



E2E Networks®

Annual Report

2018-2019

E2E Networks Limited



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Board of Directors

Mr. Tarun Dua

Managing Director

Mrs. Srishti Baweja

Whole-Time Director

Mr. Manjit Rai Dua

Non -Executive Director

Mr. Gaurav Munjal

Independent Director

Mr. Naman K. Sarawagi

Independent Director

Mr. Anurag Bhatia

Independent Director

Mr. Varun Pratap Rajda

Independent Director

Company Secretary

Mrs. Neha Baid

Chief Financial Officer

Mr. Varun Taneja

Statutory Auditors

M/S B. B. & Associates

4445/9, Jai Mata Market,
Tri Nagar, New Delhi-110035

Internal Auditors

M/s S R Goyal & Co.

Building No 2, MI Road,
Opp. Ganpati Plaza,
Jaipur-302001

Secretarial Auditors

M/s MAKS & Co.

409, Ocean Plaza, P-5,
Sector 18, Noida-201301

Bankers

Axis Bank, OBC Bank

YES Bank

Registrar & Share Transfer Agent

M/s Link Intime India Private Limited

44, Community Center,
2nd Floor, Naraina Ind. Area,
Phase 1, New Delhi-110028

Registered & Corporate Office

Awfis, First Floor, A-24/9, Mohan Cooperative Industrial Estate,
Mathura Road, Saidabad, New Delhi-110044,
Phone: +91-11-411-33905, Email: cs@e2enetworks.com,
Website: <https://www.e2enetworks.com/>
CIN: L72900DL2009PLC341980

Listed: National Stock Exchange of India Ltd (NSE) Emerge

Chairman's Message

IT IS MY PLEASURE TO COMMUNICATE WITH YOU VIA THIS LETTER. THE LAST YEAR HAS BEEN A SIGNIFICANT YEAR FOR E2E IN WHICH WE ACHIEVED KEY MILESTONE OF LISTING ON NSE EMERGE PLATFORM. THIS YEAR, THE TENTH YEAR OF THE E2E'S JOURNEY; ALTHOUGH STARTS ON A CHALLENGING NOTE BUT KEEPS US VERY EXCITED GIVEN THE HUGE OPPORTUNITIES IN THE SECTOR AND THE UNIQUE POSITIONING OF OUR COMPANY. I WOULD LIKE TO TOUCH UPON SOME OF THE SIGNIFICANT DEVELOPMENTS THAT TOOK PLACE IN THE YEAR GONE BY.

An improved cloud product

We have put major efforts in improving our cloud offering both from technology and product perspective. We are very positive about the opportunities which are present in the cloud enabled solutions for the SME and the emerging companies in India. We would like to facilitate the adoption of cloud by SMEs through development of solutions to meet their niche workload requirements. We have increased the flexibility of our infrastructure by introducing newer compute options with better configurations. Further, we have enhanced our product offering by introducing Windows, cPanel and Plesk on many of our existing compute series. Launch of GPU and Smart Dedicated Servers are also worth mentioning. We will continue to add to our offering and add more flexibility to our product to enable adoption of our compute infrastructure. We have made progress on improving the customer experience and enabling greater adoption via self-service customers. These developments continue to adhere to our philosophy of offering a superior public cloud with great value to customers.

Growth risk and opportunities

FY 18-19 has been a challenging year from growth perspective mostly due to decline of revenue from few key customers as compared to last year. However, we have maintained our investments in people and technology to be able to capture the opportunity lying ahead of us. Owing to our conscious effort of pushing for more growth amongst self-service customers, our client concentration has reduced significantly.

As per estimates around 65 percent of the compute in India is still on-premise. We see opportunities for us in enabling transition to cloud solutions among the large number of mid-scale companies in India. Our roll-out of some of the solutions last year is initial step in this direction. This transition will enable richer business data over cloud which can be used to derive better insights using analytics and AI based solutions. Thus enabling analytics and AI specific workload on our compute will be a natural progression for our product in future.

Strengthening E2E

Team E2E has grown significantly in the last one and a half years. We have on-boarded some exceptional talent to make ourselves ready for the cloud opportunity in India. Some key hires include senior management hiring in Engineering, Delivery, Sales and Marketing. These are professionals with years of experience in delivering in an agile setup like ours. We continue to add to our Engineering team as we speak. We also have ESOP plan, amongst other initiatives, to attract, retain and motivate talented employees of the Company. We have initiated various knowledge sharing initiatives at E2E with keen participation of engineers both internally and externally. This will help in further establishing ourselves as an industry leader.

Future Course

We have frequently deliberated internally about the trade-off between the long-term growth and immediate profitability. It remains a difficult balancing act with one superseding other based on where one is in its journey. Given the massive opportunity in our space we feel it is crucial to continue to make investments in people and technology which will lead to better adoption of our cloud platform. Despite growth headwinds we have continued to make these investments. We will continue to focus on improving our public cloud product on various aspects including customer experience. We have planned launch of various products and new features in the coming year. We believe these launches will help us in augmenting our growth in the medium-term. We will be communicating to you on the launches on a regular basis.

Finally, I would like to thank you for your support, consistent commitment, engagement and encouragement. We continue to seek your participation in our journey of growth.

Warm Regards,

Sd/-

Tarun Dua

Chairman & Managing Director

Boards' Report

Dear Members,

Your Directors have pleasure in presenting the 10th Annual Report on the business and operations of your Company, along with the Audited Financial Statements, for the Financial year ended on March 31, 2019.

FINANCIAL SUMMARY OF OPERATIONS

The financial performance during the Financial Year 2018-19 is summarized below:

(Amount in ₹ Lacs)

Particulars	Standalone	
	FY 18-19	FY 17-18
Revenue from operations	3375.40	3603.75
Total Expenditure other than finance cost and depreciation	2282.63	1818.37
Earnings before Interest, Tax and Depreciation (EBITDA)	1092.77	1785.38
Other Income	45.07	25.92
Depreciation	882.88	974.16
Finance Costs	12.78	29.91
Profit/(Loss) before tax (PBT)	242.18	807.23
Provision for Tax: Current	113.78	341.09
Earlier Year Tax	(0.71)	-
Deferred Tax	(44.20)	(109.81)
Net Profit for the Year(PAT)	173.31	575.95
Basic EPS (in ₹)	1.24	5.05
Diluted EPS (in ₹)	1.23	5.03

The Revenue from operations of E2E Networks Limited ("The Company" / "E2E Networks") for the year ended, March 31, 2019 was ₹3375.40 lacs as compared to ₹3603.75 lacs during the previous year ended March 31, 2018. The decline in revenue is due to churn among few key customers.

The Profit after tax for the year under review was ₹173.31 lacs as compared to ₹575.95 lacs for the previous year.

Basic earnings per share was ₹1.24 for the year ended March 31, 2019 as compared to ₹5.05 for the previous year ended March 31, 2018.

The decline in revenue as well as continued investments in building our capabilities, broadly fixed overheads have impacted our profitability in FY 18-19 as compared to FY 17-18. However, with increased focus on self-service signups the Company has reduced its revenue concentration from top clients significantly. A detailed analysis of the financial results is given in the Management Discussion and Analysis Report, which forms a part of this report.

FUTURE PROSPECTS:-

E2E Networks is well positioned to deliver in the major growth areas of the Public Cloud Infrastructure services in the coming years in India. The current trends in (a) digital transformation, (b) IoT and smart devices, (c) AI, (d) Machine Learning and Deep Learning, and (e) the movement of SMEs to the public cloud are very encouraging for the growth of cloud infrastructure in India. These trends will enable your company in growing its revenue and customer base in future. Further, your Company is looking for newer avenues in cloud infrastructure products and services.

BRIEF DESCRIPTION OF THE STATE OF THE COMPANY'S AFFAIRS

E2E Networks is the largest listed Indian Public Cloud infrastructure company in India. The Company offers a superior public cloud platform with great value to its customers. The company continues to innovate to enable usage for niche workloads of the emerging digital and smaller enterprises in India. E2E Networks public cloud is a High-Performance Cloud with amongst the best availability, high reliability and advanced technical stacks. E2E Networks has built its own cloud platform based on open source technologies to avoid any vendor lock-in.

CHANGE IN THE NATURE OF BUSINESS

There is no Change in the nature of the business of the Company during the year under review.

INITIAL PUBLIC OFFER AND LISTING AT NSE EMERGE

During the year under review, the Company came up with IPO on May 3, 2018 of 38,58,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 57/- per equity shares (including a share premium of ₹ 47/- per equity shares) aggregating ₹ 2199.06 lacs comprising of fresh issue of 27,50,000 equity shares aggregating up to ₹ 1567.50 lacs and an offer for sale of 11,08,000 equity shares aggregating to ₹ 631.56 lacs. The IPO received a huge response and received subscription up-to 70 times. Details of utilization of funds received under the aforesaid IPO have been provided in the financial statements of the Company.

The equity shares of your company have been listed on SME platform of National Stock Exchange of India Ltd (NSE) i.e. NSE Emerge w.e.f. May 15, 2018. The Annual listing fees have been paid to NSE.

CORPORATE GOVERNANCE

Since Your Company is listed on SME Emerge Platform of NSE, by virtue of Regulation 15 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V are not applicable to the Company. Hence, Corporate Governance Report does not form part of this Annual Report.

DIVIDEND

In order to conserve resources for future requirements and considering the future expansion plans, the Board has decided to retain the profits generated and consequently your Board has not recommended any dividend for the financial year ended March 31, 2019.

RESERVES

The Directors do not propose to transfer any amount to the Reserves and retained the Profits of the Company for various expansion purposes.

SHARE CAPITAL

Consequent to IPO related allotment on May 11, 2018, the issued and paid up capital of the Company was enhanced to ₹ 14,24,51,100 divided into 1,42,45,110 equity shares of face value of Rs. 10 each.

The share capital of the Company further increased due to allotment of 46,004 equity shares on account of exercise of stock options issued to Employees under E2E ESOS SCHEME 2018. The current issued and paid up capital of the Company therefore stands increased to ₹ 14,29,11,140 divided into 1,42,91,114 equity shares of face value of Rs. 10 each.

The Board of Directors in its meeting held on July 22, 2019, subject to approval of shareholders in the ensuing Annual General Meeting, has approved the preferential allotment of 1,84,000 warrants of at an issue price of Rs. 43.02 convertible into 1,84,000 equity shares of the Company in accordance with SEBI (ICDR) Regulations, 2018 and Section 42, 62 and other applicable provisions of the Companies Act, 2013. Terms and conditions of the warrants including conversion has been provided in the notice of ensuing Annual General meeting.

EMPLOYEE STOCK OPTION PLANS/SCHEMES

The Objective of Employee Stock Option Scheme is to give benefit to eligible employees with a view to attract and retain the best talent, encourage employees to align individual performance with company objectives, and promote increased participation by them in the growth of the Company.

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia administers and monitors the Employee Stock Option Schemes of the Company i.e E2E ESOS Scheme 2018 in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines'). Details as required under the SEBI Guidelines for E2E ESOS Scheme 2018 have been uploaded on the website of the Company and can be accessed through the link <https://www.e2enetworks.com/wp-content/uploads/2019/07/FY-2018-192.pdf>.

In terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations') the Company has to specifically (a) mention about the provisions relating to vesting of options in case of death of an employee (b) provide certain disclosures in the explanatory statement of the notice sent to shareholders while obtaining the approval of any ESOP scheme. The Company, inadvertently, missed to comply with above provisions while obtaining approval of shareholders for ESOP Scheme 2018. Hence, it is proposed to obtain approval/ratification of shareholders in the ensuing Annual General Meeting. The proposed amendment in the ESOP Scheme 2018 is not prejudicial to interests of the employees of the Company and will be beneficial to them.

Further, the Company has received a certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the members. The certificate would be placed at the Annual General Meeting for

inspection by members.

PUBLIC DEPOSITS

During the year under review, your Company has neither invited nor accepted any fixed deposits from the public within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

AUDITORS AND AUDIT REPORT

STATUTORY AUDITORS

M/s B.B. & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company for a term of five consecutive years at the Annual General Meeting held on September 28, 2018. They have confirmed that they are not disqualified from continuing as Auditors of the Company. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. The observations of the Statutory Auditors in the Auditors' Report together with the relevant notes to Accounts in Schedules are self-explanatory and therefore do not call for any further explanation.

SECRETARIAL AUDITORS

The Board had appointed M/s MAKs & Co., Company Secretaries [FRN P2018UP067700] for conducting Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is annexed herewith as **Annexure-A** to this report. The Secretarial Audit Report does not contain any qualification, reservation, and adverse remark for the period under review.

With reference to Point 5 (iv) of Secretarial Audit Report, it is to be noted that during the year under review, the Company has suo-moto applied for compounding to RBI in respect of inadvertent non-compliance of some of the provisions of Foreign Exchange Management Act, 1999 in relation to the foreign investments received by the Company and shares allotted to foreign Investor in lieu thereof during the year 2011 and 2013.

BOARD MEETINGS

The Board of Directors of the Company met seven times during the year under review. The gap between two meetings did not exceed one hundred and twenty days. The Board Composition of the Company as on March 31, 2019 is as follows:

S. No.	Name of Director	Designation
1	Tarun Dua	Managing Director
2	Srishti Baweja	Whole Time Director
3	Manjit Rai Dua	Non-Executive Director
4	Mr. Varun Pratap Rajda	Independent Director
5	Mr. Gaurav Munjal	Independent Director
6	Mr. Naman K. Sarawagi	Independent Director

* Mr. Anurag Bhatia was appointed as Additional Director (Independent and Non- Executive) w.e.f May 16, 2019.

