27th

Annual Report

2019 – 2020

NETTLINX LIMITED

Your Power to Communicate

27th ANNUAL REPORT
2019-2020

NETTLINX

NETTLINX LIMITED

YOUR POWER TO COMMUNICATE

CORPORATE INFORMATION

BOARD OF DIRECTORS :

Dr. Manohar Loka Reddy	- Chairman, Promoter and Non-Executive Director
Mr. Venkata Hanumantha Rao Joginapally	- Independent and Non-Executive Director
Mr. Chandra Sekhar Pogula	- Whole Time Director &CEO(Resigned with effect from 05.06.2020)
Ms. Radhika Kundur	- Woman and Non-Executive Director
Mr. Kiran Venkatasiva Kakarla	- Independent and Non-Executive Director
Mr. Subramanyeswara Rao Kakarala	- Independent and Non-Executive Director
Mr. Erwin Leopold Dieck	- Independent and Non Executive Director

Chief Financial Officer :

Mr. Mahaganesh Sanku (Resigned with effect from 22.07.2020)

Company Secretary & Compliance Officer :

Mr. Sai Ram Gandikota

Corporate Identification Number: L67120TG1994PLC016930

REGISTERED OFFICE

5-9-22, Flat No.303,
3rd Floor, My home Sarovar Plaza,
Secretariat, Saifabad,
Hyderabad, Telangana-500063.
Ph: 91-040-23232200/23231621
Fax: 23231610 E – Mail: secretarial@nettlinx.org
Website: www.nettlinx.com

STATUTORY AUDITORS

C RAMACHANDRAM & Co.,
Chartered Accountants
3-6-237, Unit # 606,
Lingapur La Builde Complex,
Himayatnagar, Hyderabad,
Telangana 500029, India.

SECRETARIAL AUDITORS

VCSR & Associates,
Company Secretaries,
Flat No.305A & B, 3rd Floor,
Pancom Business Center,
Ameerpet, Hyderabad-500073, India.

INTERNAL AUDITORS

Sampath Soora & Associates
Chartered Accountants
H.No:1-34, Abbapoor, Mulugu,
Warangal-506343, Telangana.

BANKERS

M/s HDFC Bank Limited
1st Floor 6-3-249/5/1, ANR Center Road No.1,
Besides Taj Krishna Hotel, Banjarahills,
Hyderabad-500034, Telangana.

REGISTRARS AND SHARE TRANSFER AGENTS

Venture Capital and Corporate Investments Pvt. Ltd.,
Regd. Off: 12-10-167, Bharat Nagar,
Hyderabad – 500 018, Telangana.
Tel: 91-40-23818475/23818476/2386808023
Fax: 040 – 23868024
E – Mail: info@vccilindia.com

STATUTORY COMMITTEES

Audit Committee

Mr. Kiran Venkatasiva Kakarla	- Chairman
Mr. Venkata Hanumantha Rao Joginapally	- Member
Mr. Subramanyeswara Rao Kakarala	- Member

Nomination and Remuneration Committee

Mr. Kiran Venkatasiva Kakarla	- Chairman
Mr. Venkata Hanumantha Rao Joginapally	- Member
Mr. Subramanyeswara Rao Kakarala	- Member

Stakeholders Relationship Committee

Mr. Kiran Venkatasiva Kakarla	- Chairman
Mr. Venkata Hanumantha Rao Joginapally	- Member
Mr. Subramanyeswara Rao Kakarala	- Member

Risk Management Committee

Mr. Kiran Venkatasiva Kakarla	- Chairman
Mr. Venkata Hanumantha Rao Joginapally	- Member
Mr. Subramanyeswara Rao Kakarala	- Member

Internal Compliants Committee

Mrs. Radhika Kundur	- Chairman
Mr. Venkata Hanumantha Rao Joginapally	- Member
Ms. P. Saritha-External	- Member

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Company M/s. Nettlinx Limited will be held on Wednesday, the 30th September, 2020 at 10.30 A.M., at the Registered Office of the company situated at 5-9-22, Flat No.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana-500063 to transact the following business:

ORDINARY BUSINESS :

ITEM NO. 1 – ADOPTION OF FINANCIAL STATEMENTS:

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020 along the Reports of the Board of Directors and the Auditors thereon.

ITEM NO. 2 – APPOINTMENT OF DIRECTOR:

To appoint a director in place of Ms. Radhika Kundur (Holding DIN: 07135444) who retires by rotation and, being eligible, seeks reappointment.

EXPLANATION:

Based on the terms of Appointment, Executive Directors and the Non-Executive, Non-Independent Chairman are subject to retirement by rotation. Ms. Radhika Kundur is the longest serving member on the Board, retires by Rotation and, being eligible, seeks reappointment. To the Extent that Ms. Radhika Kundur is required to retire by rotation, she would need to be reappointed as a director. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of members of the company be and is hereby accorded to the reappointment of Ms. Radhika Kundur (Holding DIN: 07135444) as a director, to the extent that she is required to retire by rotation."

SPECIAL BUSINESS:

ITEM NO.3. APPOINTMENT OF DR. MANOHAR LOKA REDDY (HOLDING DIN: 00140229) AS MANAGING DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to appoint Dr. Manohar Loka Reddy as Managing Director of the Company for a period of 5 Years with effect from 05.06.2020 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the period of 5 years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Dr. Manohar Loka Reddy."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

By order of the Board of Directors
For Netttlinx Limited

Sd/-
Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229

Date : 28.08.2020
Place : Hyderabad

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.

3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the items of Special Business as set out above is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No.3 of the Notice, are also annexed.

4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2020 to Wednesday, 30th September, 2020 (both days inclusive) for the purpose of payment of payment of dividend, if any, for the financial year ended 31st March, 2020 and the Annual General Meeting (AGM).

6. Members intending to seek clarification at the Annual General Meeting concerning the accounts and any aspect of operations of the company are requested to send their questions in writing to the Company so as to reach the company at least 7 (seven) days in advance before the date of the Annual General Meeting, specifying the points.

7. Members holding shares in physical form are requested to intimate the following details directly to the Company's Registrar and Share Transfer Agent, Venture Capital and Corporate Investments Pvt. Ltd. Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana.

   (a) Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.

   (b) Changes, if any, in their address at an early date.

   (c) Application for consolidation of folios, if shareholdings are under multiple folios.

   (d) Despatch of share certificates for consolidation.

   (e) Request for nomination forms for making nominations as per the provisions of the Companies Act.

Dispatch of Annual Report through electronic mode:

8. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 will be sent only through electronic mode to those Members who have registered their e-mail addresses with the Company/ Depositories. Members may note that the Notice of AGM and Annual Report 2019-20 will also be available on the Company's website www.nettlinx.com, on the website of CDSL (www.evotingindia.com) and on the websites of the Stock Exchanges, i.e., BSE Limited (www.bseindia.com) and MSEI Limited at www.msei.in.

9. For receiving all communication (including Annual Report) from the Company electronically:

   a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card to the Company's Registrar and Share Transfer Agent (RTA), M/s. Venture Capital and Corporate Investments Private Limited,12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana, India Tel: 040- 23818475, 8476, Fax: 040-23868024, E-mail ID: info@vccilindia.com and/or investor.relations@vccipl.com.

   b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

10. Members are requested to quote ledger folio numbers in all their correspondences.

11. If the shares are held in dematerialized form, members are requested to update their bank details, nominations, power of attorney and notify any changes with respect to their address, e-mail id, contact numbers, ECS mandates etc. to their depository participants with whom they are maintaining their demat accounts. If the shares are held in physical form, members are requested to intimate such details, to the Company's Registrar and Share Transfer Agent (RTA), M/s. Venture Capital and Corporate Investments Private Limited,12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana, India Tel: 040- 23818475, 8476, Fax: 040-23868024, E-mail ID: info@vccilindia.com.

    All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.

12. SEBI has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company or its RTA.

13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

14. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of Rs.1,00,000 (Rupees One Lakh).

15. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the Registrar and Share Transfer Agent Venture Capital and Corporate Investments Pvt. Ltd. Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana, India.

    The Notice of the AGM along with the Annual Report 2019-2020 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2019-2020 will also be available on the Company's website viz. www.Nettlinx.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during the normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: secretarial@nettlinx.org; info@vccipl.com

16. Members are requested to note that the Company's Equity Shares are compulsorily traded in demat form for the investors, effective from 26th March 2001. Members are requested to open Depository Account in their names with a Depository participant to dematerialize their holdings. This would be necessary for facilitating the transfers of Company's Equity shares in all Stock Exchanges connected to the Depository System.

17. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or

transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Venture Capital and Corporate Investments Private Limited for assistance in this regard.

18. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.

19. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.

20. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

21. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of Appointment of Auditors, who was appointed in the Annual general Meeting held on 27th September, 2017.

22. Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Agreements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the Annual General Meeting.

23. Retirement of Directors by rotation: Ms. Radhika Kundur, Non-Executive Director of the Company, retires by rotation at the ensuing AGM and, being eligible, offers herself for re-appointment. The Board of Directors recommends the re-appointment of Ms. Radhika Kundur, Directors, whose office is liable to retire by rotation. Brief profiles of Director are provided as an "Annexure" to this Notice.

