		218,403.07	213,060.09
LIABILITIES			
Non-current Liabilities			
Long-term Debt			
Borrowings	2.8	68,276.40	68,276.40
Total Non-current Liabilities		68,276.40	68,276.40
Current liabilities			
Trade payables			
Trade payables	2.9	1,21,579	
Other payables	2.10	5,740	5,111
Current tax liabilities	2.11	1,27,012	16,25,490
Total Current Liabilities		2,49,331	16,40,601
TOTAL EQUITY AND LIABILITIES		1,958,430	1,944,624

Sign of Authorised Signatory and Sign of Auditors

1 & 2

The above figures are for consolidated financial statements.

As per our report on the financial statements

for Navin and Associates

for Spacetel Enterprises India Limited

Chartered Accountants

C-1, Begun, 1st Floor, 1st Floor

C. A. Navin & Co.

Hyderabad

Memorandum No. 22/2019



Place: Hyderabad

Date: 14 May 2019

Navin and Associates

Hyderabad

M.No. 22/2019

Navin and Associates

Chartered Accountants

Hyderabad

Navin and Associates

Hyderabad

M.No. 22/2019

Place: Hyderabad

Date: 14 May 2019

Sparrow Enterprises India Limited
Statement of profit and loss for the year ended 31 March 2019

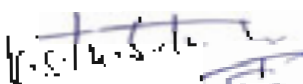
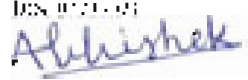
		Amount in ₹	
Particulars	Sl. No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	2.12	2,531,112	2,531,112
Other income	2.13	1,062,967	1,472,945
Total revenue		3,594,079	4,004,057
Expenses			
Operating expenses		3,131,463	3,131,463
Finance expense	2.14	1,11,111	21,111
Depreciation and amortisation expense	2.15	89,111	69,111
Income tax expense	2.16	1,11,111	1,41,111
Total expenses		3,432,796	3,262,796
Profit (loss) before extraordinary items and tax		(123,466)	739,212
Extraordinary items			
Profit (loss) before tax		(123,466)	739,212
Tax expense			
Current tax			
Deferred tax			
Profit (loss) after tax		(123,466)	739,212
Other Comprehensive Income (Loss) (OCI)			
Net financial instruments available for disposal at the end of the period			
OCI of comprehensive income (loss) for the period after tax			
Total Comprehensive Income for the period, net tax		(123,466)	739,212
Reserve up to share capital (face value of ₹1) each			
Earnings per share (face value ₹1 per share)	2.21		
Basic		1.11	0.11
Diluted		0.11	0.11

Sign of the accounting officer and his/her design
The officer referred to above is a duly qualified person of financial statements
As per the provisions of the Act, the officer
for Naritha and Associates
Chartered Accountants
Firm Registration No. 123456


C. Naritha
Partner
Membership No. 123456

Place: Hyderabad
Date: 25 May 2019

for Sparrow Enterprises India Limited


Subodh Kumar
Director
DIN: 00123456

Ashish
Company Secretary
M No. 123456
Place: Hyderabad
Date: 25 May 2019

Spacerra Enterprises India Limited

Cash flow statement for the year ended 31 March 2019

Particulars	(Amount in ₹)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
I. Cash flows from operating activities:		
Net profit after provision for taxation	122,488	79,212
Adjustments for operating activities:		
Depreciation and amortisation	69,191	101,112
Profit/(Loss) on sale of Fixed Assets/(net financial costs)	25,064	-
Operating profit before working capital changes	216,743	180,324
Adjustments for:		
Decrease/increase in trade receivables	-	7,000
Decrease/increase in trade payables	1,235,700	94
Increase/(decrease) in provisions	179,556	15,284
Increase/(decrease) in current tax payables	92,000	1,11,152
Cash generated from operations	(418,476)	4,147,724
Interest paid	-	-
Net cash flow from operating activities (A)	(418,476)	4,147,724
II. Cash flows from investing activities		
Acquisition of Assets	246,030	-
Net cash flow used in investing activities (B)	246,030	-
III. Cash flows from financing activities		
Proceeds from inter corporate deposit, net	170,000	12,556,811
Interest paid	-	-
Net cash used in financing activities (C)	(170,000)	(3,556,811)
Net Increase in cash and cash equivalents (A+B+C)	60,554	560,913
Cash and cash equivalents at the beginning of the year	67,111	36,270
Cash and cash equivalents at the end of the year (refer note 2.4)	127,665	97,183

As per our report of even date attached

for Navitha and Associates

Chartered Accountants

Firm Registration No. 102102/18

Navitha
C.A. Navitha K

Partner

Membership No. 221005



Place: Hyderabad

Date: 23 May 2019

for Spacerra Enterprises India Limited

Pratik Surtan
Satya Prakash Karatkar

Executive Director

DIN: 02773026

Abhishek Mishra
Abhishek Mishra

Company Secretary

MS No. 2645

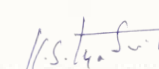
Place: Hyderabad

Date: 23 May 2019

G. Jais
Gaddi Linga Murthy

Director

DIN: 02605367

Spacenet Enterprises India Limited				
Provisional Balance sheet as at 31 December 2019				
(All amounts in Indian rupees, except share data and where otherwise stated)				
Particulars	Note No.	As at 31 Dec 2019	As at 31 March 2019	
ASSETS				
Non-current Assets				
(a) Property, plant and equipment	2.1(i)	402,138	-	
(b) Intangible assets	2.1(ii)	258,002	298,316	
(c) Financial assets				
Other financial assets	2.3	1,299,569	1,220,108	
(d) Other Non Current Assets	2.4	272,627	272,627	
Total Non-current Assets		2,232,336	1,791,051	
Current Assets				
(a) Financial assets				
(i) Trade receivables		11,456,613	-	
(ii) Cash and cash equivalents	2.5	3,031,870	74,687	
(iii) Other financial assets	2.3	40,428,189	101,692	
(iv) Closing stock		9,628,342	-	
Total Current Assets		64,545,014	176,379	
TOTAL ASSETS		66,777,350	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	(154,306,797)	(152,868,443)	
TOTAL EQUITY		(105,288,207)	(103,849,853)	
LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
Borrowings	2.8	145,106,381	68,276,400	
(b) Other non-current liabilities		-	-	
Total Non-current Liabilities		145,106,381	68,276,400	
Current liabilities				
(a) Financial liabilities				
Trade payables	2.09	15,338,973	6,295,728	
(b) Provisions	2.10	20,000	8,793	
(c) Other current liabilities	2.11	11,600,203	31,236,362	
Total Current Liabilities		26,959,176	37,540,883	
TOTAL EQUITY AND LIABILITIES		66,777,350	1,967,430	
Significant accounting policies and Notes to accounts		1 & 2		
The notes referred to above form an integral part of financial statements.				
As per our report of even date attached				
for Navitha and Associates		for Spacenet Enterprises India Limited		
Chartered Accountants				
Firm Registration No.0120265				
				
C.A. Navitha K.		Satya Srikanth Karaturu		
Proprietor		Director		
Membership No: 221085		IDIN: 07733024		
				
Place: Hyderabad		Place: Hyderabad		
Date : 13 February 2020		Date : 13 February 2020		

Spacenet Enterprises India Limited
Provisional Statement of profit and loss for the period ended 31 December 2019

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

Particulars	Note No.	For the Nine months ended 31 December 2019	For the year ended 31 March 2019
Revenue			
Income from operations	2.12	17,034,740	5,341,920
Other income	2.13	14,743	1,060,867
Total revenue		17,049,483	6,402,787
Expenses			
Operating expenses		15,339,208	5,335,363
Employee benefits expense	2.14	984,831	212,723
Finance costs		-	-
Depreciation and amortisation expense	2.1	46,447	69,560
Other expenses	2.15	2,117,351	1,106,607
Total expenses		18,487,837	6,724,253
Profit/ (Loss) before extraordinary items and tax		(1,438,354)	(321,466)
Extraordinary items		-	-
Profit/ (Loss) before tax		(1,438,354)	(321,466)
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Profit/ (Loss) after tax		(1,438,354)	(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		(1,438,354)	(321,466)
Paid up equity share capital (face value of ₹1/-each)			
Earnings per share - par value ₹1 per share	2.21		
Basic		(0.03)	(0.01)
Diluted		(0.03)	(0.01)