During the year under review, the Board of the Company met 7 times viz April 21, 2018, May 8, 2018, May 11, 2018, August 4, 2018, August 21, 2018, November 12, 2018 and March 11, 2019.

The detail of attendance of Directors at the Board Meeting is as under:-

S. No.	Name of Director	No. of Meetings attended
1	Manjit Rai Dua	7
2	Tarun Dua	6
3	Srishti Baweja	7
4	Gaurav Munjal	6
5	Varun Pratap Rajda	5
6	Naman Kailashprasad Sarawagi*	-

* Mr. Naman Kailashprasad Sarawagi was appointed on Board w.e.f February 18, 2019.

COMMITTEE MEETINGS

A. AUDIT COMMITTEE

The composition of Audit Committee of the Company as on March 31, 2019 is as follows:-

S. No.	Name of Member	Designation
1	Mr. Varun Pratap Rajda - Independent Director	Chairman
2	Mr. Gaurav Munjal - Independent Director	Member
3	Mr. Manjit Rai Dua - Non Executive Director	Member

Note: 1) Mr. Gaurav Munjal was appointed as Chairman of Committee in place of Mr. Varun Pratap Rajda w.e.f April 9, 2019.

2) Mr. Naman K. Sarawagi, Independent Director was appointed as Member of Committee w.e.f April 9, 2019.

The Board has accepted all recommendations of the Audit Committee made during the financial year 2018-19.

During the year under review, the Audit Committee of the Company met 4 times viz August 4, 2018, August 21, 2018, November 12, 2018 and March 11, 2019.

The detail of attendance of Members at the Audit Committee Meeting is as under:-

S. No.	Name of Member	No. of Meetings attended
1	Mr. Manjit Rai Dua	4
2	Mr. Gaurav Munjal	4
3	Mr. Varun Pratap Rajda	4

B. NOMINATION AND REMUNERATION COMMITTEE

The composition of Nomination and Remuneration Committee of the Company as on March 31, 2019 is as follows:-

S. No.	Name of Member	Designation
1	Mr. Varun Pratap Rajda - Independent Director	Chairman
2	Mr. Gaurav Munjal - Independent Director	Member
3	Mr. Manjit Rai Dua - Non Executive Director	Member

Note: 1) Mr. Naman K. Sarawagi, Independent Director was appointed as Member of Committee w.e.f April 9, 2019.

During the year under review, the Nomination and Remuneration Committee of the Company met two times on August 4, 2018 and March 11, 2019.

The detail of attendance of Members at the Nomination and Remuneration Committee Meeting is as under:-

S. No.	Name of Member	No. of Meetings attended
1	Mr. Manjit Rai Dua	2
2	Mr. Gaurav Munjal	2
3	Mr. Varun Pratap Rajda	2

C. STAKEHOLDER RELATIONSHIP COMMITTEE

The composition of Stakeholder Relationship Committee of the Company as on March 31, 2019 is as follows:-

S. No.	Name of Member	Designation
1	Mr. Gaurav Munjal - Independent Director	Chairman
2	Mr. Varun Pratap Rajda - Independent Director	Member
3	Mr. Manjit Rai Dua - Non Executive Director	Member

Note: 1) Mr. Naman K. Sarawagi, Independent Director was appointed as Member of Committee w.e.f April 9, 2019.

During the year under review, the Stakeholder Relationship Committee of the Company met once on August 4, 2018. The detail of attendance of Members at the Committee Meeting is as under:-

S. No.	Name of Member	No. of Meetings attended
1	Manjit Rai Dua	1
2	Gaurav Munjal	1
3	Varun Pratap Rajda	1

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The composition of Corporate Social Responsibility Committee of the Company as on March 31, 2019 is as follows:-

S. No.	Name of Member	Designation
1	Mrs. Srishti Baweja	Chairman
2	Mr. Gaurav Munjal - Independent Director	Member
3	Mr. Varun Pratap Rajda - Independent Director	Member

Note: 1) Mr. Naman K. Sarawagi, Independent Director was appointed as Member of Committee w.e.f April 9, 2019.

No meeting of Corporate Social Responsibility Committee was held during the year under review.

E. INTERNAL COMPLAINT COMMITTEE

The composition of Internal Complaint Committee of the Company as on March 31, 2019 is as follows:-

S. No.	Name of Member	Designation
1	Mrs. Srishti Baweja	Chairman and Presiding Officer
2	Mrs. Neelam Regina Topno	External Member
3	Ms. Saima Kauser	Member
4	Ms. Preeti Deewani*	Member
5	Mr. Sumit Bansal**	Member
6	Ms. Tripti Sinha***	Member

Note: * Ms. Preeti Deewani ceased to be Member w.e.f September 13, 2018 due to her resignation.

** Appointed as Member w.e.f November 29, 2018 and ceased to be Member on March 11, 2019 due to his resignation

*** Appointed as Member w.e.f November 29, 2018

During the year under review, the Internal Complaint Committee ("ICC Committee") of the Company met 2 times viz August 4, 2018 and January 14, 2019. Mrs. Srishti Baweja, being a member of ICC Committee has attended both the aforesaid meetings.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint-venture or associate companies.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the financial year ended 31st March, 2019, no loan, guarantee and investment was made by the Company in terms of Section 186 of the Companies Act, 2013 and rules made there under.

REPORT ON FRAUDS U/S 143 (12) OF THE COMPANIES ACT, 2013

The Auditors during the performance of their duties have not identified any offence of fraud committed by the company or its officers or employees. This is also being supported by the report of the auditors of the Company for the F.Y. ended March 31, 2019. Therefore, no frauds have been reported to the Central Government under Section 143 (12) of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF FINANCIAL YEAR

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2018-19 and date of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy and technology absorption at all operational levels and efforts are made in this direction on a continuous basis.

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3)(m) of the Act, read with rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence have not been provided.

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. The Company has incurred expenditure of ₹38.98 lacs (previous year: ₹ 19.44 lacs) in foreign exchange and earned ₹ 114.54 lacs (previous year ₹130.01 lacs) in foreign exchange during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

To the best of management knowledge, no significant and material orders were passed by regulators or courts or tribunals which could impact the going concern status and company's operation in future.

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and Sub-section (3) of Section 92 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is attached as **Annexure-B** and forms part of this Annual Report. The same is also being uploaded on the website of the Company and can be accessed through the link <https://www.e2enetworks.com/wp-content/uploads/2019/07/FY-2018-19.pdf>.

RISK MANAGEMENT

The Company is not required to form a Risk Management Committee. However, the Company has developed and implemented a risk management policy for identifying the risk associated with business of the Company and measures to be taken by including identification of elements of risk and measures to control them.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate Internal Control System, commensurate with size, scale and complexity of its operations. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensure compliance of corporate policies. It has continued its efforts to align all its processes and controls with global best practices.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Policy (CSR Policy) adopted by Board is available on the website of the Company and is accessible through the link <https://www.e2enetworks.com/wp-content/uploads/2019/06/CSR-Policy.pdf>

During the year under review, in order to carry out its CSR obligations under the Companies Act, 2013 on regular basis, the Company has entered into an MOU on February 18, 2019 with Ved Prakash Mukund Lal Educational Society, a registered society formed essentially to promote education and skill development among students. Accordingly, The Company has also contributed an amount of Rs. 3 Lakhs towards its CSR initiatives on June 14, 2019. The Annual Report on CSR activities of the Company has been attached as **Annexure-C** and forms part of this Board Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report and shall be considered as integral part of this report.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

In terms of the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, a formal annual performance evaluation has been done by the Board of its own performance, the Directors individually as well as the evaluation of its Committees. The performance of the Board was evaluated by the Board after seeking feedback from all the Directors on the basis of the parameters/criteria, such as, degree of fulfilment of key responsibility by the Board, Board Structures and Composition, establishment and delineation of responsibilities to the Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics and, Quality of relationship between the Board and the Management. The performance of the committees was evaluated by the Board after seeking feedback from Committee members on the basis of parameters/criteria such as degree of fulfilment of key responsibilities, adequacy of committee composition, effectiveness of meetings, committee dynamics and, quality of relationship of the committee with the Board and the Management.

Independent Directors of the Company in their separate meeting held on 20th March, 2019 reviewed the performance of the non-independent directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

The Board of Directors of the Company has optimum combination of executive and non-executive directors including independent directors and woman directors in compliance with the applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the members of the Company in their Annual General Meeting held on September 28, 2018 approved the appointment of Mr. Varun Pratap Rajda and Mr. Gaurav Munjal as a Non-Executive Independent Director to hold office for a period of five consecutive years from the date of their appointment as additional director of the Company i.e upto February 8, 2023.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Tarun Dua (DIN:02696789), Managing Director of the Company, will be retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. A brief resume, details of expertise and other directorships/committee memberships held by Mr. Tarun Dua forms part of Notice convening the 10th Annual General Meeting. The Board recommends his re-appointment to the members of the Company at the ensuing Annual General Meeting. It is also proposed to obtain approval of shareholders for payment of remuneration to Mr. Tarun Dua in accordance with Schedule V of the Companies Act, 2013. Details of same have been provided in the AGM notice.

During the year under review, Mr. Naman KailashPrasad Sarawagi was appointed as an Additional Director (Independent and Non-Executive) of the Company with effect from February 18, 2019.

Subsequent to the year under review, Mr. Anurag Bhatia has been appointed as an Additional Director (Independent and Non- Executive) of the Company with effect from May 16, 2019.

Pursuant to the provisions of section 161 of the Companies Act, 2013 and other applicable provisions, an additional Director shall hold office up to the date of ensuing AGM unless the appointment is approved by shareholders. Accordingly, the Company has received notices under section 160 of the Companies Act, 2013 from shareholder proposing candidatures of Mr. Naman KailashPrasad Sarawagi and Mr. Anurag Bhatia for the office of Non-Executive Independent Directors of the Company. It is proposed to appoint them as Non-Executive Independent Directors for a period of five consecutive years from the date of their appointment as additional director of the Company.

All the Independent Directors have given declarations that they meet the Criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, in the opinion of the Board, the independent directors fulfill the conditions specified in Listing Regulations and they are independent of the management.

KEY MANAGERIAL PERSONNEL

During the year under review Ms. Bharti Sharma, Company Secretary Cum Compliance Officer of the Company has resigned w.e.f July 09, 2018 and Mr. Sumit Bansal was appointed as Company Secretary Cum Compliance Officer w.e.f. August 04, 2018. Mr. Sumit Bansal also resigned w.e.f March 11, 2019 and Mrs. Neha Baid was appointed as Company Secretary Cum Compliance Officer of the Company w.e.f March 11, 2019.

Further, during the year under review, Mr. Gaurav Agarwal, Chief Financial Officer of the Company resigned w.e.f March 11, 2019 and Mr. Varun Taneja was appointed as Chief Financial Officer of the Company w.e.f March 11, 2019.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

Your Company believes in ethical and lawful business conduct and strives to carry on its business activities in fair, transparent and professional manner. Pursuant to the provisions of section 177 of the Companies Act, 2013 and other applicable provisions, the Company has adopted a Vigil Mechanism/Whistle Blower Policy for securing/ reporting/ deterring/ punishing/ rectifying any unethical, unlawful acts, behaviour, leak/suspected leak of Unpublished Price Sensitive information etc. and to enable to voice/ address bona fide concern of malpractice, deviation from the policies of the Company internally in an effective and systematic manner after its discovery. The policy also provide for adequate safeguards against victimization of persons who use such mechanism and also make provisions for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The said policy is available on the Company's website and can be assessed through the link <https://www.e2enetworks.com/wp-content/uploads/2019/05/Whistle-Blower-Policy-1.pdf>

During the year under review, no complaint pertaining to the company was received under the Whistle Blower Policy/Vigil mechanism.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

The Company has no employee, who is in receipt of remuneration of Rs. 8,50,000 per month/-or Rs. 1,02,00,000 per annum and hence, the company is not required to give their information under Sub Rule 2 and 3 of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further the details pursuant to Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached herewith as **Annexure-D** and the names and other particulars of top ten employees in terms of remuneration drawn by them Pursuant to Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached herewith as **Annexure-E**.

NOMINATION AND REMUNERATION POLICY

The Board has adopted Nomination and Remuneration Policy for selection and appointment of Directors and Key managerial personnel and to decide their remuneration. The Nomination and Remuneration Policy of the Company acts as a guideline for determining, inter alia, qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Director and Key Managerial Personnel. The said policy of the Company has been uploaded on the website of the Company and can be assessed through the link https://www.e2enetworks.com/wp-content/uploads/2019/05/Policy_Nomination-Remuneration-of-directors.pdf.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties during the financial year under review were in the ordinary course of business and on an arm's length basis. The details of the transactions with related parties are provided in the notes to accompanying standalone financial statements. Details of transactions pursuant to compliance of section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 are annexed herewith as per **Annexure-F** in the FORM AOC-2.

All Related Party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of unforeseen and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee for their review on a quarterly basis. The policy on Related Party Transactions, as approved by the Board, has been uploaded on the Company's website and can be accessed through the link <https://www.e2enetworks.com/wp-content/uploads/2019/05/Policy-on-Related-Party-Transactions.pdf>

During the financial year 2018-19, there were no transactions with related parties which qualify as material transactions under the applicable provisions of the Companies Act, 2013 and SEBI (LODR).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended March 31, 2019;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
- f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY AGAINST SEXUAL HARASSMENT

The Company has in place a Policy for prevention, prohibition and redressal of Sexual Harassment of Women at workplace in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under. An Internal Complaint Committee (ICC) is in place as per the requirements of the said Act to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No

case has been reported during the year under review.

