

Date: 23rd May, 2019

To
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Dear Sir,

Sub: Audited financial results (Standalone) for the quarter / year ended on 31st March, 2019 and Outcome of the Board Meeting held on 23rd May, 2019

* * * *

We hereby inform you that the Board of Directors of the Company at its meeting held on today has:

1. Approved the Audited Standalone Financial Results for the quarter / year ended on 31st March, 2019
2. pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 we enclose herewith following:
 - Audited Standalone Financial Results of the Company for the quarter/ year ended on 31st March, 2019
 - Auditor's report on Standalone Financial Results of the Company
 - A Declaration to the effect that Pursuant to the SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, there is unmodified opinion with respect to the Annual Audited Financial Results (Standalone) for the Year ended 31st March, 2019.
3. Mr. Kota Srinivas, Practicing Company Secretary has been appointed as Secretarial Auditor for the Financial Year 2018-19.

Brief Profile:

Mr. Kota Srinivas is a practicing company secretary and has 5 years of experience in the field besides 23 years of vast experience in different fields. Graduated from Nagarjuna University in the year 1990 and has acquired ACS membership from the ICSI in the year 2013.

The Firm, M/s. Kota & Associates (Formerly known as Kota Srinivas & Associates) managed by this qualified Company Secretary, who hold multiple academic & professional qualifications. With a professional impetus achieved from an ideal mix of the extensive experience of self, Kota & Associates endeavors to widen and maintain its client base by continuously adhering to the highest professional standards set by the Regulators from time to time.

4. Resignation of Mr. SRINIVASA RAO TATIPAKA (Din: 02449906) from the position of whole time Directorship in the Company who resigned from the said position on May 23, 2019 with immediate effect;
5. Resignation of Mr. VENKATA KRISHNAYYA NEKKANTI (Din: 07733209) from the position of Directorship in the Company who resigned from the said position on May 23, 2019 with immediate effect;
6. Resignation of Mr. Tammineedi Venkateswara Rao (DIN: 06806293) from the position of Additional Executive Director in the Company, but continue as CFO of the Company.
7. Appointed Mr. CHUKKA SIVA SATYA SRINIVAS as an Additional Independent Director of the Company.

Brief Profile of CHUKKA SIVA SATYA SRINIVAS:

Mr. CHUKKA SIVA SATYA SRINIVAS (Din: 07177166) has more than 25 years of experience in MIS and risk management. Mr. CHUKKA SIVA SATYA SRINIVAS is an Intermediate from Board of Intermediate Education, Andhra Pradesh. He has expert in Business Matters.

Except CHUKKA SIVA SATYA SRINIVAS being an appointee, none of the Directors and key managerial personnel of the Company and their relatives is concerned or interested financially or otherwise.

8. Appointed Mr. AVINASH KARINGAM (DIN: 02599266) as an Additional Director –Whole-time Executive Director in the Company effective from May 23, 2019 who will hold the said position upto the ensuing Annual General Meeting.

Brief Profile of Mr. Mr. AVINASH KARINGAM

Avinash holds Master's in Applied Mathematics and PhD in Mathematics (Fluid Dynamics) and has research experience in quantitative financial and computational engineering. Avinash has specialized in quantitative models, product management and quantitative risk management.

Mr. AVINASH KARINGAM is not related with any other Directors in the Company.

9. Appointed Mr. Vasudeva Rao Maraka (Din: 05111313) as an Additional Executive Director of the Company effective from May 23, 2019 who will hold the said position upto the ensuing Annual General Meeting.

Brief Profile of Mr. VASUDEVA RAO MARAKA:

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

Mr. Vasudeva Rao Maraka is not related with any other Directors in the Company.

10. Considered the change in the designation of Mr. Gaddi Linga Murthy from Independent Director to Executive Director.

Brief Profile of Mr. Gaddi Linga Murthy:

Mr Gaddi Linga Murthy holds Bachelor degree in Science gained from Osmania University Hyderabad and Master Degree in Science gained from IASE University Rajasthan. He possess more than 18 years of IT experience in Financial and Telecom domain environments in all phases of software development life cycle and expertise in delivering the software products in globally.