Significant accounting policies and Notes to accounts

1 & 2

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

As per our report of even date attached

for Navitha and Associates

Chartered Accountants

Firm Registration No:0120268

for Spacenet Enterprises India Limited

Satya Srikanth Karaturi

Director

DIN: 07733024

Dasigi Venkata Surya Prakash Rao

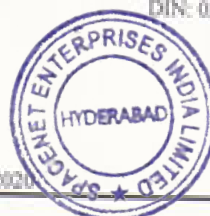
Director

DIN: 03013165

CA Navitha K

Proprietor

Membership No: 221085



Place: Hyderabad

Date : 13 February 2020

Place: Hyderabad

Date : 13 February 2020

Spacenet Enterprises India Limited

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

Particulars	No. of Shares	Amount (₹)
a. Equity Share Capital		
Equity Shares of ₹ 1 Each, Fully paid up		
As at April 01, 2017	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 December 31, 2019	49,018,590	49,018,590

b. Other Equity

Particulars	Reserves and surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Capital reduction	
As at April 01, 2018	-	-	120,682,325	-	(274,339,978)
Profit/(loss) for the year	-	-	-	-	(321,466)
As at March 31, 2019	-	-	120,682,325	-	(274,661,444)
Profit/(loss) for the year	-	-	-	-	(1,438,354)
As at December 31, 2019	-	-	120,682,325	-	(276,099,798)
					(155,417,473)

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

As per our report of even date for Navitha and Associates Chartered Accountants Firm's registration No. 0120265

Navitha K

Proprietor

Membership No.: 221085



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

V. S. Lakshmi
Sriya Srikant Karanth
Director
DIN: 07733024



Dr. D. V. Venkata Surya Prakash Rao
D. V. Venkata Surya Prakash Rao
Director
DIN: 03013165

Place: Hyderabad
Date : 13 February 2020

Kling Enterprises India Limited
(Formerly Kling Holdings Limited)
Balance sheet as at 31 March 2019

Annexure- 7C

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

	Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
I	EQUITY AND LIABILITIES			
1	Shareholder's funds			
	(a) Share capital	2	175,000,000	105,000,000
	(b) Reserves and surplus	3	(48,407,408)	253,487,881
2	Share application money		-	-
3	Non-current liabilities			
	Unsecured Loans	4	34,195,586	895,887,520
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Sundry creditors		-	230,308,283
	(c) Other current liabilities	5	263,974	2,881,942
	TOTAL		161,052,151	1,487,565,626
II	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	- Intangible assets	6	1,237,784	-
	(b) Non Current Investments	7	1,402,635	1,402,635
2	Current assets			
	(a) Current Investments		5,151,152	5,053,986
	(b) Sundry Debtors	8	123,459,855	247,803,615
	(c) Cash and bank balances	9	345,702	772,179
	(d) Short term loan and advances	10	29,455,023	1,232,533,211
	(e) Other current assets		-	-
	TOTAL		161,052,151	1,487,565,626
III	Notes forming part of the financial statements	1 to 19		

As per our report of even date attached

For S.T. Mohite & Co.,

Chartered Accountants

Firm Regn. No. 011410S

B. Prabhakar Rao

B. Prabhakar Rao

Partner

Membership No.212939



For and on behalf of the Board of Directors of
Kling Enterprises India Limited

D V S Prakash Rao

D V S Prakash Rao

Director

DIN: 03013165

K. Satya Srikanth

K. Satya Srikanth

Director

DIN: 07733024

Place: Hyderabad

Date : 14.05.2019

Place: Hyderabad

Date : 14.05.2019

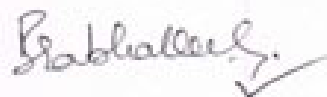
Kling Enterprises India Limited
(Formerly Kling Holdings Limited)

Statement of Profit and Loss for the year ended 31 March 2019

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

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from Operations	11	313,763,126	324,668,954
Other Income		2,752	502,868
Total Revenue		313,765,878	325,171,822
Expenses			
Cost of commodities		308,917,149	323,425,328
Finance costs		-	-
Depreciation and amortisation expense	6	67,216	-
Other expenses	12	306,676,802	1,832,383
Total Expenses		615,661,167	325,257,711
Profit / (Loss) before tax		(301,895,289)	(85,889)
Tax expenses:			
- Current tax		-	-
- Deferred tax		-	-
Profit / (Loss) for the period		(301,895,289)	(85,889)
Earnings per equity share:			
Basic		(1.73)	(0.00)
Diluted		(1.73)	(0.00)
Notes forming part of the financial statements	1 to 19		
Number of shares used in computing earnings per share Basic and Diluted		175,000,000	105,000,000

As per our report of even date attached
For **S.T. Mohite & Co.,**
Chartered Accountants
Firm Regn. No. 011410S



B. Prabhakararao
Partner
Membership No.212939

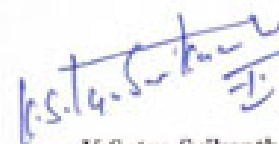
Place: Hyderabad
Date : 14.05.2019



For and on behalf of the Board of Directors of
Kling Enterprises India Limited



D V S Prakash Rao
Director
DIN: 03013165



K. Satya Srikanth
Director
DIN: 07733024

Place: Hyderabad
Date : 14.05.2019

Kling Enterprises India Limited
(Formerly Kling Holdings Limited)

Cash Flow Statement for the year ended 31 March, 2019

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

Particulars	Note No.	For Year ended 31 March 2019	For Year ended 31 March 2018
A. Cash flow from / (used in) Operating Activities:			
Net Profit/(Loss) before tax		(301,895,289)	(85,889)
<u>Adjustments for:</u>			
Depreciation		67,216	-
Loss on sale of shares		-	-
Advances writtenoff		304,495,749	(500,000)
Gain on sale of vehicle		-	(2,868)
Dividend income		(2,752)	(502,868)
Operating profit / (loss) before working capital changes		2,664,924	(588,757)
Adjustments for working capital changes:			
Increase / (Decrease) in other current liabilities		(2,617,969)	1,713,830
Increase / (Decrease) in sundry creditors		(230,308,283)	(100,983,900)
(Increase) / Decrease in Sundry debtors		124,343,760	82,841,231
(Increase) / Decrease in Short-term loans and advances		1,203,078,188	154,887
Cash generated from / (used in) Operations		1,097,160,620	(16,862,709)
Less: Direct taxes paid		-	-
Net Cash flow from / (used in) Operating Activities	(A)	1,097,160,620	(16,862,709)
B. Cash flow from/ (used in) Investing Activities:			
(Purchase) / Sale of Investments (net)		(304,592,915)	(640,959,659)
(Purchase) / Sale of Fixed Assets (net)		(1,305,000)	15,638,129
Dividend received		2,752	2,868
Net Cash flow from / (used in) Investing Activities	(B)	(305,895,163)	(625,318,662)
C. Cash flow from (used in) Financing Activities:			
Short Term Borrowings received / (repaid)		-	-
Long Term Borrowings received / (repaid)		(861,691,934)	691,664,000
Increase in share capital		70,000,000	(50,000,000)
Net Cash flow from / (used in) Financing Activities	(C)	(791,691,934)	641,664,000
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C)	(426,477)	(517,371)
Cash and Cash Equivalents at the beginning of the year	9	772,179	1,289,550
Cash and Cash Equivalents at the end of the year	9	345,702	772,179
D. Notes forming part of the financial statements	1 to 19		

As per our report of even date attached

For S.T. Mohite & Co.,

Chartered Accountants

Firm Regn. No. 011410S

B. Prabhakar Rao

Partner

Membership No.212939

Place: Hyderabad

Date: 14.05.2019



for and on behalf of the Board of Directors of
Kling Enterprises India Limited

[Signature]

D V SPrakash Rao

Director

DIN: 03013165

[Signature]

K.Satya Srikanth

Director

DIN: 07733024

Place: Hyderabad

Date : 14.05.2019

Provisional Balance sheet as at 31 December 2019

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

	Particulars	Note No.	As at 31 December 2019	As at 31 March 2019
I	EQUITY AND LIABILITIES			
1	Shareholder's funds			
	(a) Share capital	2	175,000,000	175,000,000
	(b) Reserves and surplus	3	(48,934,135)	(48,407,408)
2	Share application money		-	-
3	Non-current liabilities			
	Unsecured Loans	4	33,621,420	34,195,586
4	Current liabilities			
	(a) Short-term borrowings		-	-
	(b) Sundry creditors	5	10,726,262	-
	(c) Other current liabilities	6	132,340	263,974
	TOTAL		170,545,887	161,052,151
II	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	- Intangible assets	7	1,041,141	1,237,784
	(b) Non Current Investments	8	1,402,635	1,402,635
2	Current assets			
	(a) Current Investments		5,151,152	5,151,152
	(b) Sundry Debtors	8	127,132,105	123,459,855
	(c) Cash and bank balances	9	358,931	345,701
	(d) Short term loan and advances	10	35,459,923	29,455,023
	(e) Other current assets		-	-
	TOTAL		170,545,887	161,052,151
III	Notes forming part of the financial statements	1 to 12		

As per ledger abstracts

For **VEERAREDDY & ASSOCIATES**

Chartered Accountants

Firm Regn. No. 019505S

A Veerareddy

Veerareddy Allu

Partner, M. No. 246017.