24. Members may also note that the Notice of the 27th Annual General Meeting is available on the website of the Company www.nettlinx.com. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at cs@nettlinx.org, secretarial@nettlinx.org.

25. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

26. **VOTING THROUGH ELECTRONIC MEANS:**

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

I. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

II. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

III. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

IV The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

V. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL.

VI. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at WWW.NETTLINX.COM. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and metropolitan stock exchange of India Limited at www.bseindia.com and www.msei.in respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

VII. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

(i) The voting period begins on Sunday, September 27, 2020(9.00 a.m. IST) and ends on Tuesday, September 29, 2020(5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Tuesday, September 22, 2020 i.e., cut-off date (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR
Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholder holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-nurneric *PAN issued by Income Tax Department (Applicable For both demat shareholders as well as physical shareholders) ● Shareholders who have not updated their PAN with the Company/Despository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details of Date of Birth (in dd/mm/yyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank Details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@nettlinx.org; info@vccipl.com.

2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@nettlinx.org; info@vccipl.com.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to

Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number atsecretarial@nettlinx.org. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@nettlinx.org. These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz;secretarial@nettlinx.orgamd at chveeru@gmail.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com,

under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr.NitinKunder (022-23058738) or Mr.Mehboob Lakhani (022-23058543) or Mr.RakeshDalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. RakeshDalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.nettlinx.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and MSEI Limited.

By order of the Board of Directors
For Netttlinx Limited

Sd/-
Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229

Date : 28.08.2020
Place : Hyderabad

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 3 of the accompanying Notice:

ITEM NO. 3:

APPOINTMENT OF DR.MANOHAR LOKA REDDY (HOLDING DIN: 00140229) as MANAGING DIRECTOR OF THE COMPANY:

Dr. Manohar Loka Reddy is presently designated as Managing Director of the Company.

He has been affiliated with the Company as a member of the Board of Directors since 07th November, 2005 and from then the Company has been taking the advantage of his guidance and supervision. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the ISP sector. He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company, along with a team of senior management personnel, who assist him in carrying out his activities, subject to the overall supervision & control of the Board.

As on 31st March, 2020, he holds 5465545 (47.68%) equity shares in the Company.

Dr. Manohar Loka Reddy is also the Managing Director of Nettlinx Realty Private Limited from where he is drawing a token remuneration of Rs.6,00,000 (Rupees Six lakhs) per annum only.

During the financial year 2019-2020, 4 (Four) meetings of the Board of Directors had been held and all the meetings were attended by Dr. Manohar Loka Reddy.

Dr. Manohar Loka Reddy had been appointed as the Managing Director of the Company for a period of 5 (Five) years w.e.f. 05th June, 2020 in the Board meeting held on 20th May, 2020.

The Board of Directors of the Company in its meeting held on 20 May, 2020 approved the appointment and payment of remuneration to Dr. Manohar Loka Reddy, Managing Director for the period of 5 (Five) years of his tenure w.e.f. 05 June, 2020 as recommended by the Nomination and Remuneration Committee in its meeting held on 20 May, 2020 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013, at the terms and conditions as set out below:

A. Salary and Perquisites: Within the maximum permissible remuneration as per Schedule V of the Companies Act,2013 in case of no profits/inadequate profits pursuant to the approval of the shareholders.

B. The Chairman and Managing Director shall also be eligible to the following perquisites which are not included in the computation of ceiling remuneration specified in the said Part II Section IV of Schedule V of the Companies Act,2013:

   a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singlyor put together are not taxable under the Income Tax Act, 1961.

   b) Gratuity payable at a rate not exceeding half a month’s salary for each completed year of service.

   c) Encashment of the leave at the end of the tenure.

C. **Other terms:**

1. He shall be entitled to re-imbursement of actual ou tof pocket expenses incurred in connection with the business of the Company.

2. He shall be entitled to re-imbursement of entertainment expenses incurred for the business of the Company.

3. As long as he functions as Chairman and Managing Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or Committee there of.

4. In the event of inadequacy or absence of profits in any financial year, he will be entitled to the payment of salary and perquisites, as set out under point(A) above, as minimum remuneration, subject to necessary approvals, if required notwithstanding the fact that it may exceed the limits prescribed under Section 196, 197 of the Companies Act, 2013, along with the perquisites stated under point (B) above which are not included in the computation of limits for the remuneration or perquisites aforesaid.

5. He shall be entitled to earned/privileged leave as per the Rules of the Company.

6. He shall be entitled for telephone facility as per Company’s policy

   Further, pursuant to the provisions of Sections 117(3), 197, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the Shareholders in the Annual General Meeting.

   Therefore, the Board of Directors of your Company recommends the passing of Ordinary Resolution as set out at Item No. 03 of the Notice. Except Dr. Manohar Loka Reddy, himself, no other Director or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the passing of the above resolution as set out in Item No. 03 of the notice.

   The Board recommends the ordinary Resolution at Item No. 3 of this Notice for approval of the Members.

   Except Dr. Manohar Loka Reddy and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 3 of the Notice.

By order of the Board of Directors
For Netttlinx Limited

Sd/-
Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229

Date : 28.08.2020
Place : Hyderabad

PROFILE OF DIRECTORS BEING APPOINTED

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Appointment/Re-appointment of Directors are given below:

Name of the Director	Dr.Manohar Loka Reddy	Ms. Radhika Kundur
Category	Executive- Director	Non-Executive Non-Independent Director
DIN	00140229	07135444
Date of Birth and Age	20/11/1962 & 58 years	20/03/1979 & 41 Years
Qualification	MBBS degree from Nagarjuna University and a Post Graduation in Internal Medicine from Luthurn Medical Centre	1. B.Sc, & PG Diploma in Business Administration from BITE
Nature of Expertise/Experience	Total 15years experience in ISP Business	Over 10 years of work experience in IT
First Appointment on the Board	07th November, 2005	25th March, 2015
Terms & Conditions of Appointment / Re-appointment	Appointed as Managing Director	Appointed as Non-Executive Non- Independent Director
Remuneration Details	Rs.6,00,000/- per annum	Not Applicable
No. of shares held in Nettlinx Limited as at March 31,2020	5465545(47.68%)	Nil
Relationship with other Directors/ Manager/KMP	Not Applicable	Not Applicable
No. of Board meetings attended out of 4 meetings held during the year	4(Out of 4)	2(Out of 4)
Other Directorships	Listed Public Companies	Listed Public Companies
	1. Nettlinx Limited	1. Nettlinx Limited
	Public Companies:	Public Companies:
	1.Sri Venkateswara Green Power Projects Limited	NIL
	Private Companies:	Private Companies:
	1.Nettlinx Realty Private Limited	NIL
	2.Nettlinx Technologies Private Limited	
	Foreign Companies:	Foreign Companies:
	Nil	Nil
	Section 8 Companies	Section 8 Companies
	NIL	NIL
	LLPs:	LLPs:
	NIL	NIL
Committee Positions	NIL	Member: 1.Internal Complaints Committee

BOARD'S REPORT

To
The Members,

Your Directors take pleasure in presenting their Twenty Seventh Annual Report and the audited Statement of Accounts, highlighting the business operations and financial results for the financial year ended March 31, 2020. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. **FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY:**

The summarized standalone and consolidated results of your Company and its subsidiaries are given in the table below:

On the basis of standalone financial statements, the performance of the Company appears as

Amount in Lakhs

Particulars	2019-2020	2018-2019
Revenue from Operations	2699.54	1203.63
Other Income	13.62	287.41
Total Income	28.35	1491.04
Total Expenditure	2593.34	928.64
Profit before Interest and Depreciation	419.54	761.42
Finance Cost	115.39	124.68
Depreciation	61.73	74.34
Profit before exceptional items and Tax	242.42	562.40
Exceptional Item	0.00	0.00
Profit/(Loss) Before Tax	242.42	562.40
Deferred Tax Asset	-2.66	-6.56
Current Tax	71.90	165.24
Less: Provision of MAT	0	0
Net Profit/ (loss) after Tax	173.18	403.71

On the basis of consolidated financial statements, the performance of the Company appears as follows:

Amount in Lakhs

Particulars	2019-2020	2018-2019
Revenue from Operations	4680.23	2059.82
Other Income	137.14	288.35
Total Income	4817.37	2348.17
Total Expenditure	4593.25	1882.88
Profit before Interest and Depreciation	406.22	819.45
Depreciation	65.93	82.93
Finance Cost	116.17	271.24
Profit before exceptional items and Tax	224.12	465.28
Exceptional Item	0	0
Profit/(Loss) Before Tax	224.12	465.28
Deferred Tax Asset	-2.55	-7.65
Current Tax	71.90	165.24
Less: Provision of MAT	0	0
Net Profit/ (loss) after Tax	154.76	307.69

2. **BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR:**

During the year under review, the gross revenue of the Company increased to Rs.2699.54 Lakhs as compared to Rs. 1203.63Lakhsin the previous year. The Profit after tax for the year was Rs.173.18 Lakhs as compared to Rs. 403.71 Lakhs in the previous year.