MAINTENANCE OF COST RECORDS

The maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not applicable to the Company as the company does not fall under any of the category prescribed under Section 148(1) of Companies Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the financial year under review, the Company has complied with applicable Secretarial Standards on Board and General Meetings specified by the Institute of Company Secretaries of India pursuant to Section 118 of the Companies Act, 2013.

HUMAN RESOURCE MANAGEMENT

Your Company considers its human resources as an important asset and endeavours to nurture, groom and retain talent to meet the current and future needs of its business. During the year under review the human resource department along with support of management continued to proactively work on several initiatives to overcome the challenges faced by the organization to retain the existing employees as well as attract good talent from the market. These initiatives include regular management discussions, acknowledgement of employees' accomplishments, offering role enhancements with larger accountabilities, and maintaining transparency with them. This has helped the Company in building their confidence and trust in the Company. We continue to provide conducive work environment and opportunities for development of employees.

APPRECIATIONS AND ACKNOWLEDGEMENT

The Board places on record its appreciation for the continued co-operation and support extended to the Company by its customers which enables the Company to make every effort in understanding their unique needs and deliver maximum customer Satisfaction.

We place on record our appreciation of the contribution made by the employees at all levels, whose hard work, co-operation and support helped us face all challenges and deliver results. We acknowledge the support of our vendors, the regulators, the esteemed league of bankers, financial institutions, rating agencies, government agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and other stakeholders.

On behalf of the Board of Directors

Place: New Delhi
Date: July 22, 2019

Sd/-
Tarun Dua
Managing Director
DIN:02696789

Sd/-
Srishti Baweja
Whole Time Director
DIN:08057000

MR-3
Secretarial Audit Report
For the Financial period ended 31st March 2019

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

To,

The Members,

E2E NETWORKS LIMITED

Awfis, First Floor, A-24/9,
Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi - 110 044

CIN: L72900DL2009PLC341980

We have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. E2E Networks Limited (hereinafter called "the Company"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the E2E Networks Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March 2019 (Commencing from April 1, 2018 to March 31, 2019), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter / confirmation received from the management, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter dated July 01, 2019 annexed to this report as Annexure - A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on 31st March 2019 according to the applicable provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - I. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - II. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - III. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - IV. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - V. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
 - VI. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit period);
 - VII. The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients to the extent of securities issued; and
 - VIII. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period).

2. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents, records, management confirmations in pursuance thereof, on test check basis, the Company has complied with Information Technology Act, 2000 and the rules made there under, applicable specifically to the Company, during the financial year 01st April 2018 to 31st March 2019.

3. We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings; and
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI (LODR) Regulations, 2015") and the Listing Agreement entered into by the Company with the National Stock Exchange of India Limited (hereinafter referred as "the NSE").

4. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned above.

5. We further report that:

- i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings was sent at least seven days in advance and where any Board Meeting was held on shorter notice the same was conducted in compliance with the Act. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Decisions of Board/Committee were carried through majority. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- iv) We further report that during the audit period the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc.:

In relation to the foreign investments received by the Company in preceding years, the Company voluntarily filed a compounding application to the Reserve Bank of India ("RBI") for contravention of regulations of Foreign Exchange Management Act, 1999 on November 14, 2018 with respect to (i) delay in reporting of inwards remittance received during financial year 2010-11 for issuance of shares; (ii) delay in filing Form FC-GPR after issue of shares; and (iii) delay in issue of shares beyond 180 days in terms of Para 9(1)(A) and Para 9(1)(B) and 8 of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a Person resident outside India) Regulations, 2000.

The aforesaid application was accordingly disposed by the competent authority of the RBI on April 2, 2019 with a compounding amount of Rs. 84,553/-. The Compounded amount was deposited with RBI by the Company on April 5, 2019.

**For M/s. MAKS & Co.,
Company Secretaries
[FRN P2018UP067700]**

**Sd/-
Mohit Maheshwari
Partner**

**Membership No.: F9565
Certificate of Practice: 19946**

**Date: July 01, 2019
Place: Noida**

Annexure -A to Secretarial Audit Report dated July 01, 2019

To,

**The Members,
E2E NETWORKS LIMITED**

Awfis, First Floor, A-24/9,
Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi - 110 044
CIN: L72900DL2009PLC341980

Our Secretarial Audit Report dated July 01, 2019 is to be read with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. MAKS & Co.,
Company Secretaries
[FRN P2018UP067700]**

**Date: July 01, 2019
Place: Noida**

**Sd/-
Mohit Maheshwari
Partner
Membership No.: F9565
Certificate of Practice: 19946**

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019
{Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014}

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L72900DL2009PLC341980
ii)	Registration Date	20.08.2009
iii)	Name of the Company	M/s E2E Networks Limited
iv)	Category /Sub- Category of the Company	Company Limited by shares Non-Government Company
v)	Address of the Registered Office and Contact Details	Awfis, 1st Floor, A-24/9, Mohan Cooperative Industrial Estate, Mathura Road, Saidabad, New Delhi - 110044
vi)	Whether Listed Company (Yes/No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Private Limited Noble Heights, 1st Floor, Plot NH 2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 Ph.: 011 49411000 Email: Delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Cloud Computing and Hosting Services	631	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
-	-	-	-	-	-

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

i. Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the Year (01.04.2018)				No. of Shares held at the end of the Year (31.03.2019)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	8291477	8291477	72.13	8051613	-	8051613	56.34	-15.79
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	8291477	8291477	72.13	8051613	-	8051613	56.34	-15.79
(2) Foreign									
a) NRIs- Individuals	-	416485	416485	3.62	290918	-	290918	2.04	-1.58
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-

d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2):	-	416485	416485	3.62	290918	-	290918	2.04	-1.58
Total shareholding of Promoter (A)=(A)(1)+(A) (2)	-	8707962	8707962	75.75	8342531	-	8342531	58.38	-17.37
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	1713308	1713308	14.91	1196760	-	1196760	8.38	-6.53
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) other (Specify)									
a) Alternate Investment Funds	-	749673	749673	6.52	523652	-	523652	3.66	-2.86
b) Foreign Portfolio Investors	-	-	-	-	334000	-	334000	2.34	+2.34
Sub-Total (B) (1)	-	2462981	2462981	21.43	2054412	-	2054412	14.38	-7.05
2.Non- Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	322000	-	322000	2.25	+2.25
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	985985	-	985985	6.90	+6.90
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	324167	324167	2.82	1360004	324167	1684171	11.78	+8.96
c) Others (Specify)									
i) NRI (Repat)	-	-	-	-	38000	-	38000	0.27	+0.27
ii) NRI (Non Repat)	-	-	-	-	16000	-	16000	0.11	+0.11
iii) Clearing Member	-	-	-	-	140015	-	140015	0.98	+0.98
iv) Trusts	-	-	-	-	452000	-	452000	3.16	+3.16
v) HUF	-	-	-	-	256000	-	256000	1.79	+1.79
Sub-total (B)(2)	-	324167	324167	2.82	3570004	324167	3894171	27.24	+24.42
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	2787148	2787148	24.25	5624416	324167	5948583	41.62	+17.37
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	11495110	11495110	100.00	13966947	324167	14291114	100	-

ii. Shareholding of Promoters

Sl. NO.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tarun Dua	7760695	67.51%	NIL	7760695	54.30	NIL	-13.21
2.	Suchinta Baweja	416485	3.62%	NIL	290918	2.04	NIL	-1.58
3.	Shailly Dua	416485	3.62%	NIL	290918	2.04	NIL	-1.58
4.	Manjit Rai Dua	114297	1.00%	NIL	0	0	NIL	-1.00
	Total	8707962	75.75%	NIL	8342531	58.38	NIL	-17.37

iii. Change in Promoters Shareholding (Please Specify, if there is no change)

Sl. NO.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1.	Tarun Dua				
	At the beginning of the year	7760695	67.51	7760695	67.51
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	Decrease in percentage shareholding due to allotment of shares to other shareholders on 11.05.2018 pursuant to IPO	0	-13.03	7760695	54.48
	Decrease in percentage shareholding due to allotment of shares to eligible employees on 04.02.2019 pursuant to ESOP Scheme of the Company.	0	-0.18	7760695	54.30
	At the End of the Year	7760695	54.30	7760695	54.30
2.	Suchinta Baweja				
	At the beginning of the year	416485	3.62	416485	3.62
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)				
	Sale of shares on 11.05.2018	-125567	-1.58	290918	2.04
	At the End of the Year	290918	2.04	290918	2.04
3.	Shailly Dua				
	At the beginning of the year	416485	3.62	416485	3.62
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity etc)				
	Sale of shares on 11.05.2018	-125567	-1.58	290918	2.04
	At the End of the Year	290918	2.04	290918	2.04

4.	Manjit Rai Dua				
	At the beginning of the year	114297	1.00	114297	1.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity etc)				
	Sale of shares on 11.05.2018	-114297	-1.00	0	0
	At the End of the Year	0	0	0	0

Except the above change, there is no other change in the Promoter's Shareholding during the year under review.

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

SI. NO.	For each of Top 10 Shareholders	SHAREHOLDING		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Blume Ventures Fund I				
	At Beginning of the Year	1713308	14.91	1713308	14.91
	Sale of shares on 11.05.2018	-516548	-6.54	1196760	8.40
	Decrease in percentage shareholding due to allotment of shares to eligible employees on 04.02.2019 pursuant to ESOP Scheme of the Company.	0	-0.03	1196760	8.37
	At the end of year	1196760	8.37	1196760	8.37
2.	Blume Ventures Fund IA				
	At Beginning of the Year	749673	6.52	749673	6.52
	Sale of shares on 11.05.2018	-226021	-2.84	523652	3.68
	Decrease in percentage shareholding due to allotment of shares to eligible employees on 04.02.2019 pursuant to ESOP Scheme of the Company.	0	-0.02	523652	3.66
	At the end of year	523652	3.66	523652	3.66
3.	Freeman Murray				
	At Beginning of the Year	324167	2.82	324167	2.82
	Decrease in percentage shareholding due to allotment of shares to other shareholders on 11.05.2018 pursuant to IPO	0	-0.54	324167	2.28
	Decrease in percentage shareholding due to allotment of shares to eligible employees on 04.02.2019 pursuant to ESOP Scheme of the Company.	0	-0.01	324167	2.27
	At the end of year	324167	2.27	324167	2.27
4.	Airavat Capital Trust				
	At Beginning of the Year	0	0	0	0
	Purchase on 11.05.2018	+206000	+1.44	206000	1.44
	Purchase on 25.05.2018	+26000	+0.18	232000	1.62
	Purchase on 01.06.2018	+70000	+0.49	302000	2.11
	Purchase on 13.07.2018	+2000	+0.02	304000	2.13
	Purchase on 20.07.2018	+26000	+0.18	330000	2.31
	Purchase on 27.07.2018	+12000	+0.08	342000	2.39
	Purchase on 07.09.2018	+26000	+0.19	368000	2.58
	Purchase on 14.09.2018	+60000	+0.41	428000	2.99
	Purchase on 21.09.2018	+24000	+0.18	452000	3.17

	Decrease in percentage shareholding due to allotment of shares to eligible employees on 04.02.2019 pursuant to ESOP Scheme of the Company.	0	-0.01	452000	3.16
	At the end of year	452000	3.16	452000	3.16
5.	Airavat Capital Holdings				
	At Beginning of the Year	0	0	0	0
	Purchase on 11.05.2018	+84000	+0.59	84000	0.59
	Purchase on 25.05.2018	+10000	+0.07	94000	0.66
	Purchase on 01.06.2018	+38000	+0.26	132000	0.92
	Purchase on 13.07.2018	+4000	+0.03	136000	0.95
	Purchase on 20.07.2018	+24000	+0.17	160000	1.12
	Purchase on 27.07.2018	+14000	+0.10	174000	1.22
	Purchase on 03.08.2018	+2000	+0.01	176000	1.23
	Purchase on 07.09.2018	+14000	+0.10	190000	1.33
	Purchase on 14.09.2018	+36000	+0.25	226000	1.58
	Purchase on 21.09.2018	+14000	+0.10	240000	1.68
	At the end of year	240000	1.68	240000	1.68
6.	Tripat Kaur				
	At Beginning of the Year	0	0	0	0
	Purchase on 11.05.2018	+196000	+1.37	196000	1.37
	Purchase on 01.06.2018	+30000	+0.21	226000	1.58
	At the end of year	226000	1.58	226000	1.58
7.	Tripat Kaur				
	At Beginning of the Year	0	0	0	0
	Purchase on 11.05.2018	+108000	+0.76	108000	0.76
	At the end of year	108000	0.76	108000	0.76
8.	Ashok Kumar				
	At Beginning of the Year	0	0	0	0
	Purchase on 30.06.2018	+4000	+0.03	4000	0.03
	Purchase on 06.07.2018	+10000	+0.07	14000	0.10
	Purchase on 20.07.2018	+16000	+0.11	30000	0.21
	Purchase on 10.08.2018	+28000	+0.20	58000	0.41
	Purchase on 24.08.2018	+10000	+0.07	68000	0.48
	Purchase on 05.10.2018	+46000	+0.32	114000	0.80
	Sale on 16.11.2018	-10000	-0.07	104000	0.73
	Sale on 07.12.2018	-10000	-0.07	94000	0.66
	At the end of year	94000	0.66	94000	0.66
9.	Saint Capital Fund				
	At Beginning of the Year	0	0	0	0
	Purchase on 08.03.2019	+50000	+0.35	50000	0.35
	Purchase on 15.03.2019	+44000	+0.31	94000	0.66
	At the end of year	94000	0.66	94000	0.66
10.	Maverick Share Brokers Private Limited				
	At Beginning of the Year	0	0	0	0
	Purchase on 11.05.2018	+206000	+1.44	206000	1.44
	Sale on 25.05.2018	-4000	-0.03	202000	1.41
	Purchase on 01.06.2018	+2000	+0.02	204000	1.43