UDIN - 20246017AAAABJ8440

Place: Hyderabad

Date : 28.02.2020



For and on behalf of the Board of Directors of

Kling Enterprises India Limited

D V S Prakash Rao

D V S Prakash Rao

Director

DIN: 03013165

V. Sudheer

Sudheer Vegi

Director

DIN: 08070785



Place: Hyderabad

Date : 28.02.2020

Kling Enterprises India Limited
(Formerly Kling Holdings Limited)

Provisional Statement of Profit and Loss for the Nine months ended 31 December 2019

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

Particulars	Note No.	For Nine months ended 31 December 2019	For the year ended 31 March 2019
Revenue			
Revenue from Operations	11	114,598,114	313,763,126
Other Income		-	2,752
Total Revenue		114,598,114	313,765,878
Expenses			
Cost of commodities		114,478,546	308,917,149
Finance costs		-	-
Depreciation and amortisation expense	7	196,644	67,216
Other expenses	12	449,651	306,676,802
Total Expenses		115,124,841	615,661,167
Profit / (Loss) before tax		(526,727)	(301,895,289)
Tax expenses:			
- Current tax		-	-
- Deferred tax		-	-
Profit / (Loss) for the period		(526,727)	(301,895,289)
Earnings per equity share:			
Basic		(0.00)	(1.73)
Diluted		(0.00)	(1.73)
Notes forming part of the financial statements	1 to 12		
Number of shares used in computing earnings per share Basic and Diluted		175,000,000	175,000,000

As per ledger abstracts

For VEERAREDDY & ASSOCIATES
Chartered Accountants
Firm Regn. No. 019505S

A Veerareddy
Veerareddy Allu
Partner, M. No. 246017.
UDIN - 20246017AAAABJ8440



Place: Hyderabad
Date : 28.02.2020

For and on behalf of the Board of Directors of
Kling Enterprises India Limited

D V S Prakash Rao
D V S Prakash Rao
Director
DIN: 03013165



V. Sudheer
Sudheer Vegi
Director
DIN: 08070785

Place: Hyderabad
Date : 28.02.2020

Annexure - 8

To
 The Board of Directors,
Kling Enterprises India Limited,
(Previously known as Kling Holdings Limited)
 1st Floor, A to Z Elite, Plot No. 197,
 SY No. 48P, Guttala Begumpet,
 Madhapur, Hyderabad - 500081.

Ref.: Scheme of Arrangement ('Scheme') involving Demerger, under sections 230 to 232 of the Companies Act, 2013 ('Act') read with other applicable provisions and Rules made thereunder, amongst Kling Enterprises India Limited ('Kling' or 'Transferor Company'), Spacenet Enterprises India Limited ('Spacenet' or 'Transferee Company') and their respective shareholders and creditors

Dear Sirs,

We, Ashika Capital Limited ('Ashika'), refer to our engagement with Spacenet Enterprises India Limited ('Spacenet' or 'Transferee Company') for inter-alia certifying the adequacy and accuracy of disclosure of information pertaining to Kling Enterprises India Limited ('Kling' or 'Transferor Company') made in the Abridged Prospectus, prepared by the Transferor Company and Transferee Company, to be sent to the shareholders and creditors of Transferee Company.

Scheme of Arrangement:

The proposed Scheme of Arrangement ('Scheme') involving Demerger, under sections 230 to 232 of the Companies Act, 2013 ('Act') read with other applicable provisions and Rules made thereunder, amongst Kling Enterprises India Limited ('Kling' or 'Transferor Company'), Spacenet Enterprises India Limited ('Spacenet' or 'Transferee Company') and their respective shareholders and creditors provides the demerger, transfer and vesting of Commodity Trading Division (as defined in the Scheme) including with all the related assets and liabilities of Transferor Company to the Transferee Company, on a going concern basis, with effect from the Appointed Date.

Regulatory Requirements:

Securities and Exchange Board of India ('SEBI') vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended, ('SEBI Circular'), prescribed the requirements to be fulfilled by the listed entities when they propose a Scheme of Arrangement. The SEBI Circular, amongst the other things provide that in the event a listed company enters into a Scheme of Arrangement with an unlisted company, the listed entity shall disclose to its shareholders applicable information pertaining to unlisted entity in the format specified for Abridged Prospectus as provided in Part E of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('SEBI ICDR Regulations'), to the extent applicable.

Further the adequacy and accuracy of such disclosure of information pertaining to unlisted entity to be certified by a SEBI registered Merchant Banker.

Accordingly, we have been provided the Abridged Prospectus dated March 07, 2020 ('Abridged Prospectus') as prepared by the Transferor Company and Transferee Company. The Abridged Prospectus would be circulated to the members of Transferee Company, at the time of seeking their approval to the Scheme, as part of the Explanatory Statement to the Notice.

Certification:

We state and confirm as follows:

1. We have examined various documents, information and other materials in connection with the disclosure of information pertaining to Transferor Company in the Abridged Prospectus, which will be circulated to members of Transferee Company at time of seeking their consent to the Scheme, as a part of Explanatory Statement to the Notice;
2. On the basis of such examination and discussion with the management of Transferor Company, its directors, other officers and independent verification of contents of Abridged Prospectus and other documents furnished to us, we confirm that:
 - a. The information pertaining to the Transferor Company contained in the Abridged Prospectus is in conformity with the relevant documents and other papers related to the Transferor Company;
 - b. The Abridged Prospectus contains applicable information pertaining to the Transferor Company as required in terms of SEBI Circular, is adequate and accurate to enable members to make a well informed decision on the Scheme.

Disclaimer and Limitations:

1. This Certificate is a specific purpose document issued in terms of and in compliance with the SEBI Circular and hence it should not be used for any other purpose or the transaction.
2. This Certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to Kling Enterprises India Limited (unlisted entity) and we do not express any opinion nor certify the content included in the document including risk factors, outstanding litigations and claims. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme or its success.
3. This Certificate is issued on the basis of the examination of information and documents provided by Transferor Company, explanations provided by the Management of Transferor Company and Transferee Company, assuming the same is complete and accurate in all material respects on an as is basis, and information which is available in public domain and wherever required management representations from the Transferor Company, Transferee Company and others have been obtained.



4. We have assumed the genuineness of all signatures, authenticity of all the documents, information and statements submitted to us are the original and conformity of copies or extracts submitted to us with that of the original documents.
5. We have relied upon the financial information and representation furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit or verification of the financial information and its accuracy and accordingly we are unable to and do not express any opinion on the fairness of any such financial information referred to in the abridged prospectus.
6. We shall not be made liable for the losses whether financial or otherwise or expenses arising directly or indirectly out of the use or reliance on the information set out here in the document. Our opinion is not, nor should it be construed to be a, certification of compliance of the Scheme with the provisions of applicable laws including company, taxation and securities market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction, except for the purpose expressly mentioned herein.
7. This certificate is issued based on the information as at February 28, 2019.
8. We express no opinion whatsoever and make no recommendation at all as to the company's underlying decision to effect the Scheme or as to how the holders of equity shares of the Transferee Company should vote at their meeting held in connection with the Scheme. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of the Transferee Company will trade following the Scheme for or as the financial performance of Transferee Company or Transferor Company following the consummation of the Scheme. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/investors should buy, sell or hold any stake in the Transferee Company or any of its group companies.