3. **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

Consolidation of Clients, rationalization of market segments & expansion of Sales force will be the Focused approach in Financial Year 2020-2021 to achieve the targeted numbers. During the Financial Year 2020-2021. The plan is to profitably balance out and integrate Top line growth with reasonable bottom lines.

4. **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no Material changes and commitments affecting the financial position of the company.

5. **FUTURE OUTLOOK:**

Renewed thrust with a larger Sales force to tap the growing market during Q 2 , Q 3 & Q 4 will take up the Top line under stand alone to a level of Rs.3000.00 lakhs, up from the previous year's Rs.2699.54 Lakhs, an estimated growth of around11.31 % YoY .

Standalone:

In the ISP segment, there is immense competition in both the twin states of Telangana State & Andhra Pradesh State. On one hand, Home grown and dominant localized State level A & B category ISPs are fighting for larger market shares with bigger brand presence & reach. On the other side, National TELCOs are also directly marketing all their Voice, Data & Video service offerings in the same markets. Margins are shrinking with incremental fixed costs. Fall in Internet Bandwidth buying prices is getting negated with higher demand from end consumers from the point of view of both quality & quantity of bandwidth, which poses a challenge in optimizing usage of Internet bandwidth manage the band, thus not. State Governments on both sides are exploring the possibility of providing Free Wi-Fi in select Cities & principal towns. This may add to the existing fierce competition. Additionally, Reliance Jio Communications is expected to play havoc in the market with their aggressive combo offerings and marketing campaigns. Against the above backdrop, Nettlinx has strategically positioned itself in a niche market segment comprising of larger reliance on SMEs, Educational Institutions & Business Broadband than relying on third party Cable Operators network as opposed to only the home broadband segment & whole sale bandwidth by most others. Under these circumstances, Nettlinx will be able to overcome competition and scale over all the hurdles and achieve the desired and budgeted financial numbers.

Consolidated:

NETTLINX TECHNOLOGIES PRIVATE LIMITED

Nettlinx Technologies Private Limited is a wholly owned subsidiary of Nettlinx Realty Private Limited, a global Information Technology company which provides Information Technology Support Services in field of System Administration, System Architect, Datacenter Support, Business Continuity, Disaster Recovery, Storage, Backup and Virtualization.

In the rapidly changing technology world, Enterprises recognize that all of the new technology products they want to deploy – IoT, serverless, containers, hybrid cloud, AI – require a robust, flexible, secure, self-healing, software & hardware driven high quality equipment & devices that can be integrated , leading to a seamless hyper converged technological advantage to achieve efficient productivity with commercially viable pricing and sustained after sales service extended model. We work 24/7. The support includes: Servers , Routers & Networks Switches, Cabling , Wireless equipment & Wi-Fi devices, Firewalls, Projectors - DLP (Digital Light Processing), Projectors - LCD (Liquid Crystal Display), Mobile Jammers, Printers / Photocopiers/ Scanners Internal LAN projects, CCTV and security surveillance Biometric, Technical Manpower Services, Web Hosting Services Co-location Services and Managed Data Center Services.

Nettlinx Realty Private Limited:

With an objective of profitable diversification under the Nettlinx Holding Company, Nettlinx Realty Private Limited has chalked out ambitious plans as the real estate sector is booming across the principal cities in India and is poised to grow rapidly in the next few years. As a first step towards achieving this objective, The Company, several years back, has acquired a land at Gachibowli at Hyderabad. Additionally it has bought another land at Nagpur identifying its potential and to take advantage of Nagpur becoming a major multi modal cargo hub and this land is very close to the SEZ. The Company has initiated the process of considering - possible tieup with leading Companies to jointly leverage this land bank for possible conversion into residential / commercial property development projects.

The initial investments on these two lands got appreciated manifold owing to huge demand and land rates going up north.In Both these specific locations where the land is situated, exponential residential apartments are coming up from multiple developers. We should be able to monetize over a period of 2 – 3 years as we are going to enter development agreements with leading Companies.

SALION SE:

Salion SE is a subsidiary of Nettlinx Limited. It has acquired 95% of Salion SE of Germany.

Salion SE is an Management consultant company based out of Berlin, Germany. The Corporation manages more than Euro 1.70 Million investments. It has a specialized team which advises on M&A and financing of M&A transactions.

This strategic investment will help Nettlinx build a war chest for future acquisitions of High tech companies in the industrial space in Germany.

The Company derives advantage through this route on account of extended leverage it gets in a low interest country where in the current interest rates are lesser than 2% PA against the interest rates prevailing in India which hover around 10% PA.

Salion SE has excellent credit rating and presently can leverage this investment to the tune of around Euro 20 Million. For overseeing this new project, Mr. Abraham Joy will be on the supervisory board of Salion SE to take care of the overall operations along with his team.

NETTLINX INC:

Nettlinx Inc. is a 18-year-old US (registered office in NJ) corporation. We are into software consulting, network services, application development, and outsourcing and managed cloud services. Clients include big companies like IBM, Microsoft, Vanguard, HCL to name a few.
Currently, we are developing a micro ERP application framework. It is aimed at small businesses which do not need the complex structure that a full-fledged ERP provides. The target market small businesses which do not have the need or utilize their own IT department. Currently, it is in production with two pharmaceutical distributors.

SRI VENKATESWARA GREEN POWER PROJECTS LIMITED:

Sri Venkateswara Green Power Projects Limited (SVGPPL) was incorporated in the year 1999 to establish power projects in the non renewable energy sector. "12 MW Waste to Energy Power Plant Based on RDF" facility at Yacharam Village & Mandal, Range Reddy District, Telangana State, utilizing the MSW from GHMC.
SVGreen has entered into a Concession Agreement with GHMC on 10th November 2010 for the supply of 700 TPD Hyderabad MSW to the project site – Re Ratified vide G.O. No. 448 date 26.07.2017. (MA&UD – Govt. Of Telangana).

With all the required permissions in place, the present project envisages developing and implementing a viable and environmentally sustainable 12 MW Energy from Waste, which would scientifically process and dispose the MSW. The project facility covers processing and treatment of MSW, which includes:

- 700 TPD MSW receipt and processing plant
- 12 MW Waste to Energy Plant for combustible component
- Leachate collection and Treatment system
- Inert management facility

The company has already acquired land admeasuring about 25 Acres in Yacharam Village, near Hyderabad. The project site is about 2kms. From SH-19, Nagarjunasagar Highway, 55 km from city center, 22 km from ORR.

- The project has received consent for Establishment from state Pollution control board.

6. SUBSIDIARIES:

Company has Three wholly owned subsidiaries namely Nettlinx Inc.,SalionSEand Nettlinx Realty Private Limited, One Subsidiary namely Sri Venkateswara Green Power Projects Limited and one step down subsidiary Nettlinx Technologies Private Limited. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

The details of financial performance of Subsidiary/ Joint Venture/Associate Company is furnished in Annexure-A.

7. RESERVES:

The Directors do not propose to transfer any amount to the General Reserves. Rs. 173.19/- Lakhs has been transferred to the Reserves during the financial year 2019-20, being the surplus for the year end 31st March, 2020.

8. SHARE CAPITAL:

The Authorized Share Capital of the company is Rs. 34,50,00,000 divided into 3,45,00,000 equity shares of Rs. 10 (Rupees Ten Only) each.

The Issued, Subscribed and Paid up Capital of the Company as on March 31, 2019 is Rs. 11,46,33,120 divided into 1,14,63,312 equity shares of Rs. 10 (Rupees Ten Only) each.

A. BUY BACK OF SECURITIES:
The Company has not bought back any of its securities during the year under review.

B. SWEAT EQUITY:
The Company has not issued any Sweat Equity Shares during the year under review.

C. BONUS SHARES:
No Bonus Shares were issued during the year under review.

D. EMPLOYEES STOCK OPTION PLAN:
The Company has not provided any Stock Option Scheme to the employees.

9. DIVIDEND:
Due to conservation of Profits, your Board could not recommend any dividend for the financial year 2019-2020.

10. **DEPOSITS:**
The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

11. **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
DIRECTORS:
Mr. Kothuri Kameswara Rao (Holding DIN: 00271944) was appointed as an independent director at the 26th Annual General Meeting (AGM) held on September 25,2019 for a period of five years.

Mr. Venkata Hanumantha Rao Joginapally (holding DIN 02682027)was appointed as an independent director at the 26th Annual General Meeting (AGM) held on September 2 5 , 2019 for a period of five years.

The Board of Directors of the Company in its meeting held on 20 May, 2020 approved the appointment and payment of remuneration to Dr. Manohar Loka Reddy, Managing Director for the period of 5 (Five) years of his tenure w.e.f. 05 June, 2020 as recommended by the Nomination and Remuneration Committee in its meeting held on 20 May, 2020 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013.

Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a term of five years is proposed at the ensuing AGM for the approval of the Members by way of Ordinary resolution.

The Board recommends the resolution as set forth in item No.3 of the notice for approval of the members. For the perusal of the shareholders, a brief resume of the Director being re-appointed along with necessary particulars are given in the Explanatory statement of the notice.

RE-APPOINTMENTS:

In accordance with the provisions of Companies Act, 2013, Ms. Radhika Kundur, Director of the company would retire by rotation and, being eligible, offer herself for re-appointment. The Board recommends her reappointment at the ensuing Annual general Meeting of the company.