Sale on 15.06.2018	-2000	-0.02	202000	1.41
Sale on 03.08.2018	-24000	-0.16	178000	1.25
Sale on 10.08.2018	-2000	-0.02	176000	1.23
Purchase on 24.08.2018	+2000	+0.02	178000	1.25
Purchase on 31.08.2018	+2000	+0.01	180000	1.26
Sale on 05.10.2018	-2000	-0.01	178000	1.25
Purchase on 26.10.2018	+2000	+0.01	180000	1.26
Sale on 07.12.2018	-4000	-0.03	176000	1.23
Sale on 14.12.2018	-2000	-0.01	174000	1.22
Purchase on 11.01.2019	+2000	+0.01	176000	1.23
Sale on 18.01.2019	-2000	-0.01	174000	1.22
Sale on 08.03.2019	-50000	-0.35	124000	0.87
Sale on 15.03.2019	-44000	-0.31	80000	0.56
At the end of year	80000	0.56	80000	0.56

Note: Top ten shareholders of the Company as on March 31, 2019 has been considered for the above disclosure.

v. Shareholding of Directors and Key Managerial Personnel:

SI. NO.		SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
	For Each of the Directors and KMP				
1.	Mr. Tarun Dua				
	At the beginning of the year	7760695	67.51	7760695	67.51
	Decrease in percentage shareholding due to allotment of shares to other shareholders on 11.05.2018 pursuant to IPO	0	-13.03	7760695	54.48
	Decrease in percentage shareholding due to allotment of shares to eligible employees on 04.02.2019 pursuant to ESOP Scheme of the Company.	0	-0.18	7760695	54.30
	At the End of the Year	7760695	54.30	7760695	54.30
2	Mr. Naman Kailash Prasad Sarawagi				
	At the Beginning of the year	0	0	0	0
	Purchase on 15.01.2019	+2000	+0.01	2000	0.01
	Purchase on 18.01.2019	+2000	+0.02	4000	0.03
	Purchase on 25.01.2019	+2000	+0.01	6000	0.04
	Purchase on 18.02.2019	+2000	+0.02	8000	0.06
	Purchase on 29.03.2019	+2000	+0.01	10000	0.07
	At the End of the Year	10000	0.07	10000	0.07
3.	Mr. Manjit Rai Dua				
	At the beginning of the year	114297	1.00	114297	1.00
	Sale of shares on 11.05.2018	-114297	-1.00	0	0
	At the End of the Year	0	0	0	0

Except as disclosed above, no other Directors and Key Managerial Personnel holds any share in the Company during the financial year 2018-19.

V. INDEBTEDNESS

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

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSIT	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the Financial Year				
1) Principal Amount	-	-	-	-
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SI. NO	PARTICULARS OF REMUNERATION	Mr. Tarun Dua (Managing Director)	Ms. Srishti Baweja (Whole Time Director)	TOTAL AMOUNT
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act-1961	60,00,000	48,00,000	1,08,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act-1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act-1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	- -	- -	- -
5	Others, please specify	-	-	-
	Total (A)	60,00,000	48,00,000	1,08,00,000
	Ceiling as per the Act	Remuneration as per Schedule V of the Companies Act, 2013		

B. Remuneration to other directors

SI. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTOR			TOTAL AMOUNT
	1. Independent Directors	Mr. Gaurav Munjal	Mr. Varun Pratap Rajda	Mr. Naman K. Sarawagi	
	· Fee for attending board & Committee meetings	-	-	-	-
	· Commission	-	-	-	-
	· Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2. Other Non-Executive Directors	Mr. Manjit Rai Dua			
	· Fee for attending board committee meeting	-			-
	· Commission	-			-
	· Others, please specify	-			-
	Total (2)	-			-
	Total (B)=(1+2)	-			-
	Total Managerial Remuneration	-			-
	Overall Ceiling as per the Act	-			-

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

SI. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNAL					TOTAL
		COMPANY SECRETARY			CHIEF FINANCIAL OFFICER		
		Bharti Sharma#1	Sumit Bansal#2	Neha Baid#3	Gaurav Aggarwal#4	Varun Taneja#5	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,955	3,24,040	36,039	7,54,933	1,22,974	12,86,941
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total	48,955	3,24,040	36,039	7,54,933	1,22,974	12,86,941

#1: Ms. Bharti Sharma resigned from post of Company Secretary with effect from July 9, 2018.

#2: Mr. Sumit Bansal was appointed as Company Secretary w.e.f August 4, 2018 and resigned from post of Company Secretary with effect March 11, 2019.

#3: Mrs. Neha Baid was appointed as Company Secretary w.e.f March 11, 2019.

#4: Mr. Gaurav Aggarwal resigned from post of Chief Financial Officer w.e.f March 11, 2019.

#5: Mr. Varun Taneja was appointed as Chief Financial Officer w.e.f March 11, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding fees imposed	Authority {RD/NCLT/ Court}	Appeal made, if any (give details)
A. Company					
Penalty	No Penalty, Punishments or Compounding of offence				
Punishment					
Compounding					
B. Directors					
Penalty	No Penalty, Punishments or Compounding of offence				
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	No Penalty, Punishments or Compounding of offence				
Punishment					
Compounding					

**On Behalf of Board of Directors
For E2E Networks Limited**

**Sd/-
Tarun Dua
Managing Director
DIN: 02696789**

**Sd/-
Srishti Baweja
Whole time Director
DIN: 08057000**

**Date: July 22, 2019
Place: New Delhi**

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year ending March 31, 2019

1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects and programs.

Corporate Social Responsibility (CSR) at E2E Networks Limited is inspired by a vision of National transformation with strong commitment to sustainable growth. The Company has created business models to connect communities with technologies, alongside delivering long term shareholder value. The Company shall design and implement CSR programs that positively impact communities. The Company believes that creating shared value with stakeholder and communities shall enable drivers of growth.

E2E Networks Limited shall use following channels to drive its CSR Initiatives:

- (a) Education and Skill Development: To promote education and enhance vocational skills especially among children, women and differently abled persons.
- (b) Health Care: To promote health care including rehabilitation facilities.
- (c) Poverty and Malnutrition: To fight against hunger, poverty and malnutrition.
- (d) Rural Development: To facilitate rural development and slum area development

However, the CSR Committee shall have authority to decide to carry out any other CSR activities within the purview of permissible activities under the Companies Act, 2013 from time to time.

The Corporate Social Responsibility Policy (CSR Policy) adopted by Board is available on the website of the Company and is accessible through the link <https://www.e2enetworks.com/wp-content/uploads/2019/06/CSR-Policy.pdf>

2. The Composition of the CSR Committee.

The composition of Corporate Social Responsibility Committee of the Company as on March 31, 2019 is as follows:-

S. No.	Name of Member	Designation
1	Mrs. Srishti Baweja - Whole Time Director	Chairman
2	Mr. Gaurav Munjal - Independent Director	Member
3	Mr. Varun Pratap Rajda - Independent Director	Member

Note: Mr. Naman K. Sarawagi, Independent Director was appointed as Member of Committee w.e.f April 9, 2019.

3. Average Net profit of the Company for last three financial years: Rs. 5,96,21,622

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 11,92,432

5. Details of CSR spent during the financial year:-

- a) Total amount to be spent for the financial year: Rs. 11,92,432
- b) Amount unspent, if any - Rs. 11,92,432
- c) Manner in which the amount spent during the financial year detailed below : Nil*

CSR projects and activity under taken	Sector in which the projects is covered	Projects or programs (1) local area or other (Specify the state or district where the projects or programs was under taken)	Amount outlay (Budget) projects or programs wise	Amount spent on the project or programs sub head(1) Direct expenditure on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing Agency*
-----Nil-----						

* Please refer item 6. w.r.t. reasons for not spending the prescribed amount during the financial year 2018-19 .

6. In case of the Company has failed to spend the two percent of the average net profit of the last three financial years of any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company strives to spend the CSR amount as per CSR focus areas in a systematic way on regular basis. During the year under review, the Company was in process of identifying the right areas as per CSR Policy of the Company and in order to carry out its CSR obligations under the Companies Act, 2013, the Company was able to identify the suitable CSR partner in month of February 2019 and accordingly entered into an MOU on February 18, 2019 with Ved Prakash Mukund Lal Educational Society, a registered society formed essentially to promote education and skill development among students. Hence, the Company was unable to spend CSR obligations till March 31, 2019., However, in furtherance to the MOU signed by the Company, the Company has contributed an amount of Rs. 3 Lakhs towards its CSR obligations on June 14, 2019.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirm that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

For E2E Networks Limited

Sd/-
Srishti Baweja
CSR Committee Chairman

Sd/-
Tarun Dua
Managing Director

Date: July 22, 2019

Place: New Delhi

Disclosures pursuant to Section 197(12) of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. The ratio of the Remuneration of each director to the median remuneration of the employees of the Company for the financial year:

S. No.	Name of the Director	Category	Ratio of the Remuneration to the median remuneration of the employees
1.	Mr. Tarun Dua	Managing Director	10.36
2.	Ms. Srishti Baweja	Whole-time Director	8.29
3.	Mr. Manjit Rai Dua#	Non-Executive Director	N.A.
4.	Mr. Varun Pratap Rajda#	Non-Executive and Independent Director	N.A.
5.	Mr. Gaurav Munjal#	Non-Executive and Independent Director	N.A.
6.	Mr. Naman Kailashprasad Sarawagi*#	Non-Executive and Independent Director	N.A.

* Appointed as Additional Director in capacity of Non-Executive Independent Director w.e.f 18/02/2019.

The Non-Executive and Independent Directors were not paid any remuneration and/or sitting Fees during FY 18-19, hence ratio of their Remuneration to the median remuneration of the employees is not applicable.

B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name of the Director/CFO/CS/ Manager	Category	% Increase in remuneration in the financial year
1.	Mr. Tarun Dua	Managing Director	20.00%
2.	Ms. Srishti Baweja	Whole- time Director	N.A. (Appointed as Whole Time Director w.e.f 31.01.2018)
3.	Mr. Manjit Rai Dua	Non-executive Director	N.A. (No remuneration paid during FY 18-19)
4.	Mr. Varun Pratap Rajda	Non-Executive and Independent Director	N.A. (No remuneration paid during FY 18-19)
5.	Mr. Gaurav Munjal	Non-Executive and Independent Director	N.A. (No remuneration paid during FY 18-19)
6.	Mr. Naman Kailashprasad Sarawagi	Non-Executive and Independent Director	N.A (No remuneration paid during FY 18-19)
7.	Mr. Gaurav Aggarwal	Chief Financial Officer	N.A. (Employee Exited during the year)
8.	Mr. Varun Taneja	Chief Financial Officer	N.A (Employee Appointed during the year)
9.	Ms. Bharti Sharma	Company Secretary	N.A. (Employee Exited during the year)
10.	Mr. Sumit Bansal	Company Secretary	N.A (Employee Exited during the year)
11.	Mrs. Neha Baid	Company Secretary	N.A (Employee Appointed during the year)

Note: The percentage increase in remuneration is provided only for those directors and KMP who have drawn remuneration from the Company for full FY 17-18 and FY 18-19.

C. Percentage Increase in the median remuneration of employees in the financial year

The percentage increase in the median remuneration of employees in the financial year was 16.11%.

D. Number of Permanent Employees on the rolls of company

Number of Permanent Employees on the rolls of E2E Networks Limited as at March 31, 2019 are 104.

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration for employees is 38.48%. The average increase in overall managerial remuneration is 20%.