For Ashika Capital Limited


 Narendra Kumar Gamini,
 Vice President-MBD

 Date: Mumbai
 Place: March 09, 2020

Registered Office:

 Trinity, 226/1, A. J. C. Bose Road
 7th Floor, Kolkata 700 020
 Tel.: +91 33 4010 2500
 Fax: +91 33 4010 2543
 E-mail: ashika@ashikagroup.com

Corporate Office:

 1008, 10th Floor, Raheja Centre
 214, Nariman Point, Mumbai-400 021
 Tel.: +91 22 6611 1700
 Fax: +91 22 6611 1710
 E-mail: mbd@ashikagroup.com

APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS [AS SPECIFIED IN PART E OF SCHEDULE VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (SEBI ICDR REGULATIONS)]

This document contains applicable information pertaining to the unlisted entity, Kling Enterprises India Limited, involved in the proposed Scheme of Arrangement, under sections 230 to 232 read along with Section 66 and other applicable provisions of the Companies Act, 2013 ('Act'), amongst Kling Enterprises India Limited ('Kling' or 'Transferor Company'), Spacenet Enterprises India Limited ('Spacenet' or 'Transferee Company') and their respective shareholders and creditors ('Scheme') in terms of requirements specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('SEBI Circular').

This document, in connection with the Scheme, has been prepared to comply with the requirement of regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') read with the SEBI Circular and in accordance with the disclosures to be made in format specified for Abridged Prospectus as provided in Part E of Schedule VI of SEBI ICDR Regulations, to the extent applicable.

You are also encouraged to read the greater details available in the Scheme. You may download the Scheme and other relevant documents available from the websites of Transferee Company and National Stock Exchange of India Limited, Mumbai ('NSE'/'Stock Exchange'), where the equity shares of Transferee Company are listed viz. <http://www.spacenetent.com/> and <https://www.nseindia.com/> respectively.

Nothing in this document constitutes an offer or an invitation by or on behalf of Transferor Company or Transferee Company to subscribe for or purchase any of the securities of Transferor Company.

THIS ABRIDGED PROSPECTUS CONTAINS 6 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Capitalized terms not defined herein shall mean the words as defined in the Scheme

This Abridged Prospectus dated March 06, 2020 should be read together with the Scheme and the Notice to the shareholders of Transferee Company.

KLING ENTERPRISES INDIA LIMITED

(Previously known as Kling Holdings Limited)

Corporate Identity Number: U67120TG2007PLC053474

Registered Office: 1st Floor, A to Z Elite, Plot No. 197, SY No. 48P, Guttala Begumpet, Madhapur, Hyderabad – 500081; **Mobile:** +91 9490199661; **Email:** cs@stampedecap.com

Contact Person: Mr. Dasigi Venkata Surya Prakash Rao

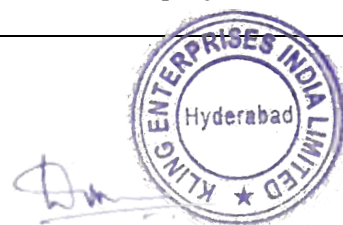
PROMOTER OF TRANSFEROR COMPANY

Mrs. Meenavalli Usha Rani

DETAILS OF THE SCHEME, LISTING AND PROCEDURE

The Scheme provides for the demerger, transfer and vesting of Commodity Trading Division including with all the related assets and liabilities of Transferor Company to the Transferee Company, on a going concern basis, with effect from the Appointed Date.

Pursuant to the Scheme, Transferee Company shall issue and allot the equity shares to the shareholders of Transferor Company as per the share entitlement ratio set out in the Scheme, as on the record date to be finalised by the Board of Directors of Transferor Company. No further steps or actions would be required to be undertaken by the shareholders of Transferor Company to be entitled to receive equity shares.



The proposed issue/offer of equity shares of Transferee Company is pursuant to the Scheme, as approved by the Board of Directors of Transferee Company and Transferor Company and accordingly there shall be no issue price or minimum bid lot size to the proposed issue/offer of equity shares of the Transferee Company.

The equity shares of Transferee Company are already listed on NSE. The equity shares so allotted shall be listed on NSE pursuant to an application made in compliance with rule 19(7) of the Securities Contracts (Regulation) Rules 1957 ('SCRR') with the NSE.

The procedure with respect to the issue/offer would not be applicable as there is no issue of equity shares to the public at large, except the shareholders of Transferee Company, pursuant to the Scheme without cash consideration. Accordingly the requirement with respect to the GID (General Information Document) is not applicable and this Abridged Prospectus be read accordingly.

COMPANY'S ABSOLUTE RESPONSIBILITY

Transferor Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Abridged Prospectus contains all information with regard to Transferor Company and the Scheme, which is material in the context of the Scheme, that the information contained in the Abridged Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make the Abridged Prospectus as a whole, or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

ELIGIBILITY

Since the equity shares of Transferee Company shall be allotted pursuant to the provisions of the Scheme, eligibility conditions under 6(1) and 6(2) of the SEBI ICDR Regulations are not applicable.

Persons who are shareholders of Transferor Company on a record date to be finalised by the Board of Directors shall be eligible to receive the equity shares of Transferee Company, pursuant to the Scheme.

INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme and is not an Offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the time frame cannot be established with certainty.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors mentioned in this abridged prospectus carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination the Transferee Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ('SEBI'), nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme or this Abridged Prospectus. Specific attention of the investors is invited to Internal Risk Factors beginning on page 4 of this Abridged Prospectus.

Statutory Auditor	M/s. S. T. Mohite & Co. Chartered Accountants G-5, B-Block, Paragon Venkatadri Apartments, 3-4-812, Street No, 1, Barkatpura, Hyderabad – 500027 Mobile: +91 9848994508/ 9848359721 Email: stmohite@yahoo.com
Syndicate Members	Not applicable
Registrar to the Issue	Not applicable
Credit Rating Agency and the rating or grading obtained, if any	Not applicable

Debenture Trustee, if any	Not applicable
Self-Certified Syndicate Bank	Not applicable
Non Syndicate Registered Brokers	Not applicable
Details regarding website address(es)/link(s) from which the investor can obtain list of Registrar to Issue and Share Transfer Agents, Depository Participants and Stock Brokers who can accept application from investor (as applicable)	Not applicable

PROMOTER OF TRANSFEROR COMPANY

The Promoter of the Company as on date of this Abridged Prospectus is Mrs. Meenavalli Usha Rani.

Mrs. Meenavalli Usha Rani, aged about 53 years, is a Graduate in Science from Andhra University. She obtained considerable business experience while supervising their family's business right from her graduation. She is having financial and business acumen and helped many start-up companies in achieving their objectives. She has experience in corporate finance, including corporate strategy initiatives, and communication functions.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Kling was originally incorporates as 'Stampede Holdings Private Limited', under the provisions of the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Andhra Pradesh ('RoC') on April 05, 2007. Thereafter the Company was converted into a public company and received a fresh Certificate of Incorporation Consequent upon Change of Name on conversion to Public Company issued by the RoC on November 04, 2010. The name of the company was changed to 'Kling Holdings Limited' pursuant to a fresh certificate of incorporation consequent upon change of name issued by RoC on March 31, 2014. The name of the Company further changed to its present name i.e., Kling Enterprises India Limited, pursuant to a certificate of incorporation pursuant to change of name issued by RoC on March 27, 2017. The registered office of the Company is situated at 1st Floor, A to Z Elite, Plot No.197, Guttala Begumpet Village, Madhapur, Hyderabad-500081. The Corporate Identification Number (CIN) of the Company is U67120TG2007PLC053474.

Transferor Company is engaged in the business of Commodity Trading and buying and selling Securities. Commodity Trading business of the company mainly focus on investing in physical substances like Cotton, minerals, grains and other crops. The Company takes positions based on forecasted economic trends or arbitrage opportunities in the commodity markets. The Company do its business of transforming commodities in space (logistics), in time (storage) and in form (processing).

The Company has developed an integrated B2B Commodity platform (www.weflip.in) to enable trading transactions cost effective and to make value chain more efficient. Company's B2B trading platforms aim is to introduce superior transaction practices. This online Platform can bring in transparency in spot transactions in the commodity trade leading to efficient price discovery etc. This platform primarily designed to flip (buy and sell) other class of assets available in the market i.e. Real estate assets, automobile and e-commerce etc.