RESIGNATIONS:

Mr. Kothuri Kameswara Rao (Holding DIN: 00271944) resigned as director of the company with effect from 07.02.2020. due to health reasons. The Board places on record its appreciation for his invaluable contribution and guidance.

Mr. Chandra Sekhar Pogula, resigned as CEO & WTD of the company with effect from 05.06.2020.The Board places on record its appreciation for his invaluable contribution and guidance.

Mr. Sanku Mahaganesh has resigned as CFO of the company with effect from 22.7.2020.

STATEMENT ON THE DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS AS PER SECTION 149(6) OF COMPANIES ACT, 2013:

The company has received necessary declarations from the Independent Directors under section 149(7) of Companies Act, 2013 that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and Regulation 25 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

DETAILS OF KEY MANAGERIAL PERSONAL (KMP):

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are –Mr. Chandra Sekhar Pogula, Chief Executive Officer and Whole Time Director, Mr. S. Mahaganesh, Chief Financial Officer and Mr. Sai Ram Gandikota, Company Secretary as on 31.03.2020.

Dr. Manohar Loka Reddy, Managing Director designated as key managerial personnel of the Company with effect from 05.06.2020.

NUMBER OF MEETINGS OF THE BOARD:

Four meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

No Extraordinary General Meetings of the company during the Financial Year.

Meeting of Independent directors meeting held on 07.02.2020.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Board evaluation:

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI Listing Regulations”).

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company’s policy on directors’ appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

12. **DIRECTORS' RESPONSIBILITY STATEMENT:**

In pursuance of Section 134(5) of the Companies Act, 2013, your directors confirm:

(a) That the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.

(b) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period.

(c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.

(d) That the directors had prepared the annual accounts on the going concern basis.

(e) That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. AUDITORS AND AUDITOR's REPORT:

STATUTORY AUDITORS:

M/s. C. Ramachandram& Co, Chartered Accountants (Firm Registration No. 002864S) allotted by The Institute of Chartered Accountants of India (ICAI) was appointed as Auditors of the company for a term of consecutive five years at the 24^{th} Annual General Meeting held on 27^{th} September, 2017.

They have confirmed that they are not disqualified from continuing as auditors of the company.

The notes on financial statements referred to in the Auditor's report are self-explanatory and do not call for any further comments. The auditor's report does not contain any qualification, reservation, adverse remark or disclaimer.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s VCSR & Associates, Company Secretaries, to carry out Secretarial Audit for the financial year 2019-2020.

SECRETARIAL AUDITORS' REPORT:

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit report is annexed herewith as "(Annexure B)" & "(Annexure B1)". The report is self-explanatory and do not call for any further comments.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:

As required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations") the Auditor's Certificate on Corporate Governance is enclosed as Annexure-C to the Board's Report. The Auditors certificate for Financial Year 2019-2020 does not contain any qualifications, reservations or adverse remarks.

14. EXTRACT OF ANNUAL RETURN:

As provided under section 92(3) of the Act, the extract of annual return is given in Annexure-D in the prescribed Form MGT-9, which forms part of this report.

15. PARTICULARS OF EMPLOYEES:

a) The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-E to this report.

b) Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the Year under review, None of the employees of the company employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees; None of the employees of the company employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month; None of the employees of the company employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

16. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION &ANALYSIS REPORTS:

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as Annexure-F and Annexure-G respectively together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as per SEBI Listing Regulations.

17. TRANSACTIONS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc, which may have potential conflict with the interest of the Company at large. Hence no disclosure in Form AOC-2 is required. All related party transactions are presented to the Audit Committee and the Board for its approval.

The Related Party Transaction Policy has been devised by your company for determining the materiality of transactions with related parties and dealings with them.

18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in the management discussion& analysis, which forms part of this report.

19. AUDIT COMMITTEE:

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

20. VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.nettlinx.com

21. RISK MANAGEMENT:

The board of directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

22. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

23. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The particulars of loans, guarantees or investments made under section 186 of the Companies Act 2013 are covered in the notes of the Financial Statement for the year ended 31st March, 2020.

24. **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

25. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(A) Conservation Of Energy:

The operations of the company involve low energy consumption. However adequate measures have been taken to conserve energy wherever practicable.

(B) Technology absorption, adaptation and innovation:

The company continues to use the latest technologies for improving the quality of its operations. Provision of state of the Art communication facilities to all software development centers and total technology solutions to its clients contribute to technology absorption and innovation.

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows is as follows:

Foreign Exchange Inflows : Rs. 5,31,56,389/-

Foreign Exchange Outflows : Rs. 189171/-

26. **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company, yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

27. **HEALTH AND SAFETY/ INDUSTRIAL RELATIONS:**

The company continues to accord high priority to health and safety of employees at manufacturing locations. During the year under review, the company conducted safety training programmes for increasing disaster preparedness and awareness among all employees at the plants. Training programmes and mock drills for safety awareness were also conducted for all employees at the plants. Safety Day was observed with safety competition programmes with aim to imbibe safety awareness among the employees at the plant.

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

28. **LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2019-2020 to BSE and MSEI where the Company's Shares are listed.

29. **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company, during the period (the Trading Window is closed). The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

30. **ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders, of the Company for their continued support.

By order of the Board of Directors
For Netttlinx Limited

Sd/-	**Sd/-**
Dr. Manohar Loka Reddy	**Venkata Hanumantha Rao Joginapally**
Managing Director	**Independent Director**
DIN: 00140229	**DIN: 02682027**

Sd/-
Mr.Sai Ram Gandikota
Company Secretary & Compliance Officer

Date : 28.08.2020
Place : Hyderabad

ANNEXURE INDEX

Annexure	Content
A	AOC-1
B & B1	MR-3 Secretarial Audit Report
C	Practising Company Secretary’s Certificate On Corporate Governance
D	Extract Of Annual Return
E	Particulars Of Employees
F	Corporate Governance Report
G	Management Discussion & Analysis Reports
H	Certificate (Pursuant to clause 10 of Part C of Schedule V of LODR)

Form AOC-I
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or Associates or Joint Ventures

Part “A”: Subsidiaries

Information in respect of Nettlinx Realty Private Limited to be presented with amounts in Rupees (INR):

1. Sl.No: 1
2. Name of the subsidiary: Nettlinx Realty Private Limited
3. The date since when subsidiary was acquired: 16/09/2006
4. Reporting period for the subsidiary concerned, if different from the holding company’s reporting period: 01st Apr, 2019 to 31st March, 2020
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries: INR
6. Share capital: 3799790
7. Reserves and surplus:95502006
8. Total Assets:155445396
9. Total Liabilities:56143600
10. Investments:35371761
11. Turnover: Nil
12. Profit before taxation:(4079033)
13. Provision for taxation: Nil
14. Profit after taxation: (4094074)
15. Proposed Dividend: Nil
16. Extent of shareholding (in percentage):100

Information in respect of Nettlinx Technologies Private Limited to be presented with amounts in Rupees (INR):

Sl. No: 2

1. Name of the subsidiary: Nettlinx Technologies Private Limited
2. The date since when subsidiary was acquired: 22.11.2019
3. Reporting period for the subsidiary concerned, if different from the holding company’s reporting period: 22nd November, 2019 to 31st March, 2020
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries: INR
5. Share capital: 1000000
6. Reserves and surplus: (129675)
7. Total Assets:11196436
8. Total Liabilities:10326112
9. Investments:NIL
10. Turnover: 11240487
11. Profit before taxation:(129675)
12. Provision for taxation: Nil
13. Profit after taxation: (129675)
14. Proposed Dividend: Nil
15. Extent of shareholding (in percentage):100

Information in respect of Nettlinx INC to be presented with amounts in US Dollar:

1. Sl. No.:3.
2. Name of the subsidiary: Nettlinx, INC.
3. The date since when subsidiary was acquired: 22.08.2003
4. Reporting period for the subsidiary concerned: Jan 1, 2019 to Dec 31, 2020
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: US Dollar at 75.3859
6. Share capital: $ 381000
7. Reserves & surplus: $ 733216.09
8. Total assets: $ 1482335.02
9. Total Liabilities: $ 269968.29
10. Investments: $ Nil
11. Turnover: $ 2585853.94
12. Profit before taxation: $ 94067
13. Provision for taxation: Nil
14. Profit after taxation: $ 94067
15. Proposed Dividend: Nil
16. Extent of shareholding: 100%

Information in respect of SALION SE to be presented with amounts in EURO:

1. Sl. No.:4.
2. Name of the subsidiary: SALION SE.
3. The date since when subsidiary was acquired: 17.02.2017
4. Reporting period for the subsidiary concerned Jan 1, 2019 to Dec 31, 2020
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: EURO at 83.0496
6. Share capital: € 6,20,000
7. Reserves & surplus: € (145803.37)
8. Total assets: € 497426
9. Total Liabilities: € 34587.01
10. Investments: € Nill
11. Turnover: € Nil
12. Profit before taxation: € (10759)
13. Provision for taxation: Nil
14. Profit after taxation: € (10759)
15. Proposed Dividend: Nil
16. Extent of shareholding: 95%

1.Names of subsidiaries which are yet to commence operations: Sri Venkateswara Green Power Projects Limited

Annexure-B
FORM MR-3

SECRETARIAL AUDIT REPORT
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To
The Members,
M/s. Nettlinx Limited.