Mr. Gaddi Linga Murthy is not related with any other Directors in the Company.

11. Approved the changes made in the members of the Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.
12. The Board discussed and taken on records the observation letter issued by SEBI VIDE NO. NSE/LIST - SOP/REG-6(1)/FINES/81136 Dtd. 14.05.2019 received by the company on 21.05.2019 regarding appointment of Company Secretary under Regulation 6(1) of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015(LODR). The Board has informed that due care is taken and also appointed Company Secretary on date on 14th March, 2019, to meet the requirement.
13. Considered and approved the Scheme of Arrangement between Kling Enterprises India Ltd ("Demerged Company"), Spacenet Enterprises India Ltd ("Resulting Company") and their respective Shareholders for the acquisition of the Commodity Trading division (as defined in the Scheme) of the Demerged Company under Section 230-232 of the Companies Act 2013

The said Scheme of arrangement is subject to the regulatory approvals including the approval of the jurisdictional National Company Law Tribunal, respective shareholders and creditors, if any, of each of the Companies involved in the Scheme.

The disclosure in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 is enclosed as Annexure A.

The meeting commenced at 3.00 PM and concluded at 4.30 PM

This is for your information & records.

Yours Faithfully

For Spacenet Enterprises India Limited

[Signature]

SATYA SRIKANTH KARATURI

Director

(DIN: 07733024)



ANNEXURE A

Disclosure in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015

1. Name of the entity (ies) forming part of the Scheme, details in brief such as size, turnover etc.

The Scheme of Arrangement provides for demerger of Commodity Trading Division of Kling Enterprises India Ltd into Spacenet Enterprises India Ltd.

A. Spacenet Enterprises India Ltd (SEIL) is a Limited Company incorporated under Companies Act, 1956. The equity shares of SEIL are listed on the National Stock Exchange (NSE). SEIL is primarily established to carry, inter alia the following objects:

- a. To develop the software tools and platforms for providing fast, flexible and reliable trading tools for the Commodity markets using Quantitative, Derivative and Neuro models.
- b. 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.

B. Kling Enterprises India Limited (KEIL) is a Limited Company incorporated under Companies Act, 1956. KEIL is an unlisted Company. Kling Enterprises India Ltd (KEIL) is engaged in, inter alia, the following business.

(a) Physical 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. The 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.

Brief details of the net worth and revenue of the SEIL and KEIL are as follows:

S.No.	Parties to the Scheme	(Rs.in Lakhs)	
		Turnover (As at March 31, 2019)	Net-worth (As at March 31, 2019)
1.	Spacenet Enterprises India Ltd	53.42	(1038.50)
2.	Kling Enterprises India Ltd	3137.63	1265.93

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"?

SEIL and KEIL have one common director in their respective Boards and the Promoter of SEIL Mrs. Usha Rani Meenavalli holds 87% of the Shares of KEIL and hence they are related parties with and to each other. The proposed transaction is being undertaken at arm's length based on valuation report obtained from the IBBI approved registered Valuer, and fairness opinion from the SEBI registered Merchant Banker.

3. Rationale for the Scheme

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.

The Transferee Company has developed an integrated B2B Commodity platform (www.weflip.in) to enable trading transactions cost effective and to make value chain more efficient. Transferee Company's B2B trading platforms aim is to introduce superior transaction practices. This online Platform can bring in transparency in spot transactions in the physical commodity trade leading to efficient price discovery etc. 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.

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.

The proposed scheme also expected to yield 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.
3. Increase in competitive strength, improvement in the financial managerial and technical capabilities.

4. In case of cash consideration- amount or otherwise share exchange ratio:

Upon the proposed scheme becoming effective, Spacenet Enterprises India Ltd (SEIL) shall issue and allot its shares to each shareholder of Kling Enterprises India Limited (KEIL), whose name is recorded in the register of members on the Record date (as defined in the Scheme) in the following manner:-

"Seven (7) equity shares of Spacenet Enterprises India Ltd (SEIL) of INR 1/- each fully paid up shall be issued for every 10 (Ten) equity shares of Kling Enterprises India Ltd (KEIL) of INR 1/- each fully paid up."