BOARD OF DIRECTORS

S. No.	Name	Director Identification Number (DIN)	Designation
1.	Sudheer Vegi	08070785	Whole Time Director
2.	Dasigi Venkata Surya Prakash Rao	03013165	Director
3.	Suresh Tammineedi	00952079	Additional Director cum CFO



4.	Chukka Siva Satya Srinivas	07177166	Additional Director
5.	Chukka Lakshmi	07733231	Additional Director

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Transferor Company in the preceding 10 years – Not Applicable

PRE-SCHEME SHAREHOLDING PATTERN OF THE TRANSFEROR COMPANY AS ON DECEMBER 31, 2019			
S. No.	Particulars	Number of shares	% of holding of Shares Capital
1.	Promoter and Promoter Group	13,88,30,002	79.33
2.	Public	3,61,69,998	20.67
	TOTAL	17,50,00,000	100.00

AUDITED FINANCIAL INFORMATION

Standalone Financial Information in relation to the Transferor Company:

(Amount in Rs., unless stated otherwise)

Particulars	2018-19	2017-18	2016-17
Revenue from Operations	31,37,63,126	32,46,68,954	43,86,40,607
Other Income	2,752	5,02,868	5,304
Total Income	31,37,65,878	32,51,71,822	43,86,45,911
Net profit / (Loss) before tax and extraordinary item	(30,18,95,289)	(85,889)	(2,02,05,391)
Net profit / (Loss) after tax and extraordinary item	(30,18,95,289)	(85,889)	(2,02,05,391)
Equity Share Capital	17,50,00,000	10,50,00,000	10,50,00,000
Reserves & Surplus / Other Equity	(4,84,07,408)	25,34,87,881	25,35,73,770
Networth	12,65,92,592	35,84,87,881	35,85,73,770
Basic Earnings Per Share (Rs.)	(1.73)	-	(0.19)
Diluted Earnings Per Share (Rs.)	(1.73)	-	(0.19)
Return on Net Worth (%)	-	-	-
Net Asset Value per Share (Rs.)	0.72	3.41	3.41

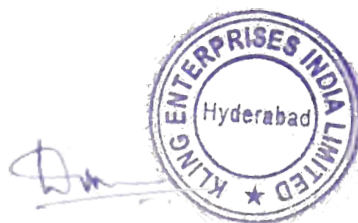
Notes:

- Net Worth has been calculated by adding Equity Share Capital and Reserves and Surplus /Other Equity
- Earnings per Share has been calculated by dividing Net Profit/ (Loss) after Tax and extraordinary items by Equity Shares outstanding at the end of respective period
- Return on Net Worth(%) has been calculated by dividing Net Profit/ (Loss) after Tax and extraordinary items by Net Worth

The Company did not have any subsidiary till the end of March 31, 2019 and therefore the requirement of consolidated financial statement is not applicable in the present case.

INTERNAL RISK FACTORS

- The Scheme for transfer and vesting of Commodity Trading Division of Transferor Company to Transferee Company with effect from the Appointed Date is subject to the conditions / approvals as envisaged under the Scheme and any failure to receive such approvals may result delay or non-implementation of the Scheme and may adversely affect the shareholders.



- If we are unable to manage synergies arising out of the Scheme, our demerged business, cash flows, financial condition and prospects may be adversely affected.
- We have certain contingent liabilities and our cash flows, financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.
- If we are unable to accurately forecast demand for our business cash flows, financial condition and prospects may be adversely affected.
- If we are unable to collect our dues and receivables from our customers, our results of operations and cash flows could be materially and adversely affected
- Our Promoter holds Equity Shares in the Transferee Company and is therefore interested in our Company's performance.
- Any changes in the regulatory framework could adversely affect the profitability of the Transferor Company or its future performance, requiring a restructuring its activities, increasing its costs or otherwise.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY

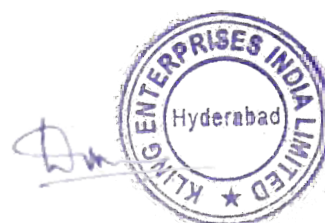
- Total number of outstanding litigations against and by the Transferor Company and amount involved – **NIL**
- Brief details of top 5 material outstanding litigations against the Transferor Company and amount involved – **NIL**
- Regulatory Action, if any, disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any – NIL**
- Brief details of outstanding criminal proceedings against Promoters – NIL**

RATIONALE OF THE SCHEME

The Scheme involves demerger, transfer and vesting of Commodity Trading Division including with all the related assets and liabilities of Kling Enterprises India Limited ('**Kling**' or '**Transferor Company**') on a going concern basis to the Spacenet Enterprises India Limited ('**Spacenet**' or '**Transferee Company**'), with effect from the Appointed Date, April 01, 2019 in terms of the draft Scheme under Sections 230 to 232 read along with Section 66 and other applicable provisions of the Companies Act, 2013 and provisions of other applicable laws.

The Board of Directors of the Transferor Company and Transferee Company are of the opinion that the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Company and Transferee Company, inter alia, as under:

- Realignment and consolidation of Commodity business in efficient manner and building strong capability to effectively meet future challenges in the present competitive business environment.
- Synergies in operational process and creation of efficiencies as well as optimization of operation expenditure.
- Increase in competitive strength, improvement in the financial managerial and technical capabilities.



- d) The Commodity business undertaking has significant potential for independent growth and is capable of attracting a separate set of investors, strategic partners, creditors and other stakeholders.
- e) The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the division being vested by way of demerger.
- f) Improve the utilisation of the B2B Commodity platform (www.weflip.in) of the Transferee Company.

It is believed that the Scheme will create enhanced value for shareholders and allow a focused strategy in operations, which would be in the best interest of all stakeholders, creditors and all persons connected with Transferor Company.

ANY OTHER IMPORTANT INFORMATION OF THE TRANSFEROR COMPANY

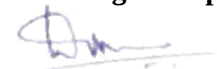
Proseed India Limited, one of our group companies, is under the process of Corporate Insolvency Resolution Process (CIRP), in terms of Section 9 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as per the National Company Law Tribunal, Hyderabad Bench, Hyderabad Order CP(IB) No. 218/9/HDB/2019, under Sec 9 of IBC 2016 dated July 10, 2019 (received on July 23, 2019).

This Abridged Prospectus does not contain the complete information of the Transferor Company, including its group companies, business operations, financial information, assets and liabilities.

DECLARATION BY TRANSFEROR COMPANY

We hereby declare that all the relevant provisions of SEBI Circular and the format of an Abridged Prospectus as set out in the Part E of Schedule VI of the SEBI ICDR Regulations have been complied with. We further certify that all statements in this document are true and correct.

For **Kling Enterprises India Limited**



Dasigi Venkata Surya Prakash Rao
Director
DIN: 03013165

Date: March 06, 2020
Place: Hyderabad



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD-1**

CA (CAA) NO. 51/230/HDB/2020
U/s 230 to 232 of the Companies Act, 2013
R/w Rule 3 of Companies (Compro-
mises, Arrangements and
Amalgamations) Rules, 2016.

**In the matter of
KLING ENTERPRISES INDIA LIMITED
(TRANSFEROR COMPANY)
AND
SPACENET ENTERPRISES INDIA LIMITED
(TRANSFeree COMPANY)**

1. M/s. Kling Enterprises India Limited,
Registered office at A to Z Elite, 1st Floor,
Plot No. 197, S.Y. No. 48P,
Guttala Begumpet, Madhapur,
Hyderabad - 500081,

...Applicant No.1/
Transferor Company

2. M/s. Spacenet Enterprises India Limited,
Registered office at A to Z Elite,
1st Floor, Plot No. 197,
S.Y. No. 48P, Guttala Begumpet,
Madhapur, Hyderabad - 500081

.... Applicant No.2 /
Transferee Company

AND

1. Registrar of Companies, Andhra Pradesh and
Telangana 2nd Floor, Corporate Bhawan,
GSI Post, Tattiannam Nagole, Bandlaguda
Hyderabad - 500 068, Telangana.
2. Regional Director, South East Region

3rd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguwa
Hyderabad - 500 068, Telangana.

3. Office of Income Tax,
Masab Tank, A. C. Guards,
Hyderabad - 500 004.

Date of order: 02.01.2020

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Counsels / Parties Present

For the Petitioner : Shri Naresh Kumar Sangam, Counsel.

PER: Hon'ble Shri Ratakonda Murali, Member (Judicial)

Heard on: 21.02.2020.

ORDER

1. This is a joint Application filed on behalf M/s.Kling Enterprises India Limited (hereinafter referred to as "the First Applicant /Transferor Company") and M/s Spacetel Enterprises India Limited (hereinafter referred to as "Second Applicant/Transferee Company") under Section 230-232 of the Companies Act, 2013, praying for an order for dispensation of holding of meetings of shareholders, secured and unsecured creditors of Transferor Company, and to hold the meeting of the Shareholders of the Transferee Company and to dispense with the meetings of the secured creditors and unsecured creditors of the transferee company in terms of Scheme of Arrangement annexed here with as **pg:153-183** in this Application.