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2019 and ended 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Nettlinx Limited ("The Company") for the financial year ended on 31st March, 2020 according to the provisions of:

   i. The Companies Act, 2013 (the Act) and the rules made thereunder;

   ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

   iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

   iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and 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') :

      a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

      c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

      e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014-(Not applicable to the Company during the Audit Period);

      f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period;

      g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- (Not applicable to the Company during the Audit Period);

      h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period); and

   vi) The Company had identified following Other laws as specifically applicable to the Company namely:
      a) The Information Technology Act, 2000.

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 under the provisions of Companies Act, 2013 and

   ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and MSEI Limited.;

4. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.;

OBSERVATIONS:

(a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that:

   (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;

   (ii) Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

   (iii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

(b) We further report that:

   (i) the Company is regular in deducting and paying TDS under the Income Tax Act.

   (ii) the Company has paid EPF and ESI to the respective authorities.

   (iii) the Company also has collected service tax on behalf of the client and paid to the respective authorities.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events or actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above. Except Preferential Issue of Convertible Share Warrants.
This Report is to be read with our letter of even date which is annexed "Annexure A" and forms an Integral Part of this Report.

As regards the Secretarial Audit for the FY 2019-20, a substantial portion of the audit programme was completed prior to the outbreak of the pandemic COVID 19 in the country. However, owing tothe lockdown measures imposed across the country and the cascading impact thereof, for certain verifications and cross checks, we have relied on the management representations and assurances,wherever required, for forming our opinion and eventual reporting

For VCSR & Associates
Company Secretaries

Sd/-
Ch.Veeranjaneyulu
Partner
FCS:F6121
C.P.No: 6392
UDIN: F006121B000630206

Place: Hyderabad
Date: 28.08.2020

Annexure B1

To
The Members of
M/s. Nettlinx Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For VCSR & Associates
Company Secretaries

Sd/-
Ch.Veeranjaneyulu
Partner
FCS:F6121
C.P.No: 6392
UDIN: F006121B000630206

Place: Hyderabad
Date: 28.08.2020

ANNEXURE-C:

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Nettlinx Limited,

1. We have examined the compliance of conditions of Corporate Governance by Nettlinx Limited ('the Company') for the year ended 31st March, 2020 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

2. The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuringthe compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certifythat the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VCSR & Associates
Company Secretaries

Sd/-
Ch.Veeranjaneyulu
Partner
FCS:F6121
C.P.No: 6392
UDIN: F006121B000630228

Place: Hyderabad
Date: 28.08.2020

ANNEXURE - D
MGT 9
Extract of Annual Return
As on the Financial Year 31.03.2020
[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	L67120TG1994PLC016930
II	Registration Date	25/01/1994
III	Name of the Company	NETTLINX LIMITED
IV	Category / Sub-Category of the Company	Category – Company Limited by Shares Sub-Category – Public Non-Government Company
V	Address of the Registered office and contact details	5-9-22,Flat NO.303, 3rd Floor, My home Sarovar Plaza, Secretariat, Saifabad, Hyderabad Telangana - 500063. Ph: 91-040-23232200/23231621 Fax: 23231610 E – Mail: secretarial@nettlinx.org Website:www.nettlinx.com
VI	Whether listed company (Yes / No)	Yes
VII	Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Pvt. Ltd., Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana Tel: 91-40-23818475/23818476/2386808023 Fax: 040 – 23868024 E – Mail: info@vccilindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

SI. No.	**Name and Description of main products /services**	NIC Code of the Product / service	% to total turnover of the company
1.	Internet Service Providers	9984	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:–

SI. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held Section	Applicable Section
1	Nettlinx Realty Private Limited	U45102TG2006PTC051182	Wholly-Owned Subsidiary	100%	2(87)(ii)
2	Sri Venkateswara Green Power Projects Limited	U40109TG1999PLC109481	Subsidiary	53.56%	2(87)(ii)
3	Nettlinx INC	23-3821830	Wholly-Owned Subsidiary	100%	2(87)(ii)
4	Salion SE	HRB 180170 B	Subsidiary	95	2(87)(ii)
5	Nettlinx Technologies Private Limited	U72900TG2019PTC137052	Subsidiary of Nettlinx Realty Private Limited (Step Down Subsidiary)	100%	2(87)(ii)

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

I) Category-wise Share Holding;-									
Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**%Change during the year**
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	6605548	--	6605548	57.62	6655470	--	6655470	58.06	+0.44
(1) Indian	–	–	–	–	–	–	–	–	–
Individual/ HUF	–	–	–	–	–	–	–	–	–
Central Govt	–	–	–	–	–	–	–	–	–
State Govt (s)	–	–	–	–	–	–	–	–	–
Bodies Corp.	–	–	–	–	–	–	–	–	–
Banks / FI	–	–	–	–	–	–	–	–	–
Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1) :-	6605548	--	6605548	57.62	6655470	--	6655470	58.06	+0.44
(2) Foreign	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Others-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other.....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):- Totalshareholding of Promoter (A) =(A)(1)+(A)(2)	**6605548**	**--**	**6605548**	**57.62**	**6655470**	**--**	**6655470**	**58.06**	**+0.44**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	--	–	–	-	–	–	–	–
b) Banks / FI	--	800	800	0.01	--	800	800	0.01	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Fund	–	–	–	–	–	–	–	–	–
I) Other(speficy)	–	–	–	–	–	–	–	–	–
2. Non Institutions									
a) Bodies Corp	815310	12600	827910	7.22	805252	4400	809652	7.06	-0.16
I) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	
b) Individuals	–	–	–	–	–	–	–	–	--
I)Individual shareholers holding nominal share capital up to Rs. 1 lakh	899082	387566	1286648	11.22	941324	377367	1318691	11.5	0.28
I)Individual shareholers holding nominal share capital in excess of Rs. 1 lakh	2419683	62411	2482094	21.65	2552196	62411	2614607	22.81	+1.16
c) Others (specify)	255012	5300	260312	2.27	58792	5300	64092	0.56	-1.71
Sub-total (B)(2):- Total Publice Shareholding (B)=(B)(1)+(B)(2)	4389087	468677	4857764	42.38	4357564	450278	4807842	41.94	-0.44
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	--	--	–	–	–
Grand Total (A+B+C)	10994635	468677	11463312	100	11013034	450278	11463312	100	–

(ii) Shareholding of Promoters

I) Category-wise Share Holding;-									
Category of Shareholders	**No. of Shares held at the beginning of the year**				**No. of Shares held at the end of the year**				**%Change during the year**
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1. Dr Manohar Lokareddy	5437749	--	5437749	47.44	5465545	--	5465545	47.68	+0.24
2. Saranya Loka Reddy	644186	--	644186	5.62	644186	--	644186	5.62	–
3. P Kalpana Reddy	238100	--	238100	2.08	238100	--	238100	2.08	–
4. Shilpa Loka Reddy	98200	--	98200	0.86	98200	--	98200	0.86	–
5. Nithya Loka Reddy	58819	--	58819	0.51	58819	--	58819	0.51	–
6. Jaya Reddy	25000	--	25000	0.22	25000	--	25000	0.22	--
7. Dr Manohar Loka Reddy (huf)	103494	--	103494	0.90	125620	--	125620	1.10	+0.20
Total	6563992	–	6563992	57.26	6605548	--	6605548	57.62	+0.36

(iii) Change in Promoters' Shareholding (please specify, if there is no change) **:As per Note-I**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) **: As per Note-II**

(v) Shareholding of Directors and Key Managerial Personnel: **As per Note-III**

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,24,68,456	1,85,43,897	0	14,10,12,353
ii) Interest due but not paid	94,340	0	0	94,340
iii) Interest accrued but not due	6,32,615	0	0	6,32,615
Total (i+ii+iii)	12,31,95,411	1,85,43,897	0	14,17,39,308
Change in Indebtedness during the financial year Addition :				
i) Principal Amount	2,22,98,009	95,10,000	0	3,18,08,009
Reduction:				
ii) Principal Amount	1,38,58,810	2,66,48,594	0	(4,05,07,404)
iii) Interest paid	10121176	0	0	(10121176)
Net Change(i+ii+iii)	(1681977)	(1,71,38,594)	0	(1,88,20,571)
indebtedness at the end of the financial year				
i) Principal Amount	13,36,67,543	14,05,302	0	13,50,72,845
ii) Interest due but not paid	89,207	0	0	89,207
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	13,37,56,750	14,05,302	0	13,51,62,052

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager:	Total
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Chandra Sekhar Pogula- Whole time Director Cum CEO emuneration to Rs.36,00,000/- Per Annum	
2	Stock Option	–	
3	Sweat Equity	–	
4	Commission - as % of profit - Others, specify…	– – –	
5	Others, please specify)	–	
6	Total (A)	–	
7	Ceiling as per the Act	Within the limits of yearly remuneration payable, as per section II- remuneration payable by companies having no profit or inadequate profit without central government approval, part II, Schedule V of the Companies Act, 2013.	