F. Affirmation that remuneration is as per the remuneration policy of the company:

The Company affirms that the remuneration is as per the remuneration policy of the Company

**On behalf of the Board
For E2E Networks Limited**

**Sd/-
Tarun Dua
Managing Director
DIN: 02696789**

**Sd/-
Srishti Baweja
Whole time Director
DIN: 08057000**

**Place: New Delhi
Date: July 22, 2019**

Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2019

Name of the Top 10 employees in terms of remuneration drawn by them

S. No.	Name	Qualification	Designation of employee	Remuneration received	Age	Experience	Date of commencement of employment	Previous employment & designation
1.	Mohamed Imran	Master of Science, Information and Communication Engineering from Anna University B.E, C Abdul Hakeem College of Engineering & Technology Computer Science	Chief Operating Officer	63,64,316	36	14	16.03.2010	NRCFOSS/ Project Engineer
2.	Mr. Tarun Dua	B. Tech from National Institute of Technology Kurukshetra	Managing Director	60,00,000	39	17	20.08.2009	Yahoo SDC, Bangalore/ Tech Lead
3.	Srishti Baweja	Chartered Accountant from ICAI & B. Com(H), from SRCC	Wholetime Director	48,00,000	36	14	08.01.2013	HPCL/ Financial Officer
4.	Kesava Reddy*	B.E, AMIE	Vice President - Sales	32,60,266	44	18	01.06.2018	Minjar Cloud Solutions Pvt Ltd, VP Sales
5.	Shantanu Singh*	APSM, Strategic Management from IIM Calcutta and PGDM, Marketing from IMT, Ghaziabad	VP Engineering	28,64,598	42	21	27.08.2018	StartupArena, Founder & CEO
6.	Amit Sethi	B.Tech, Computer Science from Guru Govind Singh Indraprastha University	Senior Developer	19,75,575	32	08	01.03.2017	Gojek/ Technical Lead
7.	Pawan Kumar Singh	B.Tech, Electronics & Communication from SSITM U.P.T.U	Technical Accounts Manager	13,32,627	32	05	07.11.2011	E2E Networks Limited/ Technical Accounts Manager limited/ system administrator
8.	Mohamed Mushab	B.Tech, Information Technology from Vellore Institute of Technology	Technical Accounts Manager	12,52,792	33	11	24.05.2014	Prathiba jewellery house/system administrator

9.	Pradeep Pandey	MBA, Marketing from Christ University, Bangalore and B.Tech, Computer Software Engineering from United College of engineering and research	Regional Sales Manager	11,16,484	28	5	08.07.2015	ING Vysya Bank/ Personal Banker
10.	Wamiq Saleem Khan	MBA, Marketing & International Business from Jamia Hamdard BCA, St. Francis De Sales College, Nagpur	Senior Business Development Manager	11,07,815	31	7	16.01.2017	Quicker India/ Deputy Sales Manager

*Employed for part of the year.

Notes:

- 1) Persons named above are/were permanent employees of the Company.
- 2) Remuneration includes salary, allowances, leave encashment, bonus etc.to employees. In addition, the employees are entitled to gratuity, contribution to Provident Fund, Employee State Insurance/ Group insurance in accordance with Company's Rules and policies.
- 3) The appointment of the above employees is non-contractual and are governed by the company policy and rules.
- 4) The equity shareholding of above employees in the company does not exceed 2 percent except for Mr. Tarun Dua who holds 77,60,695 equity shares (54.30%) in the Company as on March 31, 2019.
- 5) None of the employees mentioned above are relative of any Director of the Company except Mrs. Srishti Baweja, Whole Time Director who is spouse of Mr. Tarun Dua, Managing Director.
- 6) None of the employees were in receipt of remuneration which in the aggregate, is in excess of that drawn by Managing Director of the Company and also holds by himself or along with his spouse and dependent children, 2% of the equity shares of the Company.

On behalf of the Board

For E2E Networks Limited

Sd/-
Tarun Dua
Managing Director
DIN: 02696789

Sd/-
Srishti Baweja
Whole time Director
DIN: 08057000

Place: New Delhi
Date: July 22, 2019

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** The Company has not entered into any contract/ arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 18-19.
 - (a) Name(s) of the related party and nature of relationship - Not Applicable
 - (b) Nature of contracts/arrangements/transactions - Not Applicable
 - (c) Duration of the contracts / arrangements/transactions - Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any - Not Applicable
 - (e) Justification for entering into such contracts or arrangements or transactions - Not Applicable
 - (f) Date(s) of approval by the Board - Not Applicable
 - (g) Amount paid as advances, if any: - Not Applicable
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - Not Applicable
2. **Details of material contracts or arrangement or transactions at arm's length basis:** During the financial year 2018-19, there were no transactions with related parties which qualify as material transactions under the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
 - (a) Name(s) of the related party and nature of relationship - Not Applicable
 - (b) Nature of contracts/arrangements/transactions - Not Applicable
 - (c) Duration of the contracts / arrangements/transactions - Not Applicable
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
 - (e) Date(s) of approval by the Board, if any: - Not Applicable
 - (f) Amount paid as advances, if any: - Not Applicable

On behalf of Board of Directors

Place: New Delhi
Date: July 22, 2019

Sd/-
Tarun Dua
Managing Director
DIN:02696789

Sd/-
Srishti Baweja
Whole Time Director
DIN: 08057000

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY OUTLOOK

The worldwide public cloud services market is projected to grow 17.5 percent in 2019 to total \$214.3 billion, up from \$182.4 billion in 2018, according to Gartner, Inc. The fastest-growing market segment will be cloud system infrastructure services, or infrastructure as a service (IaaS), which is forecast to grow 27.5 percent in 2019 to reach \$38.9 billion, up from \$30.5 billion in 2018. The second-highest growth rate of 21.8 percent will be achieved by cloud application infrastructure services, or platform as a service (PaaS).

India revenue of public cloud services at \$2.4 billion represents about 1.2% of the global public cloud service market. This has grown by about 24.3% in 2018 which is amongst the third highest growth rate in the world behind China and Indonesia. The segment in which your company operates in is Infrastructure as a Service; which is expected to witness the highest growth of around 32% CAGR over 2018-20 in India.

"The shift from 'cloud first' to a 'cloud only' model is pushing organizations in India to increase their spending on public cloud services to advance their digital business initiatives," said Sid Nag, research vice president at Gartner. "Disinvestments in new data centers are also one of the early signs of this move."

Table 1: India Public Cloud Service Revenue Forecast, 2018-2020 (in millions of US \$)

Segment	2018	2019	2020
Cloud application infrastructure services (PaaS)	204	251	313
Cloud application services (SaaS)	935	1,149	1,396
Cloud business process services (BPaaS)	178	213	261
Cloud management and security services	187	224	269
Cloud system infrastructure services (IaaS)	462	605	809
Total revenue	1,965	2,442	3,048

Note: Totals may not add up due to rounding.

Source: Gartner (April 2, 2019), Link: <https://www.gartner.com/en/newsroom/press-releases/2019-04-02-gartner-forecasts-worldwide-public-cloud-revenue-to-g> and Gartner (June 18, 2019), Link: <https://www.gartner.com/en/newsroom/press-releases/2019-06-18-gartner-forecasts-public-cloud-services-revenue-in-in0>

2. OUR BUSINESS, OUTLOOK AND STRATEGY

E2E Networks Ltd is amongst India's leading Public Cloud infrastructure company. The Company is engaged in the business of providing cloud infrastructure services. In our cloud infrastructure business, we provide Infrastructure to handle workloads related to compute needs of our clients. This infrastructure includes hardware and software components such as servers, storage, networking, virtualization and pre-configured open source software or Server & Hypervisor Operating Systems, Database Systems from Independent Software Vendors. Our Public Cloud Infrastructure service can be accessed via a self-service portal with enhanced features and flexibility.

Our Company has added GPUs on its Cloud. The Company offers Nvidia's Tesla v100 GPUs with 32GB onboard graphics memory based compute instances which are ideal for AI/ML workloads. Our GPU instances can help in optimizing costs by as much as 70% compared to the other leading providers. Our instances are available from Indian datacenters ensuring data locality for the critical India centered data.

We also launched Smart Dedicated Server (SDS) on E2E Public Cloud which has seen a good response. SDS combines the benefit of dedicated, non-shared resources with the flexibility of cloud features. Our dedicated servers are available with leading cloud virtualization technology.

Cloud Computing market continues to remain one of the fastest growing technology segment in India. We continue to invest in increasing market reach by investing into our people and our technology.

Cautionary Note: Certain Statements made herein describing the Company's expectations or predictions are "forward looking statements". The Company's results, performance or achievements can significantly differ materially from those projected via such statements. The Company assumes no responsibility for subsequently publicly amending or revising forward looking statements.

3. OPPORTUNITIES AND THREATS

OPPORTUNITIES

According to "2019 Technology Industry Outlook", a report issued by Industry Analyst body, Deloitte, "Cloud platforms can provide a

gateway to powerful AI tools that fuel agility and innovation". The relevant text of the report is reproduced below:-

Thanks to cloud-based flexible consumption models, companies no longer need to shoulder the risk and cost of buying complex technologies and acquiring scarce expertise. Instead, they can leverage the investments and expertise of the world's biggest technology companies and savviest startups. Nowhere does this trend appear to be more apparent than in the area of artificial intelligence, where large software companies are integrating AI capabilities into cloud-based enterprise software and bringing them to the mass market. The market is responding favorably: according to Deloitte's State of AI in the enterprise, 2nd Edition, the most popular path to acquiring AI capabilities is enterprise software with integrated AI. Overwhelmingly, this software is cloud-based, either through public or private cloud deployments. Fifty-seven percent of our AI survey respondents globally use it now, and an additional 37 percent plan to use it within the next two years. In 2019, flexible consumption models should continue to boost both cloud and AI adoption. For example, 60 percent of enterprises are expected to move their IT systems to cloud by 2019 as a part of their digital transformation initiatives. As the primary value proposition of cloud continues to shift from "cost/efficiency" to "innovation acceleration," multicloud strategies should play a crucial role in this transformation. A recent executive survey suggests that 67 percent of executives are either using a hybrid model (a mix of on-premise and public/private cloud) or considering it as a future option.

Like from AI as mentioned above, future opportunities for E2E is emerging from trends in digital transformation, Machine Learning, IoT to name a few.

THREATS

- i) Competition from multinational Public Cloud Computing players: India is a very attractive large market for both US headquartered Cloud Players who have setup local availability zones as well as China headquartered Cloud Players. E2E Networks faces tough competition in its home market from these players and other Indian origin players.
- ii) Adverse Regulatory Changes: India continues to have frequently changing regulatory environment and this continues to be a key risk for our business.
- iii) Access to talent and retention of development teams
- iv) Speed of Execution: As technology continues to evolve at a rapid pace to avoid the risk of being outdated the Company needs to continuously innovate its Cloud products. Even so there is always the threat of faster moving competition making our technology obsolete.
- v) General Technology related risks of Zero day vulnerability disclosures in Open Source Software we use, could put our business at risk. Disclosures of vulnerabilities in Computing Processors. Risks of becoming victims of Cyber Crime, accidental data disclosure etc.

4. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company's business activities fall within single primary business segment. Accordingly, disclosures under Accounting Standard 17, Segment Reporting, as mandated under Section 133 of Companies Act 2013 read with rules framed thereunder are not required to be made.

5. RISKS AND CONCERNS

The Company's businesses and operations are subject to a variety of risks and uncertainties. These risks can be categorized as operational, financial, environmental, health and safety, political, market-related and strategic risks.

The Company understands that it operates in a competitive and challenging environment, hence the Company strategies for mitigating inherent risks in accomplishing the growth plans.

This involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence and then taking appropriate actions to address the most likely threats.

The Company has implemented a Risk Management Policy to have systematic process to assist in the identification, assessment, treatment and monitoring of risks which provides effective tools to manage the identified risks.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. This has been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company has in place the internal financial controls for the various processes of the Company such as Revenue reporting and

recognition, Fixed assets, Finance and accounts, Taxation, Treasury, HR & Payroll and Procurement etc. The Company has appointed M/s S R Goyal & Co., as an internal auditor to carry out internal audit of its activities. The conduct of internal audit is oriented towards the review of internal controls and risks in all significant areas of its operations.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its employees, attracting and retaining the best manpower available by providing higher degree of motivation. The Company believes in trust, transparency & teamwork to improve employee productivity at all levels.

As on 31st March 2019, 104 employees are on the rolls of the company.

A major initiative and a huge success amongst the employees is "E2E talks", a programme organized wherein members from the industry shares their technical knowledge and experience with E2E team.

The Company has also launched e-learning module on Prevention of Sexual Harassment (POSH) for all its employees for imparting extensive understanding on prevention of sexual harassment in workplace environment with an ultimate aim to enhance mutually respectful workplace environment that promotes congenial relationship between employees.

Constantly striving to better the efficiency and prominence of the HR function, based on past trends and needs of the organization and the industry, this was the journey of E2E HR this year.

8. FINANCIAL PERFORMANCE AND HIGHLIGHTS

The financial performance during the Financial Year 2018-19 has been summarized below:

(Amount in ₹ Lacs)

Particulars	Standalone	
	FY 18-19	FY 17-18
Revenue from operations	3375.40	3603.75
Total Expenditure other than finance cost and depreciation	2282.63	1818.37
Earnings before Interest, Tax and Depreciation (EBITDA)	1092.77	1785.38
Other Income	45.07	25.92
Depreciation	882.88	974.16
Finance Costs	12.78	29.91
Profit/(Loss) before tax (PBT)	242.18	807.23
Provision for Tax: Current	113.78	341.09
Earlier Year Tax	(0.71)	-
Deferred Tax	(44.20)	(109.81)
Net Profit for the Year(PAT)	173.31	575.95
Basic EPS (in ₹)	1.24	5.05
Diluted EPS (in ₹)	1.23	5.03

The Company has reported total revenue from operations of ₹ 3,375.40 lacs during the financial year 2018-19 as against revenue of ₹ 3,603.75 lacs during the financial year 2017-18. Profit after tax during the financial year 2018-19 amounted to ₹ 173.31 lacs as against profit after tax for the year 2017-18 of ₹ 575.95 lacs.

The basic earnings per share for the financial year 2018-19 was ₹ 1.24 as against ₹ 5.05 for the year 2017-18.

The decline in profits in FY18-19 is mainly due to churn among few key customers as well as continued investments in building our capabilities and broadly fixed overheads. However, with increased focus on self-service signups the Company has reduced its revenue concentration from top clients significantly.

9. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements of the Company have been prepared to comply in all material respects with accounting standards notified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. The Management accepts the responsibility for the integrity and objectivity of these Financial statements, as well as for various estimates and judgements used therein. The estimates and judgements relating to the Financial statements have been made on a prudent and reasonable basis, so that

the Financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the state of affairs, profits and cash flows for the year.

10. RATIO ANALYSIS

	FY 2018-19	FY 2017-18	% Change as compared to previous FY	Remarks/Reason for change where change is + 25% or more as compared to Previous FY
Debtors Turnover	18.41	16.58	+11.04	N.A
Inventory Turnover	N.A	N.A	N.A	N.A
Interest Coverage Ratio	N.A	39.98	N.A	The interest coverage ratio is used to determine how easily a company can pay their interest expenses on outstanding debt. Since your Company has become debt free, the Interest Coverage Ratio is not applicable for FY 18-19.
Current Ratio	7.44	3.14	+136.94	The Current Ratio of Company has increased significantly due to IPO funds not utilised till Mar'19 being invested in liquid Mutual funds resulting in higher Current assets.
Debt Equity Ratio	N.A	N.A	N.A	The Debt Equity ratio is calculated by dividing the Long -Term debts by Shareholders' funds. Since the Company do not have any Long term debt, it is not applicable on the Company.
Operating Profit Margin (%)	6.22	22.51	-72.38	The operating Profit Margin has declined due to marginal reduction in revenue due to churn among key customer and increase in employee cost and other expenses.
Net Profit Margin (%)	5.13	15.98	-67.87	Reduction in revenue, increase in employee cost are the major reasons for reduction in Net profit margins.

11. RETURN ON NET WORTH

Return on Net Worth (RONW) is calculated by dividing the net income by shareholders' equity. It explains the efficiency of the shareholders' capital to generate profit.

$RONW = \text{Net Income} / \text{Shareholders' Equity}$

The Return on Net Worth (RONW) of the Company for FY 18-19 is 5.17% as compared to 33.86% during FY 17-18.

Since the Company has come up with Initial Public Offer ("IPO") in May 2018, the shareholders' funds have increased significantly in FY 18-19 as compared to FY 17-18. This along with slight decline in earnings has resulted in lower RONW in FY 18-19 as compared to FY 17-18.

INDEPENDENT AUDITORS' REPORT

To the Members of **E2E Networks Limited**
(previously known as E2E Networks Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **E2E Networks Limited** ("the Company") (previously known as E2E Networks Private Limited), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss and statement of cash flows for the year ended March 31, 2019, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Accounting standards prescribed under section 133 of the Act read with Companies (Accounting Standards) Rules, 2006, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Annual Financial statement section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the annual financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key Audit Matter	Auditor's response
1.	Decline in revenue from major customer There is a decline in revenue from one of the major customer during the year under review. This has resulted in lower revenue in the October 2018 to March 2019 period as compared to April 2018 to September 2018 period. Assessment of going concern assumption for the preparation of financial statement is significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.	The Company has a history of profitable operations and has sufficient funds to run the business in the foreseeable future. We discussed the future plans of the management. On the basis of these facts, discussions and audit procedures, we believe that the management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate in these circumstances.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of

our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these

matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Attention is drawn to the fact that the figures for the year ended March 31, 2018 as reported in these financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements, dated August 4, 2018.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
 - (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (i) The Company has disclosed the pending litigations as at March 31, 2019 having impact on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts, including derivative contracts as at March 31, 2019 for which there were material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

For B. B. & Associates

Chartered Accountants

ICAI Firm Registration number: 023670N

Balwan Bansal

Proprietor

Membership No: 511341

Place: New Delhi

Date: May 06, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditors report of even date to the members of E2E Networks Limited (previously known as E2E Networks Private Limited).

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the order are not applicable to the Company.
- (ii) The Company is in the business of providing cloud computing services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- (iv) In our opinion, the Company has not entered into any transaction covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the Company.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The Central Government of India has not specified maintenance of cost records under Section 148(1) of the Act in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the order are not applicable to the Company.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Nature of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (INR)
The Income Tax Act, 1961	Income Tax	Assessing officer	A.Y. 2014-15	1,476,708

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has raised money by way of initial public offer during the year. In our opinion and according to the information and explanations given to us, the amount raised through IPO by the Company have been applied for the purposes for which they were raised. In this regard, it may be noted that, approximately INR 96,806,377, out of the total amount raised through IPO, is lying in the form of current investments and are forming part of the working capital.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the

Order are not applicable to the Company.

- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under applicable accounting standard.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For B. B. & Associates

Chartered Accountants

ICAI Firm Registration number: 023670N

Balwan Bansal

Proprietor

Membership No. 511341

Place: New Delhi

Date: May 06, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date to the members of E2E Networks Limited (previously known as E2E Networks Private Limited).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of E2E Networks Limited ("the Company") (previously known as E2E Networks Private Limited) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. B. & Associates

Chartered Accountant

ICAI Firm Registration number: 023670N

Balwan Bansal

Proprietor

Membership No. 511341

Place: New Delhi

Date: May 06, 2019

E2E Networks Limited (Previously known as E2E Networks Private Limited)
CIN: L72900DL2009PLC341980
Balance sheet as on March 31, 2019
(All amounts in INR unless otherwise stated)

	Notes	As on March 31, 2019	As on March 31, 2018
Equity and liabilities			
Shareholders' funds			
Share capital	3	142,911,140	114,951,100
Reserves and surplus	4	192,410,512	55,145,594
		335,321,652	170,096,694
Non-current liabilities			
Other long term liabilities			
Long -term provisions	5	7,830,257	4,025,712
		7,830,257	4,025,712
Current liabilities			
Trade payables	6	17,749,954	22,966,763
Other current liabilities	7	14,911,538	10,206,191
Short-term provisions	5	1,396,357	123,339
		34,057,849	33,296,293
TOTAL		377,209,758	207,418,699
Assets			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	8	112,753,426	96,744,056
Intangible assets		48,500	-
Loans and advances	9	450,000	-
Other non-current assets	10	123,215	109,161
Deferred tax assets	11	10,590,722	6,170,909
		123,965,863	103,024,126
Current assets			
Current investments	12	176,455,532	39,994,000
Trade receivables	13	8,741,309	27,935,035
Cash and bank balances	14	37,484,423	27,052,845
Loans and advances	9	24,434,223	5,049,761
Other current assets	10	6,128,408	4,362,932
		253,243,895	104,394,573
TOTAL		377,209,758	207,418,699
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For B.B. & Associates

ICAI Firm Registration No.: 023670N

Chartered Accountants

Sd/-

Balwan Bansal

Proprietor

Membership No.: 511341

For and on behalf of the board of directors
E2E Networks Limited

(Previously known as E2E Networks Private Limited)

Sd/-

Tarun Dua

Managing Director

DIN: 02696789

Sd/-

Srishti Baweja

Whole Time Director

DIN: 08057000

Sd/-

Neha Baid

Company Secretary

Membership

No.: A-33753

Sd/-

Varun Taneja

Chief Financial Officer

Place: New Delhi

Date: May 06, 2019

E2E Networks Limited (Previously known as E2E Networks Private Limited)
CIN: L72900DL2009PLC341980
Statement of profit and loss for the year ended March 31, 2019
(All amounts in INR unless otherwise stated)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	15	337,539,712	360,374,686
Other income	16	4,506,871	2,592,860
Total revenue (I)		342,046,583	362,967,546
Expenses			
Purchase of services	17	107,492,084	100,221,813
Employee benefits expense	18	83,678,179	63,565,933
Depreciation and amortization expense	19	88,288,031	97,416,251
Finance costs	20	1,277,620	2,991,442
Other expenses	21	37,093,227	18,048,845
Total (II)		317,829,141	282,244,284
Profit before tax		24,217,442	80,723,262
Tax expenses			
Current tax		11,378,069	34,109,061
Deferred tax		(4,419,813)	(10,980,682)
Adjustment related to previous year		(71,794)	-
Net tax expense		6,886,462	23,128,379
Profit for the year		17,330,979	57,594,883
Earnings per equity share [nominal value of share Rs.10 (Previous year : Rs.10)]	22		
Basic		1.24	5.05
Diluted		1.23	5.03
Computed on the basis of profit of the year			
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For B.B. & Associates

ICAI Firm Registration No.: 023670N

Chartered Accountants

Sd/-

Balwan Bansal

Proprietor

Membership No.: 511341

For and on behalf of the board of directors
E2E Networks Limited

(Previously known as E2E Networks Private Limited)

Sd/-

Tarun Dua

Managing Director

DIN: 02696789

Sd/-

Srishti Baweja

Whole Time Director

DIN: 08057000

Sd/-

Neha Baid

Company Secretary

Membership

No.: A-33753

Sd/-

Varun Taneja

Chief Financial Officer

Place: New Delhi

Date: May 06, 2019

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	24,217,442	80,723,262
Adjustments for:		
Depreciation / amortization	88,288,031	97,416,251
Interest income	(1,159,619)	(1,822,571)
Income from sale of investment	(2,986,983)	(9,546)
Provisions no longer required, written back	(340,419)	-
Expenses incurred for increase in authorised share capital	-	(1,212,500)
Employee Stock Option Outstanding	774,534	3,885,184
Loss on discard of Fixed assets	27,179	10,911
(Profit) / loss on sale of fixed assets	-	(328,150)
Interest expenses	237,386	2,159,481
Operating profit / (loss) before working capital changes	109,057,551	180,822,322
Movements in working capital :		
(Decrease) in trade payables	(5,216,809)	7,403,967
(Decrease)/Increase in other liabilities	5,045,765	4,025,712
Decrease/(Increase) in trade receivables	19,193,726	(12,398,902)
(Increase)/Decrease in other current assets	12,890,114	-
Increase/ (Decrease) in loans and advances	(19,834,462)	(16,288,291)
(Decrease)/Increase in provisions	5,077,563	12,262,310
Cash generated from operations	126,213,448	175,827,119
Prior Period Adjustment	71,794	(2,725,981)
Direct taxes paid (net of refunds)	(25,996,292)	(34,109,061)
Net cash flow from/ (used in) operating activities (A)	100,288,950	138,992,077
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets under development	(105,856,900)	(81,966,643)
Proceeds from sale of fixed assets	1,483,820	387,012
Investment in mutual funds	(136,461,532)	(39,994,000)
Income from sale of investments	2,986,983	9,546
Interest received	1,108,198	1,822,571
Net cash flow (used in) investing activities (B)	(236,739,430)	(119,741,514)
C. Cash flows from financing activities		
Proceeds from issuance of equity share capital	158,953,592	-
Share issue expenses	(11,834,147)	-
Interest paid	(237,386)	(2,159,481)
Repayment of long term borrowings	-	(15,069,308)
Net cash flow (used in) financing activities (C)	146,882,059	(17,228,789)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	10,431,578	2,021,774
Cash and cash equivalents at the beginning of the year	27,052,845	25,031,071
Cash and cash equivalents at the end of the year	37,484,423	27,052,845
Components of cash and cash equivalents as at		
Cash on hand	59,355	94,993
Cheques/ drafts on hand	3,240	-
Bank Deposits	31,248,962	21,182,636
With banks- on current account	6,172,867	5,775,216
Cash and cash equivalents at the end of the year (Refer note 14)	37,484,423	27,052,845
Summary of significant accounting policies	2	

As per our report of even date

For B.B. & Associates

ICAI Firm Registration No.: 023670N
Chartered Accountants

Sd/-

Balwan Bansal

Proprietor

Membership No.: 511341

For and on behalf of the board of directors

E2E Networks Limited

(Previously known as E2E Networks Private Limited)

Sd/-

Tarun Dua

Managing Director

DIN: 02696789

Sd/-

Srishti Baweja

Whole Time Director

DIN: 08057000

Sd/-

Neha Baid

Company Secretary

Membership

No.: A-33753

Sd/-

Varun Taneja

Chief Financial Officer

Place: New Delhi

Date: May 06, 2019

Notes to financial statements for the year ended March 31, 2019
(All amounts in INR unless otherwise stated)

1.1 Corporate information

E2E Networks Limited, earlier known as E2E Networks Private Limited ("the Company") was incorporated on August 20, 2009. The Company was converted into Public Company pursuant to Shareholders resolution passed at the Extra Ordinary General Meeting held on February 16, 2018 and name of Company was changed to "E2E Networks Limited" pursuant to issuance of Fresh Certification of Incorporation dated March 14, 2018 by Registrar of Companies, NCT of Delhi and Haryana. The Company is in the business of providing Cloud computing services. The Company is listed on the SME platform of National Stock Exchange (NSE).

1.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Companies (Accounting Standards) Rules, 2006 (as amended) notified under section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2 Summary of significant accounting policies

2.1 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.2 Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

2.3 Depreciation on property, plant and equipment

Depreciation on fixed assets is calculated on a written down value method using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Categories	Useful Life (In Years)
Computer and computer equipment	3
Office equipment's	5
Furniture and fixtures	10
Building	5

Based on the utilization and expected useful life of these assets for the Company, the life of the certain assets has been taken less than the life as prescribed in schedule II of Companies Act, 2013. The life of Servers in schedule II is prescribed to be 6 years whereas the life of the same has been taken 3 years and life of temporary structure is 3 years whereas the life of the same has been taken as 5 years. This decision is supported by the advice of technical expert.