2. The averments made in the application are briefly described here under:

Transferor Company:

- a. M/s. Kling Enterprises India Limited (CIN U67120TG2007PLC053474) is a Company incorporated under the provisions of the Companies Act, 1956. The main objects of the Transferor Company are to carry on the business of buying, holding, selling, underwriting, investing, acquiring various securities and properties including equity, preference, stocks, debentures, debentures-stock and bonds in any of the corporate, companies, firms, undertakings, bodies, etc. Certified copy of the Memorandum and Articles of Association of the Transferor Company is annexed hereto and marked as **Annexure: 1.**
- b. The Authorised Share Capital of the Transferor Company is Rs.17,50,00,000/- (Rupees Seventeen Crores Fifty Lakhs only) divided into 17,50,00,000 (Seventeen Crores Fifty Lakhs) Equity Shares of Re.1/- (Rupee One only) each.

The Present issued, subscribed and paid up share capital of the Transferor Company is Rs.17,50,00,000/- (Rupees Seventeen Crores Fifty Lakhs only) divided into 17,50,00,000 (Seventeen Crores Fifty Lakhs) Equity Shares of Re.1/- (Rupee One only) each fully paid-up.

Certified copy of the Audited Balance Sheet as at 31.03.2019 of the Transferor Company is annexed hereto and marked as **Annexure: 2.**

FINANCIALS - TRANSFEROR COMPANY

The financial summary of the Transferor Company as on 31.03.2019 is given below:

Particulars	Amount Rs.
EQUITY AND LIABILITIES:	
Share Capital	17,50,00,000
Reserves and Surplus	(4,84,07,408)
Non-Current Liabilities	
Unsecured Loans	3,41,95,586
Current Liabilities	
Other Current Liabilities	2,63,974
TOTAL	16,10,52,151
ASSETS:	
Non Current Assets	
Fixed Assets – Intangible	12,37,784
Non-current Investments	14,02,635
Current Assets	
Current Investments	51,51,152
Sundry Debtors	12,34,59,855
Cash and Bank Balances	3,45,702
Short Term Loans and Advances	2,94,55,023
TOTAL	16,10,52,151
	1

Transferee Company:

- The Transferee Company viz., M/s. Spacenet Enterprises India Limited (CIN L72200TG2010PLC068624) is a Company incorporated under the provisions of the Companies Act, 1956. The main objects of the Transferee Company are to design, develop and to carry on the business of development of Software tools and platforms providing fast, flexible and reliable commodities trading tools and to provide

order management and risk management software tools for Global commodity markets using the Quantitative, Derivative and Neuro models. Certified copy of the Memorandum and Articles of Association of the Transferee Company is annexed hereto and marked as **Annexure: 3.**

- b. The Authorised Share Capital of the Transferee Company is Rs.50,00,00,000/- (Rupees Fifty Crores only) divided into 50,00,00,000/- (Fifty Crores) Equity Shares of Rs.1/- (Rupee One only) each.

The Present issued, subscribed and paid up share capital of the Transferee Company is Rs. 4,90,18,590/- (Rupees Four Crores Ninety Lakhs Eighteen Thousand Five Hundred and Ninety Only) divided into 4,90,18,590 (Four Crores Ninety Lakhs Eighteen Thousand Five Hundred and Ninety) Equity Shares of Re.1/- (Rupee One only) each fully paid-up.

Certified copy of the Audited Balance Sheet as at 31.03.2019 of the Transferee Company is annexed hereto and marked as **Annexure: 4.**

FINANCIALS - TRANSFEE COMPANY

The financial summary of the Transferee Company as on 31.03.2019 is given below:

Particulars	Amount Rs.
EQUITY AND LIABILITIES:	
Share Capital	4,90,18,590
Other Equity	(15,28,68,443)
Non-Current Liabilities	
Borrowings	6,82,76,400
Current Liabilities	
Trade Payables	62,95,728
Provisions	8,793

Other Current Liabilities	3,12,36,362
TOTAL	19,67,430
ASSETS:	
Non Current Assets	
Fixed Assets In-tangible Assets	2,98,316
Other Financial Assets	12,20,108
Other Non-current Assets	2,72,627
Current Assets	
Cash and Cash Equivalents	74,687
Other Financial Assets	1,01,692
TOTAL	19,67,430

3. The Board of Directors of Applicant No. 1/Transferor Company and Applicant No. 2/Transferee Company vide their resolutions dated 23.05.2019 have approved the Scheme of Arrangement involving Demerger. The Scheme of arrangement is filed herewith as **Annexure-5**. Certified copy of the resolution passed at the meeting of the Board of Directors of the Applicant No.1/Transferor Company approving the scheme annexed hereto and marked as **Annexure: 6**. Certified copy of the resolution passed at the meeting of the Board of Directors of the Applicant No.2/Transferee Company approving the scheme annexed hereto and marked as **Annexure: 7**.

4. RATIONALE OF THE SCHEME:

- The Transferor Company predominantly is into the business of buying and selling of securities, apart from buying and selling of securities Transferor Company is also having commodities trading business.
- The Scheme in the present case provides for demerger of its commodities trading division including with all the

Other Current Liabilities	3,12,36,362
TOTAL	19,67,430
ASSETS:	
Non Current Assets	
Fixed Assets Intangible Assets	2,98,316
Other Financial Assets	12,20,108
Other Non-current Assets	2,72,627
Current Assets	
Cash and Cash Equivalents	74,687
Other Financial Assets	1,01,692
TOTAL	19,67,430

3. The Board of Directors of Applicant No. 1/Transferor Company and Applicant No. 2/Transferee Company vide their resolutions dated 23.05.2019 have approved the Scheme of Arrangement involving Demerger. The Scheme of arrangement is filed herewith as **Annexure-5**. Certified copy of the resolution passed at the meeting of the Board of Directors of the Applicant No.1/Transferor Company approving the scheme annexed hereto and marked as **Annexure: 6**. Certified copy of the resolution passed at the meeting of the Board of Directors of the Applicant No.2/Transferee Company approving the scheme annexed hereto and marked as **Annexure: 7**.

4. RATIONALE OF THE SCHEME:

- The Transferor Company predominantly is into the business of buying and selling of securities, apart from buying and selling of securities Transferor Company is also having commodities trading business.
- The Scheme in the present case provides for demerger of its commodities trading division including with all the

related assets and liabilities of Transferor Company into Transferee Company.

- c. The Commodity business undertaking of Transferor Company has significant potential for independent growth and is capable of attracting a separate set of investors, strategic partners, creditors and other stakeholders.
- d. The Transferor Company has developed an integrated B2B Commodity platform (www.weflip.in) to enable trading transactions cost effective and to make value chain more efficient. Transferor Company's B2B trading platforms aim is to introduce superior transaction practices. This online Platform can bring in transparency in spot transactions in the commodity trade leading to efficient price discovery. This platform primarily designed to flip (buy and sell) various class of assets available in the market i.e. Real estate assets, automobile and e-commerce, etc.
- e. The Synergies that exist between Commodities business undertaking of the Transferor Company and the Transferee Company in terms of services and resources can be put to the best advantage of all stakeholders.
- f. The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the division being vested by way of demerger.
- g. The proposed scheme involves demerge of Commodity business undertaking of Transferor Company with Transferee Company is expected to result in the following benefits:
 - Realignment and consolidation of Commodity business in efficient manner and building strong capability to effectively meet future challenges in the present competitive business environment.

- Synergies in operational process and creation of efficiencies as well as optimization of operation expenditure.
- Increase in competitive strength, improvement in the financial managerial and technical capabilities.

In view of the above rationale, the Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the demerger would benefit the shareholders, employees and other stakeholders of the Transferor Company and Transferee Company.

Shareholders, Secured creditors and unsecured creditors of the Transferor Company:

5. It is averred that the Transferor Company has 18 (Eighteen) shareholders. All the shareholders of the Transferor Company have given their consent to the Scheme. The Affidavits of members agreeing to the Scheme of Arrangement has been obtained from all the members of the Transferor Company. Certificate of Chartered Accountant stating the shareholding pattern of the Transferor Company is enclosed as **Annexure-9**.
- Secured and Unsecured Creditors.**

It is averred that there are no Secured Creditors in the Applicant Company.1/Transferor Company. Copy of the Certificate of the Chartered Accountant certifying the same is enclosed as **Annexure - 11**.