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
	Independent Directors		Kothuri Kameswara Rao	Dr. Erwin Leopold Dieck	Kiran Venkata siva Kakarla	Venkata Hanumantha Rao Jogin apally	Subramanyeswara Rao Kakarala	
	• Fee for attending board / committee meetings	NA	20000	10000	20000	20000	10000	80000
	Commission • Others, please specify	NA	NA	NA		NA		
	Total (1)	--	20000	10000	20000	20000	10000	80000
	2. Other Non-Executive Directors	Dr.Manohar Loka Reddy	–	–	–	–	Radhika Kundur	--
	• Fee for attending board / committee meetings	NA	NA		NA	NA	10000	10000
	Commission	NA	NA		NA	NA		–
	Others, please specify	NA	NA		NA	NA		–
	Total (2)	--	--		–	–		–
	Total (B)=(1+2)	NA	NA		NA	NA	10000	10000
	Total Managerial Remuneration	–	20000	10000	20000	20000	20000	90000
	Overall Ceiling as per the Act	₹.1,00,000 per meeting	₹.1,00,000 per meeting	₹.1,00,000 per meeting	₹.1,00,000 per meeting	₹.1,00,000 per meeting	₹.1,00,000 per meeting	

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			TOTAL
		CEO	Company Secretary & Compliance Officer	CFO	
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	33,50,000 P.A (paid during the Financial Year)	7,05,000 P.A	9,85,000P.A	50,40,000
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission - as % of profit - others, specify…	-	-	-	-
	Others, please specify	-	-	-	-
	Total	33,50,000 P.A	7,05,000 P.A	9,85,000P.A	50,40,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]
		A. COMPANY		
Penalty	--		--	–
Punishment	--		--	–
Compounding	--		--	–
		B. DIRECTORS		
Penalty	--		--	–
Punishment	--		--	–
Compounding	--		--	–
		C. OTHER OFFICERS IN DEFAULT		
Penalty	--		--	–
Punishment	--		--	–
Compounding	--		--	–

By order of the Board of Directors
For Netttlinx Limited

Sd/-
Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229

Sd/-
Venkata Hanumantha Rao Joginapally
Independent Director
DIN: 02682027

Sd/-
Mr.Sai Ram Gandikota
Company Secretary & Compliance Officer

Date : 28.08.2020
Place : Hyderabad

NOTE-I DETAILS OF INCREASE AND DECREASE IN PROMOTERS' SHARE HOLDING:

S.No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (From 01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19)/ end of the year (31- 03-20)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	DR MANOHAR LOKAREDDY	5437749	47.44	01.04.2019				
				27-08-2019	25796	Increase/Bought	5463545	47.66
				23-03-2020	2000	Increase/Bought	5465545	47.68
		5465545	47.68	31-03-2020				
2.	SARANYA LOKA REDDY	644,186	5.62	01.04.2019				
		644,186	5.62	31.03.2020				
3.	P KALPANA REDDY	238,100	2.08	01.04.2019				
		238,100	2.08	31.03.2020				
4.	SHILPA LOKA REDDY	98,200	0.86	01.04.2019				
		98,200	0.86	31.03.2020				
5.	NITHYA LOKA REDDY	58,819	0.51	01.04.2019				
		58,819	0.51	31.03.2020				
6.	JAYA REDDY	25,000	0.22	01.04.2019				
		25,000	0.22	31.03.2020				
7.	Dr MANOHAR LOKA REDDY (HUF)	103494	0.9	01-04-2019				
				01-04-2019				
				29-05-2019	1702	Increase/Bought	105196	0.92%
				27-08-2019	14882	Increase/Bought	120078	1.05%
				06-01-2020	25	Increase/Bought	120103	1.05%
				11-03-2020	2000	Increase/Bought	122103	1.07%
				12-03-2020	517	Increase/Bought	122620	1.07%
				13-03-2020	1000	Increase/Bought	123620	1.08%
				18-03-2020	2000	Increase/Bought	125620	1.1%
		125620	1.1	31-03-2020				

Note-II SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

S.No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (From 01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19)/ end of the year (31- 03-20)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	NORTHEAST BROKING SERVICES LIMITED	726743	6.34%	31-03-2019				
				06-09-2019	60333	Increase/Bought	787076	6.87%
		787076	6.87%	31-03-2020				
2.	P PRAMEELA REDDY	211437	1.84%	01-04-2019				
		211437	1.84%	31-03-2020				
3.	KUNINTE MANIMALA	274789	2.4%	01-04-2019				
				20-09-2019	6102	Increase/Bought	280891	2.45%
				27-09-2019	8620	Increase/Bought	289511	2.53%
				30-09-2019	1694	Increase/Bought	291205	2.54%
				04-10-2019	7874	Increase/Bought	299079	2.61%
				11-10-2019	520	Increase/Bought	299599	2.61%
				01-11-2019	5400	Increase/Bought	304999	2.66%
				29-11-2019	4915	Increase/Bought	309914	2.7%
		309914	2.7%	31-03-2020				
4.	SASIDHAR POSIM REDDY	133792	1.17%	01-04-2019				
		133792	1.17%	31-03-2020				
5.	DR. SARAT SURAPANENI	99324	0.87%	01-04-2019				
				19-07-2019	15736	Increase/Bought	115060	1%
		115060	1%	31-3-2020				
6.	VIJAYA LAKSHMI POGULA	107448	0.94%	01-04-2019				
				30-08-2019	13769	Increase/Bought	121217	1.06%
		107448	1.06%	31-03-2020				
7.	B RANJITH RAO	73400	0.64%	01-04-2019				
				02-08-2019	100	73500	0.64%	
		73500	0.64%	31-03-2020				

8.	Sreekanth Reddy Puthalapat	69905	0.61%	01-04-2019				
		69905	0.61%	31-03-2020				
9.	PADMAJA JUVVADI	58645	0.51%	01-04-2019				
		58645	0.51%	31-03-2020				
10.	POGULA CHANDRA SEKHAR	100000	0.87%	01-04-2019				
		100000	0.87%	31-03-2020				
11.	P SAHITYA REDDY	61587	0.54%	01-04-2019				
		61587	0.54%	31-03-2020				
12.	P PARASHURAM REDDY	64800	0.57%	01-04-2019				
		64800	0.57%	31-03-2020				

NOTE.III SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S.No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (From 01-04-19 to 31-03-20)	
		No. of shares at the beginning (01-04-19)/ end of the year (31- 03-20)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	DR MANOHAR LOKAREDDY	5437749	47.44	01-04-2019				
				27-08-2019	25796	Increase/Bought	5463545	47.66
				23-03-2020	2000	Increase/Bought	5465545	47.68
		5465545	47.68	31-03-2020				
2.	CHANDRA SEKHAR POGULA	100000	0.87%	01-04-2019				
		100000	0.87%	31-03-2020				
3.	KOTHURI KAMESWARA RAO	Nil		01-04-2019				
		Nil		31-03-2020				
4.	VENKATA HANUMANTHA RAO JOGINAPALLY	Nil		01-04-2019				
		Nil		31-03-2020				
5.	RADHIKA KUNDUR	Nil		01-04-2019				
		Nil		31-03-2020				
6.	SUBRAMANY-ESWARA RAO KAKARALA	Nil		01-04-2019				
		Nil		31-03-2020				
7.	KAKARLA KIRANVENK-ATASIVA	Nil	Nil	01-04-2019				
		Nil	Nil	31-03-2020				
8.	ERWIN LEOPOLD DIECK	Nil		01-04-2019				
		Nil		31-03-2020				
9.	SANKU MAHA-GANESH	610		01-04-2019				
		610		31-03-2020				
10.	SAI RAM GANDIKOTA	Nil		01-04-2019				
		Nil		31-03-2020				

Annexure-E
PARTICULARS OF EMPLOYEES

a) The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

I) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Executive Director	Ratio to Median Remuneration
Mr.Chandra Sekhar Pogula	a)16.71%

No Remuneration was paid to other Directors.

ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Director, Chief Financial Officer, Chief Executive Officer, Company Secretary	percentage increase in remuneration in the financial year
Mr.Chandra Sekhar Pogula, CEO & WTD	Not Applicable
Mr.S.Mahaganesh, Chief Financial Officer	Not Applicable
Mr.Sai Ram Gandikota, Company Secretary	9%

(iii) the percentage increase in the median remuneration of employees in the financial year: 18.29

(iv) the number of permanent employees on the rolls of company: 26

(v) the explanation on the relationship between average increase in remuneration and company performance:
The employee liability has decreased 1.09% from 2.14 crores to 2.09 crores.
The Average Annual Increase in salaries of employees was around 23.51 %.
However regularization and new recruitments added to said marginal incremental cost.
In order to ensure that remuneration reflects company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Aggregate Remuneration of Key Managerial Personnel (KMP) in FY 19-20 (Rs. In Lakhs)	50.40
Revenue (Rs. Lakhs)	2699.54
Remuneration of KMP's (as % of Revenue)	1.86
Profit before tax(PBT) (Rs. Lakhs)	242.42
Remuneration of KMP (as % of PBT)	20.79

(vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	31stMarch, 2020	31st March, 2019	% change
Market Capitalisation (Rs. Lakhs)	1679.844	4420.36522	61.99762
Price Earnings Ratio	8.722	10.593	-17.6615

Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

Particulars	31st march, 2020	2001	% change
Market Price (BSE)	14.654	10	46.54
MSEI	38.56	10	285.60

(viii) 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 the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
During the course of the year, after accounting for promotions and other event based compensation revisions, increase in the managerial remuneration for the year was NIL.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

Particulars	Mr.Chandra Sekhar Pogula, CEO & WTD	Mr.S.Mahaganesh, Chief Financial Officer	Mr.Sai Ram Gandikota, Company Secretary & Compliance Officer
Remuneration in FY 19-20	33,50,000/-	9,85,000	7,05,000
Total Revenue (Rs.Lakhs)	2699.54	2699.54	2699.54
Remuneration as (as % of Revenue)	1.24%	0.36	0.26
Profit before tax(PBT) (Rs.Lakhs)	242.42	242.42	242.42
Remuneration (as % of PBT)	13.81	4.063	2.908

(x) the key parameters for any variable component of remuneration availed by the directors: None

(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

(xii) Affirmation that the remuneration is as per the remuneration policy of the company:
The company affirms remuneration is as per the remuneration policy of the company.