2.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

2.5 Leases

Company as a lessee

Operating Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Finance Lease

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life of the assets. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term.

2.6 Impairment of tangible and intangible assets

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.7 Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.8 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from services

The Company's revenue from cloud computing services and managed hosting services are recognized when the said services are rendered to the customers over the period of the contracts or based on actual utilization of such services and when no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale / rendering of services and regarding its collection.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

2.9 Foreign currency translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.10 Retirement and other employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the notified Accounting Standard 15, 'Employee Benefits (Revised 2005)' ('Revised AS 15').

Provident fund

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as and when they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

2.10 Retirement and other employee benefits (continued)

Gratuity

Gratuity is a post employment defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are recorded as expense or income in the statement of profit and loss in the year in which such gains or losses arise.

Compensated absences

The Company also provides benefit of compensated absences under which un-availed leaves are allowed to be accumulated to be availed in future. The scheme is considered as a long term benefit. The compensated absences comprises of vesting as well as non vesting benefit and the liability is determined in accordance with the rules of the Company and is based on actuarial valuations made using projected unit credit method at the Balance Sheet date.

Other short term benefits

Expenses relating to other short term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.

2.11 Taxation

Tax expense comprises of current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current tax is determined as higher of the amount of tax payable calculated at the tax rates applicable to the relevant assessment year on the assessable income of the respective year or tax payable on book profit computed in accordance with the provisions of section 115JB of the Income-tax Act, 1961.

Deferred income-tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.13 Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.14 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of twelve months or less.

2.16 Employee share based payments

Accounting value of stock options is determined on the basis of 'Intrinsic Value' representing the excess of the fair market value of Company's stock on the date of grant over the exercise price of the options granted under the 'Employees Stock Option Scheme' of the Company, and is being amortized as 'Employee Compensation Expense' on a straight-line basis over the vesting period in accordance with the Guidance Note on 'Share Based Payments' issued by the Institute of Chartered Accountants of India.

2.17 Investments

Trade Investments are the investments made to enhance the company's business interests. Investments are classified into current and long term investments. Investments that are readily realizable and intended to be held for not more than an year from the date of acquisition are classified as current investments. All other investments are classified as long term investments. Current investments are stated at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long term investments are stated at cost. A provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of management. Investments other than in subsidiary and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

3 Share capital

	As on March 31, 2019	As on March 31, 2018
Authorized shares 16,500,000 (Previous year : 16,500,000) equity shares of INR 10/- each	165,000,000	165,000,000
	165,000,000	165,000,000
Issued, subscribed and fully paid-up shares 14,291,114 (Previous year: 11,495,110) equity shares of INR 10/- each	142,911,140	114,951,100
Total issued, subscribed and fully paid-up share capital	142,911,140	114,951,100

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As on March 31, 2019		As on March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	11,495,110	114,951,100	270,295	2,702,950
Add: issued during the year	2,796,004	27,960,040	100,515	1,005,150
Add: Bonus shares issued during the year	-	-	11,124,300	111,243,000
Outstanding at the end of the year	14,291,114	142,911,140	11,495,110	114,951,100

Preference shares	As on March 31, 2019		As on March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	-	-	100,515	1,005,150
Issued during the year	-	-	-	-
Less: Converted into equity shares	-	-	(100,515)	(1,005,150)
Outstanding at the end of the year	-	-	-	-

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a face value of INR 10 per share. Each holder of equity is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

(c) Details of shareholders holding more than 5% shares in the Company

Equity shares of INR 10 each fully paid	As on March 31, 2019		As on March 31, 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
Mr. Tarun Dua	7,760,695	54.30%	7,760,695	67.51%
Blume Ventures Fund I	1,196,760	8.37%	1,713,308	14.90%
Blume Ventures Fund I A	523,652	3.66%	749,673	6.52%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownerships of shares.

Pursuant to the listing of the Company on National Stock Exchange Emerge, SME platform, the Company floated an Initial Public Offer ("IPO") on May 3, 2018 of 3,858,000 equity shares of face value INR 10 each for cash at a price of INR 57 per equity share (including a share premium of INR 47 per equity share) aggregating INR 219,906,000 comprising of fresh issue of 2,750,000 equity shares aggregating unto INR 156,750,000 and an offer for sale of 1,108,000 equity shares aggregating to INR 63,156,000. Consequent to IPO, the issued and paid up capital of the Company was enhanced to INR 142,451,100 divided into 14,245,110 equity shares of face value INR 10 each.

4 Reserves and surplus

	As on March 31, 2019	As on March 31, 2018
Securities premium account		
Balance as per the last financial statements	-	27,307,858
Add: Received during the year on issue of equity shares	130,993,552	-
Less: Amount utilized towards issue of bonus shares	-	(27,307,858)
Less: Amounts utilized toward share issue expense	(11,834,147)	-
Closing Balance	119,159,405	-
Employee stock option outstanding		
Gross employee stock compensation for options granted in earlier years	3,885,184	-
Add: Options expense recognized	2,426,078	3,885,184
Less: Options exercised	(1,651,544)	-
Closing Balance	4,659,718	3,885,184
Surplus in the statement of profit and loss		
Balance as per last financial statements	51,260,410	87,266,912
Profit for the year	17,330,979	57,594,883
Less: Reinstatement of deferred tax of earlier years	-	(5,727,762)
Less: Expenses on increase in authorised share capital	-	(1,212,500)
Less: Bonus issue during the year	-	(83,935,142)
Less: Prior period provisions adjusted during the year	-	(2,725,981)
Net Surplus in the statement of profit and loss	68,591,389	51,260,410
Total reserves and surplus	192,410,512	55,145,594

5 Provisions

	Long-term		Short-term	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Provision for employee benefits				
Provision for gratuity (Refer note 24(b))	5,446,896	4,025,712	101,227	123,339
Provision for leave benefits	2,383,361	-	95,130	-
Provision for CSR Expenses	-	-	1,200,000	-
	7,830,257	4,025,712	1,396,357	123,339

6 Trade Payable

	As on March 31, 2019	As on March 31, 2018
Total outstanding dues of micro enterprises and small enterprises *	6,306	31,413
Total outstanding dues of creditors other than micro and small enterprises	17,743,648	22,935,350
	17,749,954	22,966,763
* Refer note 30 for details of dues to micro and small enterprises		

7 Other short term liabilities

	As on March 31, 2019	As on March 31, 2018
Unearned revenue	6,272,892	433,340
Creditor for capital goods*	305,800	2,030,018
Advance from customers	2,328,707	1,228,596
Provision for income tax (net of advance tax INR Nil (Previous year INR 33,219,736) (refer note 9)	-	889,325
Employee related payable	1,920,279	-
Statutory dues payable		
Tax deducted at source payable	1,730,049	2,153,732
GST payable	2,017,191	2,793,906
Other statutory dues payable	336,619	677,274
	14,911,538	10,206,191

* Creditor for capital goods include dues of micro enterprises and small enterprises amounting to INR 248,646 (March 31, 2018: INR 2,030,018). Also refer note 30 for details of dues to micro and small enterprises

8 Property, Plant and Equipment

Description	Office equipments	Building	Computer equipment	Computer	Furniture and fixtures	Total
Gross Block						
As at April 1, 2017	1,677,934	518,364	342,880,105	1,432,870	280,034	346,789,307
Additions	192,807	-	81,334,914	421,322	17,600	81,966,643
Deletions/ adjustments	-	-	1,395,477	-	-	1,395,477
As at March 31, 2018	1,870,741	518,364	422,819,542	1,854,192	297,634	427,360,473
Additions	338,590	-	103,869,202	1,229,969	370,639	105,808,400
Deletions/ adjustments*	-	518,364	29,338,232	-	-	29,856,596
As at March 31, 2019	2,209,331	-	497,350,512	3,084,161	668,273	503,312,276
Accumulated depreciation						
Depreciation at April 1, 2017	1,017,756	215,525	232,102,998	1,064,618	124,972	234,525,869
For the year	365,625	136,497	96,472,312	397,394	44,423	97,416,251
Deletions/ adjustments	-	-	1,325,703	-	-	1,325,703
As at March 31, 2018	1,383,381	352,022	327,249,607	1,462,012	169,395	330,616,417

For the year	312,252	166,342	87,342,184	378,276	88,978	88,288,031
Deletions/ adjustments *	-	518,364	27,827,234	-	-	28,345,598
As at March 31, 2019	1,695,633	-	386,764,557	1,840,288	258,373	390,558,850
Net block						
As at April 1, 2017	660,178	302,839	110,777,107	368,252	155,062	112,263,438
As at March 31, 2018	487,360	166,342	95,569,935	392,180	128,239	96,744,056
As at March 31, 2019	513,698	-	110,585,955	1,243,873	409,900	112,753,426

* Deletions/adjustments during the year include Computer equipment having acquisition cost of Rs. 29,322,232 (useful life: Nil) having a salvage value of Rs. 1,466,125 and building Rs. 518,364 having net book value of Rs. 166,342 discarded during the year.

9 Loans and advances

	Non-current		Current	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Security deposit				
Secured, considered good	-	-	-	-
Unsecured, considered good	450,000	-	3,999,564	1,682,100
Doubtful	-	-	-	-
Less: Provision for doubtful security deposit	-	-	-	-
	450,000	-	3,999,564	1,682,100
Other loans and advances				
Advance to vendors	-	-	371,520	-
Advances recoverable in cash or kind	-	-	265,199	83,853
Prepaid expenses	-	-	5,179,718	3,283,808
Advance Income tax	-	-	14,618,223	-
(Net of provision for tax INR 11,378,069 (Previous year- Nil) (refer note 7)				
	-	-	20,434,659	3,367,661
Total	450,000	-	24,434,223	5,049,761

10 Other assets

	Non-current		Current	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Unsecured, considered good unless stated otherwise				
Bank balances (Refer note 14)	100,000	100,000	-	-
Interest accrued on fixed deposits	23,215	9,161	51,421	-
Unbilled revenue	-	-	6,076,987	4,362,932
	123,215	109,161	6,128,408	4,362,932

11 Deferred tax assets (net)

	As on March 31, 2019	As on March 31, 2018
Deferred tax asset		
Property, plant and equipment	8,140,707	4,974,322
Employee benefits	2,450,015	1,196,586
Gross deferred tax assets	10,590,722	6,170,909
Deferred tax liability	-	-
Gross deferred tax liability	-	-
Net deferred tax assets	10,590,722	6,170,909

12 Current investments

	As on March 31, 2019		As on March 31, 2018	
	No. of units	Amount	No. of units	Amount
Value at lower of cost or market value				
Investments in mutual funds (quoted)				
Aditya Birla Sun Life Cash Plus-Direct	364,325	102,494,000	73,278	19,994,000
Axis Liquid Fund-Direct Plan	31,046	60,785,938	-	-
UTI Treasury Advantage Fund-Direct Plan	5,525	13,175,594	8,473	20,000,000
	400,896	176,455,532	81,751	39,994,000
Aggregate market value of quoted investments		188,219,666		40,918,978
Aggregate amount of un-quoted investments		-		-

Investments represent investment in short term and liquid mutual funds which has been done with the perspective to be redeemed as and when required for day to day business operation.

13 Trade receivables

	As on March 31, 2019	As on March 31, 2018
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	68,061
Doubtful	-	-
Less: Provision for doubtful receivables	-	-
	-	68,061
Other receivables		
Unsecured, considered good	8,741,309	27,866,974
Doubtful	-	-
Less: Provision for doubtful receivables	-	-
	8,741,309	27,866,974
Total	8,741,309	27,935,035

14 Cash and bank balances

	As on March 31, 2019	As on March 31, 2018
Balances with banks:		
– On current accounts	6,162,675	5,764,990
– On Share application money account	10,192	10,226
– Cheques / drafts on hand	3,240	-
– Deposits with original maturity of less than three months	21,248,962	21,182,636
– Deposits with original maturity of more than three months but less than 12 months	10,000,000	-
Cash on hand	59,355	94,993
(A)	37,484,423	27,052,845
Other bank balances		
– Deposits with original maturity of more than three months but less than 12 months	100,000	100,000
– Margin money deposit	-	-
(B)	100,000	100,000
Amount disclosed under non-current assets (Refer note 10)	(100,000)	(100,000)
Total	37,484,423	27,052,845

15 Revenue from operations

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from cloud computing service	337,539,712	360,374,686
	337,539,712	360,374,686
Detail of services rendered	For the year ended March 31, 2019	For the year ended March 31, 2018
Export services	11,453,616	13,001,438
Domestic Services	326,086,096	347,373,248
	337,539,712	360,374,686

16 Other Income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on bank deposits	1,159,619	1,822,571
Income from sale of mutual funds	2,986,983	9,546
Liability and provisions no longer required, written back	340,419	-
Interest on income tax refund	13,650	352,390
Profit on sale of fixed assets	-	328,150
Exchange difference gain	-	37,155
Miscellaneous Income	6,200	43,048
	4,506,871	2,592,860

17 Purchase of services

	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchase of services	107,492,084	100,221,813
	107,492,084	100,221,813

18 Employee benefits expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	77,240,916	56,402,507
Employee stock compensation expenses (refer note 31)	2,426,078	3,885,184
Contribution to provident and other fund (refer note 24(a))	1,569,180	1,109,695
Gratuity expense (refer note 24(b))	1,399,072	1,423,070
Staff welfare expenses	1,042,934	745,477
	83,678,179	63,565,933

19 Depreciation and amortization expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on tangible assets	88,288,031	97,416,251
	88,288,031	97,416,251