However, there are two unsecured creditors to the tune of Rs. 1,07,26,262/-. Copy of Certificate of Chartered Accountant certifying the list of Unsecured creditors is enclosed as per **Annexure - 12**. Both the Unsecured Creditors have given their consent for the Scheme. Copies of Affidavits of the unsecured Creditors are enclosed as **Annexure -13**.

Shareholders, Secured creditors and Unsecured Creditors of the Transferee company:

6. It is averred that as on 31.12.2019 the Transferee Company has 18,052 shareholders. Copy of certificate of the Chartered Accountant certifying the number of shareholders is enclosed as **Annexure -14**.

Secured and Unsecured Creditors

The Transferee Company does not have any Secured Creditors. Copy of the Certificate of the Chartered Accountant certifying the same is enclosed as **Annexure - 15**.

However, there are four unsecured creditors to the tune of Rs. 1,05,93,638/-. Copy of Certificate of Chartered Accountant certifying the list of unsecured creditors is enclosed as per **Annexure - 16**. All the Unsecured Creditors have given their consent for the Scheme. Copies of Affidavits of the unsecured Creditors are enclosed as **Annexure -17**.

7. It is stated that there is no petition under Sections 397 or 398 of the Companies Act, 1956 or Section 241 to 244 of the Companies Act, 2013 filed against the Applicants and there has been no material change in the affairs of the Applicants, except for what was done in the normal course of business. There are no proceedings pending under Section 235 to 251 of the Companies Act, 1956 or under Section 210 to 227 of the Companies Act, 2013 against the Applicants.
8. The Accounting Treatment proposed in the Scheme of Amalgamation is in conformity with the accounting standards prescribed under Section 133. Copy of the Certificate under Section 133 of the Companies Act, 2013 is enclosed as **Annexure - 18**.
9. Transferee Company is a listed Company whose shares are listed on NSE. The stock exchange has given its consent for

the scheme. Copy of consent/observation letter of Stock Exchanges are enclosed as **Annexure -19**.

10. In consideration for the demerger of the Demerged Business, including the transfer and vesting thereof in the Transferee Company pursuant to Part II of the Scheme, the Transferee Company shall, without any further payment, issue and allot to each member of the Transferor Company a fully paid Equity Share to on a proportionate basis in the Ratio of 58 Equity Shares in the Transferee Company of the Face Value of Re. 1/- for every 93 Equity Share of Re. 1/- each fully paid up held by such member or his/her/its heirs executors, administrators or successors in the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date.

A person who is holding less than 93 shares in the Transferor shall get shares in the Transferee Company proportionately and any fractional entitlement shall be dealt in accordance with clause 5.3 of the Scheme. Copy of the fairness opinion and valuation Report is enclosed as per **Annexure - 8**.

11. In the light of above facts, the Applicant Companies pray for the following reliefs:

- (i) To dispense with the convening meetings of the Equity Shareholders of the Applicant Company.1/ Transferor Company.
- (ii) To dispense with the convening meeting of the Secured and unsecured creditors of the Applicant Company.1/ Transferor Company.
- (iii) To dispense with the convening meeting of Secured and unsecured creditors of the Applicant Company.2/ Transferee Company.
- (iv) To convene the meeting of shareholders of the Transferee Company for the purpose of considering the

proposed Scheme of Arrangement between the Applicant Companies.

(v) To appoint a Chairperson for convening and conducting the meeting of the Shareholders.

(vi) That the quorum to be fixed as per section 103 of the Companies Act, 2013.

(vii) The shareholders be permitted to exercise their vote at the meeting either in person or through proxies.

(viii) As to the manner of giving the notices of the said meeting, it is sufficient to serve the notices on the shareholders of the Transferee Company by Registered Post / Speed Post/Courier /Registered E-mail.

(ix) That the advertisement be directed to be published one in English Edition of "The Business Standard", Hyderabad Edition and one in Telugu Edition of "Nava Telangana", Hyderabad Edition.

(x) As for the time for the Chairperson of the meeting to file their report to the Hon'ble Tribunal of the result of the meeting, the time be fixed as 10 days from the date of the said meeting.

(xi) And, pass such other order or orders as this Hon'ble Bench may deem fit and proper in the circumstances of the case in the interest of justice and equity.

12. I have heard the Counsel and I have seen the consent Affidavits of shareholders, unsecured creditors of transferor Company and consent affidavits of unsecured creditors of Transferee Company. I have seen the details of secured creditors certified by the chartered accountant.

13. After hearing the Counsel and after perusing the documents filed, I pass the following order:-

(a) Hereby dispense with the meetings of the Shareholders, Secured and unsecured creditors of Applicant

Company.1/Transferor Company and here by dispense with the meeting of unsecured creditors of the applicant Company.2/transferee Company.

- (b) Hereby order to convene meetings of shareholders of Applicant Company.2/ Transferee Company.
- (c) Appointed Mr.V.B.Raju, Advocate, # 106, Dhanunjaya Towers Main Road, Banjara Hills, Hyderabad-500 034 (mob- 9849120947) as Chairman and Mr.M.V.S.Sridhar, #7-1-414/37, Srinivasa Colony (east), S.R.Nagar, Hyderabad-500 038. (Mob. 94400619181) as Scrutinizer for convening the meetings of shareholders. Fee fixed for Chairperson/ is Rs. 1, 40,000 and Rs.80, 000 for scrutinizer for the above meetings.
- (d) Meeting of shareholders will be held on 18th day of April, 2020 at 11.00 AM , Venue of the meeting: Senior Citizen Hall, 2nd Floor, Besides S R K Raju Community Hall, Madhura Nagar, Hyderabad-500 038.
- (e) The Quorum fixed for the meetings are as under:-

Transferee Company:

For shareholders meeting:30 (personally present).

- (f) The Shareholders be permitted to exercise their vote at the meeting either in person or through proxies.
- (g) The notice of the Meetings of shareholders of Transferee Company shall be published in "The Business Standard", Hyderabad Edition and one in Telugu Edition of "Nava Telangana", Hyderabad Edition.
- (h) The Applicant Companies or its authorized Signatory are directed to issue notices (s) to the Shareholders of the Transferee Company by Registered Post/ Courier/Ordinary Post/ Registered email to their last known address 30 days before the said meetings as per

Form No. CAA2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ensuring convening the said meeting of the Applicant Transferee Company. Further directed to intimate day, date and time, a copy of Explanatory Statement, pursuant to be sent under Section 230 of the Companies Act, 2013 and Proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014.

- (i) The Applicant Companies to serve notices upon the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 if no response is received by the Tribunal from Regional Director within 30 days of the date of receipt of the notice, it will be presumed that Regional Director and/or Central Government has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.
- (j) The Applicant Companies to serve the notice upon the Registrar of Companies Hyderabad pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises Arrangement and Amalgamations) Rules, 2016 and if no response is received by the Tribunal from Registrar of Companies, Hyderabad within 30 days of the date of receipt of the notice, it will be presumed that Registrar of Companies, Hyderabad has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise Arrangements and Amalgamations) Rules, 2016.

(k) The Applicant Companies to serve notice upon the Income Tax Authority, within whose jurisdiction the Applicant Companies Assessment are made, pursuant to Section 230 (5) of the Companies Act, 2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 if no response is received by the Tribunal from Income Tax Authority within 30 days of the date of receipt of the notice, it will be presumed that Income Tax Authority has no objection to the proposed Scheme as per Rule 8 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

(l) The Applicant Companies are further directed to serve notices upon Securities and Exchange Board of India. The Applicant companies to serve notice on NSE & BSE.

(m) The Chairmen shall have all powers under the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 in relation to the conduct of the meetings (s) including for deciding procedural questions that may arise before or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person (s).

(n) The voting shall be in person or by proxy or through electronic means (e-voting) or through email authorized representative in case be permitted, provided that the proxy in the Form No. MGT-11 authorization duly signed by the person entitled to attend and vote at the meeting, is to be filed with the Applicant Company at its Registered office, not later than, forty eight hours before the aforesaid meeting in accordance with Rule 10 of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016.

23.2.2023
RATAKONDA MURALI
MEMBER (JUDICIAL)

Fig. 5. $\log_{10} \frac{1}{1 - \alpha}$ vs. $\log_{10} \frac{1}{1 - \alpha}$ for $\alpha = 0.01$ to 0.99 .