ANNEXURE-F

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Nettlinx Limited as follows:

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020:

I. Company's philosophy on Code of Governance:

Nettlinx believes that good corporate governance emerges from the application of best Management practices and compliance with the laws coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters.

Nettlinx also believes that sound corporate governance is critical to enhance and retain investor trust. Hence Nettlinx's business policies are based on ethical conduct, health, safety and a commitment to building long term sustainable relationships with relevant stakeholders. The Company continues to strengthen its governance principles to generate long term value for its stakeholders on sustainable basis thus ensuring ethical and responsible leadership both at the Board and Management levels.

At Nettlinx, we also consider it as our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. The company is committed to a balanced corporate governance system which provides the framework for attaining the company's objectives encompassing practically every sphere of management from action plans and internal controls to corporate disclosure.

Your Company is not only in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") with regard to corporate governance but is also committed to sound corporate governance principles & practices and constantly strives to adopt emerging best corporate governance practices being followed worldwide.

A report on compliance with the corporate governance provisions as prescribed under the SEBI LODR is given below:

II. Board of Directors:

The composition of the Board of your Company is in conformity with Regulation 17 of SEBI LODR. The Chairman of your Company, though a Promoter Director. The number of Independent Directors is more than one-half of the total number of Directors on the Board of your Company.

Dr. Manohar Loka Reddy, Chairman is a Non-Executive Director of the company, Mr.Chandra Sekhar Pogula, CEO and Whole Time Director is the Executive Director of your company. Ms.Radhika Kundur, Women Director is the Non-Executive Director of your company.

The remaining Directors on the Board of your Company comprises Four Independent Directors as on March 31, 2020 and are renowned professionals drawn from diverse fields, possessing requisite qualifications and experience in general corporate management, finance, banking, insurance, economics, science, technology and other allied fields which enable them to contribute effectively to your Company and enhance the quality of Board's decision making process.

The Board being aware of its fiduciary responsibilities recognizes its responsibilities towards all stakeholders to uphold highest standards in all matters concerning the Company. It has empowered responsible persons to implement its broad policies, guidelines and has set up adequate review processes.The Board provides strategic guidance on the affairs of the Company. The Independent Directors provide independent and objective judgement on matters placed before them.

The Company's day to day affairs are managed by the Chairman and CEO assisted by a competent management team under the overall supervision of the Board. The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board, senior management and all its employees. The Board is committed to representing the long term interests of the stakeholders and in providing effective governance over the Company's affairs and exercise reasonable business judgment on the affairs of the Company.

A. Composition of the Board:

The Board of your Company comprises of 7 Directors as on March 31, 2020. The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Director is a Director in more than 10 public limited companies (as specified in Section 165 of the Companies Act, 2013 ("the Act")) or act as an Independent Director in more than 7 listed companies or 3 listed companies in case he/she serves as a Whole-time Director in any listed company (as specified in Regulation 25 of SEBI LODR). Further, none of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Regulation 26 of SEBI LODR), across all the Indian public limited companies in which he/she is a Director.

Name	Category	No. of Board Meetings		Attendance at the Last AGM (25.09.2019)	No. of Directorships in other Companies		Chairmanships/memberships in Committees of other Public Companies		Name of other listed entities where he/she is a director and the category of directorship
		Held	Attended		Private	Public	Membership	Chairmanship	
Dr. Manohar Loka Reddy	Chairman, Promoter& Non-Executive	4	4	Yes	2	1	0	0	-
Mr.Chandra Sekhar Pogula (Resigned with effect from 05.06.2020)	Executive	4	4	Yes	2	0	1	0	-
Mr. Kothuri Kameswara Rao (Resigned with effect from 07.02.2020)	Independent	4	4	No	1	0	2	2	-
Mr. Venkata Hanumantha Rao Joginapally	Independent	4	2	Yes	1	1	2	0	-
Mr. Subramanyeswara Rao Kakarala	Independent	4	4	No	2	0	0	0	-
Mr. Kiranvenkatasiva Kakarla	Independent	4	4	No	0	0	1	0	-
Dr. Erwinleopold Dieck	Independent	4	2	No	0	0	0	0	-
Ms. Radhika Kundur	Non-Executive	4	2	No	0	0	0	0	-

*Excludes private limited companies, foreign companies, companies registered under Section 8 of the Act and Government Bodies.
$ Includes Additional Directorships and Directorship in Nettlinx Limited.
# Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Nettlinx Limited.

B. Number of Board meetings, Annual General Meeting ("AGM") and Extra-Ordinary General Meeting:

During the year April 01, 2019 to March 31, 2020, Four Board meetings were held on the following dates –May 20, 2019, August 09, 2019, November 13, 2019 and February 07, 2020. The Board met at least once in every calendar quarter and the gap between two meetings did not exceed one hundred and twenty days. These meetings were well attended. The 26th AGM of your Company was held on September 25, 2019. No Extra-ordinary General Meetings were held during the year.

C. Disclosure of relationships between directors inter-se: Not Applicable

D. Shareholding of Non-Executive Directors:

The details of Company's shares held by Non – Executive Directors as on March 31, 2020 are as below:

Directors	No. of shares held as on March 31, 2020
Mr. Kothuri Kameswara Rao	NIL
Mr. Venkata Hanumantha Rao Joginapally	NIL
Mr. Subramanyeswara Rao Kakarala*	7000
Mr. Kakarla Kiran venkatasiva*	Nil
Dr.Erwin Leopold Dieck	Nil
Ms. Radhika Kundur	Nil

***Shares Held with Spouse**

E. Meeting of Independent Director (Ids):

Independent Directors met on 07th February, 2020 without the presence of the Chairman and other Non-Executive & Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and enables them to review the performance of non-independent directors and the Board as a whole review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

F. Details of Familiarisation programme imparted to Independent Directors

During the year, the Independent Directors were apprised at frequent intervals on the industry trends, business model and the overview of the Company and its operations by the senior management team. Further, various business unit heads made presentations to the Independent Directors at periodic intervals on the performance and future strategy of their respective business units. The Independent Directors were also regularly appraised of all regulatory and policy changes including their roles, rights and responsibilities. Presentations on internal control over financial reporting, operational control over financial reporting, Prevention of Insider Trading Regulations, SEBI LODR, framework for Related Party Transactions, etc. were made to the Board members during the year.

The Company's familiarisation policy is available on the Company's website http://nettlinx.com/company/Policies/Nettlinx_Familiazation_Programme.pdf.

G. Performance Evaluation:
The Nomination & Remuneration Committee of your Company has formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors) pursuant to provision of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and under Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, 2015with Stock Exchanges.

Based on these criteria, the performance of the Individual Directors (including Independent Directors), the Board and various Board Committees viz. Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee, was evaluated.

During the year under review, the Independent Directors of your Company reviewed the performance of Non-Independent Directors and Chairperson of your Company, taking into account the views of Executive Directors and Non-Executive Directors. The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative. The information flow between your Company's Management and the Board is complete, timely with good quality and sufficient quantity.

H. Code of Conduct:
The Company has adopted a Code of Conduct specifically for the members of the Board of Directors and/or members of the Senior Management of the Company, which sets out as follows:

The Company's Code of Conduct is available on the company's website www.Nettlinx.com.com and on the weblink http://nettlinx.com/investor_relations_2_ Code of conduct of board of directors and senior management personnel.pdf It is hereby declared that the company has obtained from all Board Members and Senior Executives an affirmation that they have complied with the code of conduct for financial year 2019-20.

I. PROHIBITION OF INSIDER TRADING:

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

I. Confirmation that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

The Board of Directors be and is hereby confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

Detailed reasons for the resignation of an independent director who resignsbefore the expiry of his tenure along with a confirmation by such director thatthere are no other material reasons other than those provided.

During the financial year 2019-20, Mr.Kothuri Kameswara Rao has resigned before the expiry of his tenure as Director of the company w.e.f 07.02.2020 due to health reasons.

Mr.Kothuri Kameswara Rao hereby confirm that there are no other material reasons other than those provided.