5. Brief details of change in shareholding pattern (if any) of the listed entity

The Pre and post shareholding pattern of the Resulting Company

Category	Pre-demerger		Post Demerger	
	No. of Shares	(%)	No. of Shares	(%)
Promoter and Promoter Group	93,05,050	18.98 %	11,59,79,800	67.62%
Public	3,97,11,840	81.02 %	5,55,37,090	32.38%
Total	4,90,16,890	100%	17,15,16,890	100%

6. Whether listing would be sought for the resulting entity

NA – (The Resulting Company SEIL is an existing listed entity)



STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

(₹ in lakhs)

Sl. No	PARTICULARS	Three months ended			Year ended	Year ended
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
		Audited	Unaudited	Audited	Audited	Audited
1	Income from operations					
	a) Income from operations	-	53.42	-	53.42	0.06
	b) Other operating income	-	-	-	-	-
	Total income from operations	-	53.42	-	53.42	0.06
2	Other income	10.61	-	35.29	10.61	35.29
3	Total income (1+2)	10.61	53.42	35.29	64.03	35.35
4	Expenses					
	(a) Operating expenses	-	53.35	-	53.35	-
	(b) Employee benefits expense	0.75	0.46	2.41	2.13	12.36
	(c) Finance Cost	-	-	-	-	-
	(d) Depreciation expense	0.13	0.02	0.27	0.70	1.09
	(f) Other expense	2.14	2.33	3.83	11.06	14.01
	Total expenses	3.02	56.16	6.51	67.24	27.46
5	Profit/ (Loss) before exceptional items, Extra ordinary Items and tax (3-4)	7.59	(2.74)	28.78	(3.21)	7.89
6	Exceptional items	-	-	-	-	-
7	Profit/ (Loss) before tax and Extra-ordinary items (5-6)	7.59	(2.74)	28.78	(3.21)	7.89
8	Tax expense	-	-	-	-	-
9	Net Profit / (loss) after tax and before Extra-ordinary items (7-8)	7.59	(2.74)	28.78	(3.21)	7.89
10	Extra-ordinary items	-	-	-	-	-
11	Net Profit / (loss) after Extra-ordinary items (9-10)	7.59	(2.74)	28.78	(3.21)	7.89
12	Other Comprehensive Income					
	a) Items that will not be classified to profit or loss:	-	-	-	-	-
	b) Items that will be classified to profit or loss:	-	-	-	-	-
13	Total comprehensive income for the year (11+12)	7.59	(2.74)	28.78	(3.21)	7.89
14	Earnings per share for the period (in Rupees) per ₹ 1 share					
	a) Before Extra-ordinary items					
	- Basic	0.02	(0.01)	0.06	(0.01)	0.02
	- Diluted	0.02	(0.01)	0.06	(0.01)	0.02
	b) After Extra-ordinary items					
	- Basic	0.02	(0.01)	0.06	(0.01)	0.02
	- Diluted	0.02	(0.01)	0.06	(0.01)	0.02
15	Paid - up equity share capital face value ₹ 1 each	490.19	490.19	490.19	490.19	490.19
16	Reserves (excluding revaluation reserve as per the balance sheet)	-	-	-	(1,528.68)	(1,525.46)

Handwritten signature and stamp of SpaceNet Enterprises India Limited, Hyderabad.

Statement of Assets and Liabilities (Standalone)