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Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Shareholder(s) : _____
Registered Address : _____
Email Id : _____
Folio No. / DPID and Client ID* : _____
I/We _____ being the Equity Shareholder(s) of Spacenet Enterprises
India Limited, hereby appoint

Notes:

- i. Equity shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting hall.
- ii. *Applicable for equity shareholders holding shares in demat mode.
- iii. Equity shareholders who come to attend the meeting are requested to bring with them copy of the Scheme of Arrangement.

1	Name			
	Address			
	e-Mail ID		Signature	

or failing him / her

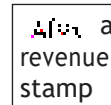
2	Name			
	Address			
	e-Mail ID		Signature	

or failing him / her

3	Name			
	Address			
	e-Mail ID		Signature	

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the meeting of the equity shareholders of the Applicant Company to be held at Senior Citizen Hall, 2nd Floor, S.R.K Raju Community Hall, Madhura Nagar, Hyderanad - 500038 Telanagna on Saturday, April 18, 2020 at 11.00 A.M. and at any adjournment or adjournment(s) thereof for the purpose of considering and, if though fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Kling Enterprises India Limited (Transferor Company) and Spacenet Enterprises India Limited (Transferee Company) and their respective Shareholders (the Scheme) and vote _____ [insert 'FOR' or 'AGAINST'] the Scheme.

Signature of equity shareholder(s):



Signed this _____ day of _____ 2020

Signature across the stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of the Member

Notes:

- i. *Applicable for equity shareholders holding shares in demat mode.
- ii. Please affix Revenue Stamp before signing.
- iii. All alterations made in the form of proxy should be initialled.
- iv. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- v. Proxy need not be an equity shareholder of the Applicant Company.
- vi. In case of multiple proxies, the proxy later in time shall be accepted.
- vii. Body corporate equity shareholder(s) would be required to deposit certified copies of board resolutions, in original, authorizing the individuals name therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the registered office of Company at Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad - 500016.
- viii. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other.

SPACENET ENTERPRISES INDIA LIMITED

(formerly known as Northgate Com Tech Limited)

CIN: L72200TG2010PLC068624

Reg Office: Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet,
Hyderabad - 500016 Telangana

Tel: 040-23405680,

Website: www.spacenetent.com, Email id: cs@spacenetent.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the meeting of the Equity Shareholders of Spacenet Enterprises India Limited ('Applicant Company'), convened pursuant to the Order dated February 21, 2020 of the National Company Law Tribunal, Hyderabad Bench at Hyderabad, at Senior Citizen Hall, 2nd Floor, besides S.R.K Raju Community Hall, Madhura Nagar, Hyderabad - 500038 Telangana on Saturday, April 18, 2020 at 11.00 A..

Name and address of the equity shareholder(s) : _____

Signature of the equity shareholder(s) : _____

Folio No. / Client ID & DP ID : _____

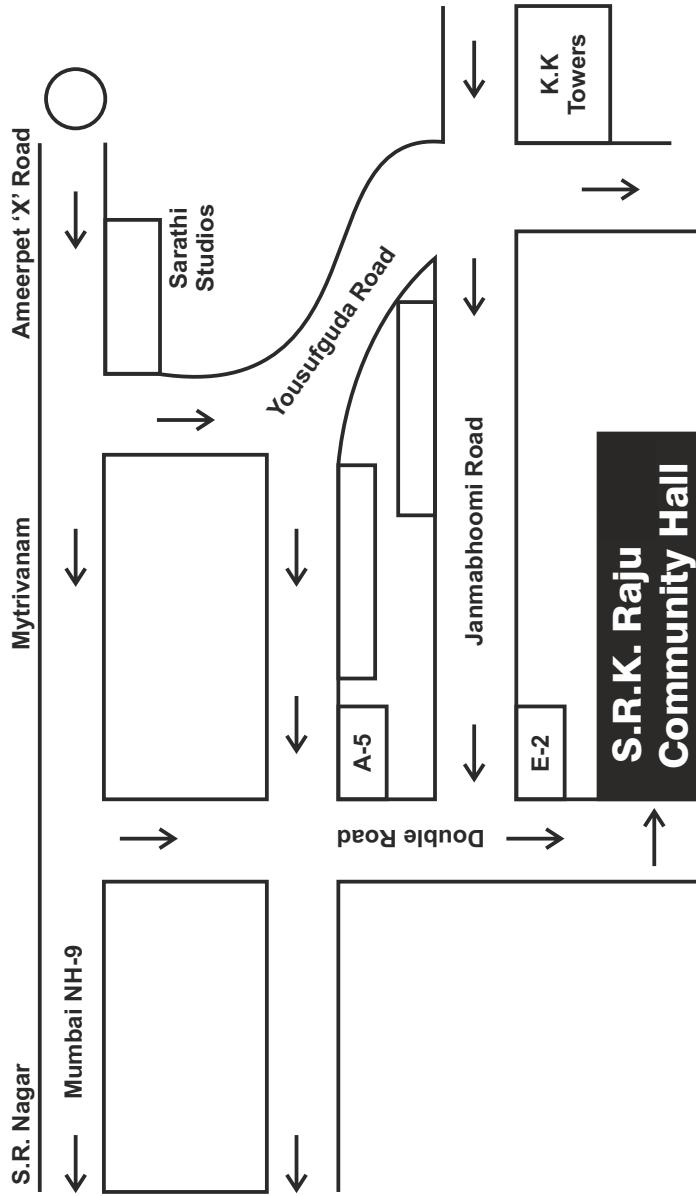
No. of equity shares held : _____

Name of the Proxy holder(s) : _____

Signature of the proxy : _____

Notes:

- i. Equity shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting hall.
- ii. *Applicable for equity shareholders holding shares in demat mode.
- iii. Equity shareholders who come to attend the meeting are requested to bring with them copy of the Scheme of Arrangement.





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Telangana, INDIA

Tel: 040-23405680, Fax: 040-23405680

Website: www.spacenetent.com, Email id: cs@spacenetent.com

Serial No. _____

**POSTAL BALLOT
FORM**

1. Name(s) & Registered
Address of the sole / first
named Member
2. Name(s) of the Joint-Holder(s), if any
3. Registered Folio Number / DP ID No / Client ID No.* *
(Applicable to investors holding Shares in dematerialized
form)
4. Number of Share(s) held as on March 06, 2020:

I / We hereby exercise my / our vote in respect of the Resolution to be passed through postal ballot for the Special business as stated in the Notice dated March 11, 2020 of the Company by conveying my/ our assent (For) or dissent (Against) to the said resolution by placing a tick (✓) mark in the appropriate box below:

S. No	Brief particulars of the item	No of Equity Shares Held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	To approve Scheme of Arrangement between Kling Enterprises India Limited and Spacenet Enterprises India Limited.			

Place:

Date:

.....
Signature of the Member

Note: Please complete and return this Postal Ballot Form to the Scrutinizer by using the enclosed postage pre-paid self-addressed Business Reply Envelope. Last Date for Receipt of this Postal Ballot Form by the Scrutinizer is April 17, 2020.

Electronic voting particulars

The e-voting facility is available at the link www.evotingindia.com. The electronic voting particulars are set out as follows:

EVSN (E-voting Sequence Number)	User ID	Password
200311003		

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
March 19, 2020 at 9:00 a.m. IST	April 17, 2020 at 5.00 p.m. IST

Note: Please read carefully the instructions printed overleaf before exercising the vote through this form and for e-voting, please refer the instructions for e-voting in the notice attached herewith.

INSTRUCTIONS

1. Members may fill up the Postal Ballot Form and return the Form duly completed to The Scrutinizer, Spacenet Enterprises India Limited at Royal Pavilion Apartment, H.No. 6-3-787, Flat No. 1003, Block - A, Ameerpet, Hyderabad - 500016, so as to reach by 5.00 pm on April 17, 2020. The Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Postal Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. M/s CIL Securities Ltd.). Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID/CLIENT ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the Body Corporate/Trust/Society, etc. a certified copy of the relevant authorization/Board resolution to vote should accompany the Ballot Form.
10. Instructions for e-voting procedure are available in the Notice of the Meeting and are also placed on the website of the Company, www.spacenetent.com and www.evotingindia.com. For further details members are requested to refer the same.
11. In case of any query, you may refer Help & FAQ section of www.evotingindia.com (CDSL Website) or CDSL Email id: helpdesk.evoting@cdslindia.com & Toll Free No. 1800225533.

12. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date March 06, 2020.
13. The e-voting period commences on March 19, 2020 (9.00 a.m. IST) and ends on April 17, 2020 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on March 06, 2020, may cast their vote electronically.
14. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he / she / it shall not be allowed to change it subsequently.