20 Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest	237,386	2,159,481
Bank and other charges	90,795	87,566
Payment gateway charges	949,439	744,395
	1,277,620	2,991,442

21 Other expenses

Payment to Auditor	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	6,359,674	3,487,246
Equipment Hire charges	11,395,239	2,848,810
Communication costs	293,429	811,431
Technology infrastructure costs	691,054	328,851
Rates and taxes	260,500	799,409
Insurance	120,359	123,284
Repairs and Maintenance		
Building	93,439	51,795
Traveling and conveyance	2,657,660	2,083,919
Power and fuel	283,923	397,638
Legal and professional fees	5,113,864	2,493,057
Membership and subscriptions	2,552,137	1,073,373
Recruitment and training	2,062,981	-
Payment to Auditor (Refer details below)	465,000	150,000
Advertising and sales promotion	2,190,467	1,446,017
Exchange difference (net)	85,233	42,881
Office Expenses	765,561	454,552
Loss on discard of fixed assets	27,179	10,911
CSR Expenses	1,200,000	1,300,000
Miscellaneous expenses	475,528	145,671
	37,093,227	18,048,845

	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory Audit fee	300,000	100,000
Tax audit and income tax return fee	75,000	50,000
GST Audit fee	75,000	-
Out of pocket expenses	15,000	-
	465,000	150,000

22 Earnings per Share

The following reflects the Profit and shares data used in the basic and diluted EPS computations:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for calculation of Basic and Diluted EPS	17,330,979	57,594,883
Weighted average number of equity shares in calculating basic EPS (In numbers)	13,950,798	11,410,567
Weighted average number of equity shares in calculating diluted EPS (In numbers)	14,074,879	11,447,786
Basic EPS	1.24	5.05
Diluted EPS	1.23	5.03

23 Segment Information

The primary reporting of the Company has been performed on the basis of business segment. The Company is solely engaged in providing cloud Computing services. All resources are predominantly used for providing cloud computing services and the entire activities are governed by the same set of risks and returns and hence have been considered as representing a single segment. The said treatment is in accordance with the guiding principles envisaged in the Accounting Standard -17 on Segment Reporting.

24 Employee benefits

- (a) The Company makes contributions, determined as a specified percentage of employees salaries, in respect of qualifying employees towards Provident Fund which is a defined contribution plan. The company has no obligations other than to make the specified

contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense toward contribution to Provident Fund for the year aggregated to INR 1,569,180 (previous year: INR 1,109,695).

(b) Defined benefit plan

(i) Gratuity

The Company has a defined benefit gratuity plan and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The plan is unfunded.

The following table summarizes the components of net benefit expense recognised in the statement of profit and loss account and amounts recognised in the balance sheet for the gratuity.

Statement of Profit and Loss

Net employee benefit expense recognised in employee cost	As on March 31, 2019	As on March 31, 2018
Current service cost	1,571,471	1,051,770
Interest cost on benefit obligation	319,477	209,901
Net actuarial (gain) / loss recognized in the year	(491,876)	161,399
Net Benefit Expense	1,399,072	1,423,070

Balance sheet

Benefit asset/ (liability)	As on March 31, 2019	As on March 31, 2018
Present value of defined benefit obligation	5,548,123	4,149,051
Fair value of plan assets	-	-
Plan liability	5,548,123	4,149,051

Changes in the present value of the defined benefit obligation are as follows:	As on March 31, 2019	As on March 31, 2018
Opening defined benefit obligation	4,149,051	2,725,981
Interest cost	319,477	209,901
Current service cost	1,571,471	1,051,770
Benefits paid	-	-
Actuarial losses on obligation	(491,876)	161,399
Closing defined benefit obligation	5,548,123	4,149,051

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	As on March 31, 2019	As on March 31, 2018
Discount rate	7.70%	7.70%
Salary Escalation Rate	10.00%	7.00%

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

Amounts for the current and previous periods are as follows:

Particulars	As on March 31, 2019	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015
Defined benefit obligation	5,548,123	4,149,051	2,725,981	-	-
(Surplus) / deficit	5,548,123	4,149,051	2,725,981	-	-
Assumptions (Gain)/Loss	1,698,687	-	-	-	-
Experience adjustment on plan					
Liabilities (Gain)/Loss	(2,190,563)	161,399	-	-	-
Total Actuarial (Gain)/Loss	(491,876)	161,399	-	-	-

25 Leases

Operating lease : Company as lessee

The Company has taken equipment under operating lease from IBM India Private Limited. The period of the lease is from December 31, 2017 to December 31, 2020 (for a period of 3 years). The Company has also taken office premises on cancellable and non cancellable leases. The lease rental charged during the year in the statement of profit and loss are as follows:

	As on March 31, 2019	As on March 31, 2018
Lease for Equipment during the year	11,395,239	2,848,810
Lease for premises during the year	6,359,674	3,487,246
	17,754,913	6,336,056

Future minimum rentals payable under non cancellable operating leases of equipment as on March 31, 2019:

	As on March 31, 2019	As on March 31, 2018
Payable within 1 year	11,395,239	11,395,239
Payable after 1 year but before 5 years	8,546,430	19,941,669
	19,941,669	31,336,908

26 Related party disclosures

(i) Name of the related parties and nature of the related party relationship:

Key Management Personnel

Tarun Dua, Managing Director
 Srishti Baweja, Whole time Director
 Manjit Rai Dua, Non executive Director
 Gaurav Munjal, Independent Director
 Varun Pratap Rajda, Independent Director (w.e.f February 9, 2019)
 Naman Kailashprasad Sarawagi, Independent Director
 Bharti Sharma, Company Secretary (upto July 9, 2018)
 Sumit Bansal, Company Secretary (upto March 11, 2019)
 Neha Baid, Company Secretary (w.e.f March 11, 2019)
 Gaurav Aggarwal, Chief Financial Officer (upto March 11, 2019)
 Varun Taneja, Chief Financial Officer (w.e.f March 11, 2019)

Others

Shailly Dua (Relative of Director)
 Suchinta Baweja (Relative of Director)
 Constellation BLU Management Consultants LLP
 (entity in which director is interested)

(ii) Transactions during the year with related party:

Nature of transactions	Key management Personnel	
	March 31, 2019	March 31, 2018
Directors Remunerations *		
Tarun Dua**	6,000,000	5,000,000
Srishti Baweja	4,800,000	800,000
Salary Expense		
Srishti Baweja	-	3,250,000
Bharti Sharma	48,955	29,318
Gaurav Aggarwal	754,933	121,935
Sumit Bansal	324,040	-
Neha Baid	36,039	-
Varun taneja	122,974	-
Rent expense		
Manjit Rai Dua	35,436	59,360
Legal and professional fee		
Constellation BLU Management Consultants LLP	180,000	-
Interest on Loan		
Tarun Dua**	-	233,335

26 Related party disclosures (continued)

(ii) Transactions during the year with related party (continued):

Nature of transactions	Key management Personnel	
	March 31, 2019	March 31, 2018
Reimbursement of expenses		
Tarun Dua**	18,158	14,055
Srishti Baweja	40,600	20,000
Recovery of IPO expenses incurred by Company		
Manjit Dua	569,204	-
Shailly Dua	625,329	-
Suchinta Baweja	625,329	-

* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

**is the promoter of the Company and holds more than 10% shareholding in the Company. For details of shareholding, refer note 3(c).

(iii) Balances outstanding at the year end:

Nature of Balances	Key management Personnel	
	March 31, 2019	March 31, 2018
Reimbursement payable		
Tarun Dua	-	14,055

Nature of Balances	Key management Personnel	
	March 31, 2019	March 31, 2018
Amount receivable		
Tarun Dua	891	-

27 Contingent Liabilities

Statute under which demand is pending	Amount of Demand	Assessment Year	Pending with authority
Income Tax Act, 1961	1,476,708	2014-15	Assessing officer

Based on the discussions with the expert, the management believes that the company has a strong chance of success in above mentioned case and hence no provision is considered necessary in the accounts

28 Expenditure in foreign currency (accrual basis)

	As on March 31, 2019	As on March 31, 2018
Membership and subscriptions	480,974	452,735
Purchase of Services	2,338,440	1,269,885
Advertising and sales promotion	793,213	197,941
Facility and infrastructure costs	277,965	23,138
Office Expenses	7,121	-
	3,897,712	1,943,698

29 Earnings in foreign currency (on accrual basis)

	As on March 31, 2019	As on March 31, 2018
Revenue from cloud computing service	11,453,616	13,001,438
	11,453,616	13,001,438

30 Disclosures under Micro, Small and Medium Enterprises Act, 2006

The micro enterprises and small enterprises have been identified by the Company from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

	As on March 31, 2019	As on March 31, 2018
(i) Details of dues to micro and small enterprises as per MSMED Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- principal amount	254,952	2,061,431
- interest amount	Nil	Nil
(ii) The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil

31 Employees' stock option plans

The Company had established an "E2E ESOS Scheme 2018" ('the Scheme'), according to which, the Company had granted 379,620 equity settled options at an exercise price as defined in the scheme. This scheme gave employees the right to subscribe to stock options representing an equal number of equity shares of face value Rs.10 each. These options vest uniformly over a period of 5 years commencing one year after the date of grant as per terms and conditions specified in option grant letters.

The Shareholders of the Company had approved the Scheme on March 1, 2018. The options will vest over a period of 5 years from the date of grant in the following manner.

Particulars	E2E ESOS Scheme 2018
Exercise price	The exercise price in respect of the options shall be decided by the compensation committee of the Board of Directors
Vesting conditions	20% at the end of 1 year from the effective grant date 20% at the end of 2 year from the effective grant date 20% at the end of 3 year from the effective grant date 20% at the end of 4 year from the effective grant date 20% at the end of 5 year from the effective grant date
Exercise Period	(a) At any time, as long as the option holder continues to be employed with the Company, or (b) Within a period of 90 (Ninety) days from the date of cessation of the option holder's employment with the Company, or (c) Such other period as may be determined by the ESOP committee on case to case basis.

	As on March 31, 2019	As on March 31, 2018
(a) Vesting requirements	Continued employment of 12 months	Continued employment of 12 months
(b) Exercise price (INR per share)*	12 and 51.30	12 and 51.30
(c) Maximum term of options granted	5 Years	5 Years
(d) Option movement during the year		
(i) Options outstanding at the beginning of the year	378,020	-

(ii) Options granted during the year	-	379,620
(iii) Options lapsed during the year	89,414	1,600
Vested	6,417	-
Unvested	82,997	1,600
(iv) Options exercised	46,004	-
(v) Options outstanding at the end of the year	242,602	378,020
(vi) Options vested during the year	64,607	-
(vii) Number of shares arising as a result of exercise of options	46,004	-
(viii) Money realized by exercise of options	552,048	-
(ix) Options exercisable at the end of the year	12,186	-

* The exercise price is different for different class of employees as determined by the committee on case to case basis

32 Corporate social responsibility expenses

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activity are running programs in education sector for the purpose of employment generation by skills development. As per the requirements of the Companies Act 2013 ('the Act'), the Company was required to incur INR 1,192,432.40 (previous year INR 742,602) for the activities specified in Schedule VII of the Act. The company has spent Rs. NIL towards CSR during the year ended 31 March 2019 (previous year INR 13,00,000), however the company has made a provision for CSR expense amounting to INR 1,200,000 during the year. The Company has entered into an MOU with Ved Parkash Mukand Lal Educational Society ('the Society') to contribute and provide the funds for supporting the initiatives as set out in MOU.

- 33 The Company had raised funds of INR 219,906,000 by way of Initial public offer of its equity shares comprising of fresh issue of 2,750,000 equity shares aggregating unto INR 156,750,000 and an offer for sale of 1,108,000 equity shares aggregating to INR 63,156,000. The amount has been utilised as per objects as stated in the Prospectus as under :

Particulars	As on March 31, 2019
Funds received through IPO	219,906,000
Less: Amount paid to selling shareholders (net of IPO expenses)	(57,638,117)
Issue expenses incurred*	(19,366,148)
Net amount received by the company and invested in liquid mutual funds	142,901,735
Less: Utilisation towards working capital and general corporate purposes out of funds redeemed from mutual funds	(51,500,000)
Amount remaining unutilised	91,401,735

***Including GST**

The amount remaining unutilised has been invested by the Company in short term liquid funds.

34 Previous year's figures

The previous year figures have been reclassified to confirm to current year's classification and in accordance with schedule III of the Companies Act 2013. This does not impact recognition and measurement principles followed for preparation of financial statements. The manner these amounts would have appeared in the financial statements for the previous year if the correct classification as required by Schedule III would have been followed.

As per our report of even date

For B.B. & Associates

ICAI Firm Registration No.: 023670N
Chartered Accountants

Sd/-
Balwan Bansal
Proprietor
Membership No.: 511341

For and on behalf of the board of directors

E2E Networks Limited
(Previously known as E2E Networks Private Limited)

Sd/-
Tarun Dua
Managing Director
DIN: 02696789

Sd/-
Srishti Baweja
Whole Time Director
DIN: 08057000

Sd/-
Neha Baid
Company Secretary
Membership
No.: A-33753

Sd/-
Varun Taneja
Chief Financial Officer

Place: New Delhi
Date: May 06, 2019



Regd. & Corporate Office :

E2E Networks Limited

Awfis, A-24/9, Mohan Co-operative Industrial Estate,
Mathura Road, Saidabad, New Delhi -110044

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