Particulars	(₹ in Lakhs)	
	As at	As at
	31.03 2019	31.03 2018
	Audited	Audited
ASSETS		
Non-current Assets		
(a) Property, plant and equipment	-	2.87
(b) Intangible assets	2.98	3.52
(c) Financial assets		
(i) Other financial assets	12.20	0.86
(d) Other Non Current Assets	2.73	2.73
Total Non-current Assets	17.91	9.98
Current Assets		
(a) Financial assets		
(i) Trade receivables	-	-
(ii) Cash and cash equivalents	0.75	9.47
(iii) Other financial assets	1.02	-
Total Current Assets	1.77	9.47
TOTAL ASSETS	19.68	19.45
EQUITY AND LIABILITIES		
Shareholder's funds		
(a) Share capital	490.19	490.19
(b) Other Equity	(1,528.68)	(1,525.46)
TOTAL EQUITY	(1,038.49)	(1,035.27)
LIABILITIES		
Non-current Liabilities		
(a) Financial Liabilities		
Borrowings	682.76	689.76
(b) Other non-current liabilities	-	-
Total Non-current Liabilities	682.76	689.76
Current liabilities		
(a) Financial liabilities		
Trade payables	62.96	-
(b) Provisions	0.09	0.38
(c) Other current liabilities	312.36	364.58
Total Current Liabilities	375.41	364.96
TOTAL EQUITY AND LIABILITIES	19.68	19.45

Notes

- The audited standalone financial results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 23 May 2019. The Statutory auditors of the Company have reviewed the said results.
- Figures for the previous quarters/periods/year have been regrouped/ restated, wherever necessary to conform to the to the classification of the current period.
- The financial results of the company have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- The company is primarily engaged in only one reportable business segment namely "Commodity Trading". Hence segment reporting as per Ind AS 108 is not made.
- The standalone financial results are reviewed by the Statutory Auditors of the company as per Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
- The above results pertains to the Spacenet Enterprises India Limited only. The subsidiaries of the company ceased to exist during the quarter. Hence no consolidated financial results are given as per Ind AS 110..
- Northgate Investments Pte Ltd, Singapore, wholly owned subsidiary on our application stake off has been permitted.
- The aforesaid results have been filed with Stock Exchange under Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) regulations, 2015 are also available on the Stock Exchange website (www.nseindia.com) and on the website of the Company-www.spacenetent.com

Place : Hyderabad
Date : 23 May 2019



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

11.5.19 S. Karat
Satya Srikanth Karaturi
Director

NAVITHA AND ASSOCIATES

CHARTERED ACCOUNTANTS

16-11-740/75, Plot No. 84,

V.K. Dhage Nagar, Dilsukhnagar,

Hyderabad - 500 060. T.S.

Cell : 09848338091, E-mail : navitha.k@gmail.com



INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors
M/s Spacenet Enterprises India Limited
Hyderabad

1. We have audited the accompanying statement of Standalone Financial Results of **M/sSPACENET ENTERPRISES INDIA LIMITED ("the Company")** for the year ended **31st March, 2019("the statement")**, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as modified by Circular No.CIR/CFD/FAC/62/2016 dated 5th July, 2016.
2. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors, has been compiled from the related standalone financials statements which has been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatements..

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the statement. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the statement, whether due to frauds or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the statement in order to design audit procedure that are appropriate in the circumstances, but not the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting



estimates made by the management, as well as evaluating the overall presentation of the statement.

We believe that audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the statement:
 - a. Is presented in accordance with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 read with Circular No.CIR/CFD/FAC/62/2016 dated 5th July, 2016; and
 - b. Give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the Net Profit/(loss) and total comprehensive income and other financial information for the year ended 31st March, 2019.
5. The statement includes the results of the Quarter ended 31st March, 2019 being the balancing figures between the audited figures in respect of the full financial year and published year to date figures upto the third quarter of the current financial year, which are subject to limited review.

For **NavithaAnd Associates**
ICAI Firm Regn. No.012026S
Chartered Accountants

Navitha

CA.Navitha.K
Proprietor
M.No. 221085

Place :Hyderabad
Date :23rdMay, 2019



To
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Sub: Declaration u/r 33 (3) (d) with respect to unmodified opinion of the Auditors in the Audit Report

Dear Sir,

We hereby confirm and declare that the Audit Report of the Auditors is with an unmodified Opinion and it does not contain any audit observations(s), reservation(s), adverse comments(s) or qualifications(s). This declaration is submitted pursuant to Proviso 2 to the Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

For Spacenet Enterprises India Limited

K.S. Tya S. Kar

SATYA SRIKANTH KARATURI
Director
(DIN: 07733024)