(j) List of core skills/expertise/competencies identified by the board of directors:

The Company requires skills, expertise and competencies in the areas of strategy, finance, accounting, legal and regulatory matters, the environment, sustainability and operations of the Company's businesses to efficiently carry on its core businesses such as Internet Service Provider.

The Board comprises of qualified members who bring in the required skills, expertise and competenceas mentioned above which allow them to make effective contributions to the Board and its committees. The members of the Board are committed to ensure that the Company is in compliance with the highest Standards of corporate governance.

List of skills/competencies required in relation to business operations	Names of Directors having such skills/competencies
Finance, Law, Management, Administration	Dr.Manohar Reddy Loka, Sri.Venkata Hanumantha Rao Joginapally, Sri.Subramanyeswara Rao Kakarala, Sri.Kakarla Kiranvenkatasiva, Dr Dieck Erwin Leopold
Technical knowledge on operations, Production	Dr.Manohar Reddy Loka,Mrs Radhika Kundur
Corporate Governance, Strategic Management	Dr.Manohar Reddy Loka, Sri.Venkata Hanumantha Rao Joginapally, Sri.Subramanyeswara Rao Kakarala, Sri.Kakarla Kiranvenkatasiva,
Marketing and Sales	Dr.Manohar Reddy Loka, Sri.Venkata Hanumantha Rao Joginapally,

III. COMMITTEES OF THE BOARD:

The Board currently has 5 Committees: 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee and 4) Risk Management Committee 5) Internal Complaints Committee. The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of each Board Committee are convened by the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and related attendance is provided below.

1. AUDIT COMMITTEE:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:

a. Any changes in accounting policies and practices;
b. Qualification in draft audit report;
c. Significant adjustments arising out of audit;
d. The going concern concept;
e. Compliance with accounting standards; Compliance with stock exchange and legal requirements concerning financial statements and
f. Any related party transactions

- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

B. COMPOSITION, MEETINGS & ATTENDANCE:

The Audit Committee continued working under Chairmanship of Mr. K. Kameswara Rao with Mr. J. V. Hanumantha Rao and Mr. Kiran Venkatasiva Kakarla as co-members. During the year, the sub-committee met on Four occasions with full attendance of all the members.

There were four (4) Audit Committee Meetings held during the year on 20.05.2019, 09.08.2019, 13.11.2019 and 07.02.2020.
The composition of the Audit Committee as at March 31, 2020 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Attendance at the Committee Meetings held on			
		20.05.2019	09.08.2019	13.11.2019	07.02.2020
Sri.Kothuri Kameswara Rao (Resigned with Effect from 07.02.2020)	Chairman	Yes	Yes	Yes	Yes
Sri.Venkata Hanumantha Rao Joginapally	Member	Yes	Yes	Yes	Yes
Sri. Kiran Venkatasiva Kakarla	Member	Yes	Yes	Yes	Yes

Consequent to resignation of Mr.Kothuri Kameswara Rao as director, The composition of the Audit Committee were reconstituted on 20th May, 2020 and details of the Members is as follows:

Name of Director	Designation	Category
Sri. Kiran Venkatasiva Kakarla	Chairman	NED(I)
Sri.Venkata Hanumantha Rao Joginapally	Member	NED(I)
Sri.Subramanyeswara Rao Kakarala	Member	NED(I)

NED (I) : Non Executive Independent Director: ED: Executive Director

All the Members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

2. STAKEHOLDER'S RELATIONSHIP COMMITTEE:
A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

Terms of reference, powers and scope of the Stakeholders Relationship Committee includes:

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

B) COMPOSITION:

The Details of composition of the Committee as on 31st march, 2020 are given below:

Name	Designation	Category
Sri.K.Kameswara Rao	Chairman	NED(I)
Mr. Chandra Sekhar Pogula	Member	ED
Sri. Venkata Hanumantha Rao Joginapally	Member	NED(I)

NED (I) : Non Executive Independent Director
ED: Executive Director

Consequent to resignation of Mr.Kothuri Kameswara Rao and Mr.Chandra Sekhar Pogula as directors, The composition of the Stakeholder's Relationship Committee were reconstituted on 20th May, 2020 and details of the Members is as follows:

Name of Director	Designation	Category
Sri. Kiran Venkatasiva Kakarla	Chairman	NED(I)
Sri.Venkata Hanumantha Rao Joginapally	Member	ED
Sri.Subramanyeswara Rao Kakarala	Member	NED(I)

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER:
Mr. Sai Ram Gandikota , Company Secretary of the company, is the compliance officer of the Company.

D. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2019-20:

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2020
Pending at the beginning of the year	0
Received during the year	0
Disposed of during the year	0
Remaining unresolved at the end	0
of the year	

3. NOMINATION AND REMUNERATION COMMITTEE:

The Committee comprises of three non-executive independent Directors

a. **BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

b. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANE DURING THE YEAR:

INVESTOR COMPLAINTS				
Sri.K.Kameswara Rao	Chairman	NED(I)	01	01
Sri. Venkata Hanumantha Rao Joginapally	Member	NED(I)	01	01
Sri. Kiran Venkatasiva Kakarla	Member	NED(I)	01	01

NED (I) : Non Executive Independent Director
The Committee met one time during the previous year on 09.08.2019.

Consequent to resignation of Mr.Kothuri Kameswara Rao as director, The composition of the Nomination and Remuneration Committee were reconstituted on 20th May, 2020 and details of the Members is as follows:

Name of Director	**Designation**	**Category**
Sri. Kiran Venkatasiva Kakarla	Chairman	NED(I)
Sri.Venkata Hanumantha Rao Joginapally	Member	NED(I)
Sri.Subramanyeswara Rao Kakarala	Member	NED(I)

C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:
The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.
Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3. The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

4. Criteria of independence:

4.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

4.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

5. Other directorships/ committee memberships:

5.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

5.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

5.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

5.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

4. RISK MANAGEMENT COMMITTEE:

A. COMPOSITION:

The Details of composition of the Committee as on 31st march, 2020 are given below:

Name	Designation	Category
Sri.K.Kameswara Rao	Chairman	NED(I)
Mr. Chandra Sekhar Pogula	Member	ED
Sri. Venkata Hanumantha Rao Joginapally	Member	NED(I)

NED (I) : Non Executive Independent Director
ED :Executive Director

Consequent to resignation of Mr.Kothuri Kameswara Rao and Mr.Chandra Sekhar Pogula as directors, The composition of the Risk Management Committee were reconstituted on 20th May, 2020 and details of the Members is as follows:

Name of Director	Designation	Category
Sri. Kiran Venkatasiva Kakarla	Chairman	NED(I)
Sri.Venkata Hanumantha Rao Joginapally	Member	ED
Sri.Subramanyeswara Rao Kakarala	Member	NED(I)

B) ROLE AND RESPONSIBILITIES OF THE COMMITTEE INCLUDES THE FOLLOWING:

- ➢ Framing of Risk Management Plan and Policy
- ➢ Overseeing implementation of Risk Management Plan and Policy
- ➢ Monitoring of Risk Management Plan and Policy
- ➢ Validating the process of risk management
- ➢ Validating the procedure for Risk minimisation.
- ➢ Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- ➢ Continually obtaining reasonable assurance from management that al known and emerging risks have been identified and mitigated or managed.

5. Internal Complaints Committee:

The company has formed an Internal Complaint Committee as envisaged under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for receiving complaint of sexual harassment. The Committee consisting of the following members:

Name	Designation	Category
Ms. Radhika Kundur	Chairman	NED
Sri. Chandra Sekhar Pogula	Member	WTD
Sri. J. V. Hanumanth Rao	Member	NED (I)
Ms.P.Sarita member-NGO	Member	External

6. REMUNERATION OF DIRECTORS:

A. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY: The Non- Executive Directors have no pecuniary relationship or transactions.

B. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:
Policy:

1. Remuneration to Executive Director and key managerial personnel

1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

(i) Basic pay
(ii) Perquisites and Allowances
(iii) Stock Options
(iv) Commission (Applicable in case of Executive Directors)
(v) Retrial benefits
(vi) Annual performance Bonus

1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

2. Remuneration to Non – Executive Directors

2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

C. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2019-20 AND OTHER DISCLOSURES:

Name of the Director	Salary	Perks & other Benefits	Performance Bonus/ Commission	Sitting Fee/ Each Meeting	Total
Mr. Chandra Sekhar Pogula	33,50,000 P.A	Nil	Nil	Nil	Rs.33,50,000/-
Dr. Manohar Reddy Loka	Nil	Nil	Nil	Nil	Nil
Mr. Kothuri Kameswara Rao	Nil	Nil	Nil	5000	Rs.20,000/-
Mr. Venkata Hanumantha Rao Joginapally	Nil	Nil	Nil	5000	Rs.20,000/-
Ms. Radhika Kundur	Nil	Nil	Nil	5000	Rs.10,000/-
Kiran Venkatasiva Kakarla	Nil	Nil	Nil	5000	Rs.20,000/-
Subramanyeswara Rao Kakarala	Nil	Nil	Nil	5000	Rs.10,000/-
Dr. Erwin Leopold Dieck	Nil	Nil	Nil	5000	Rs.10,000/-

(ii). Details of fixed component and performance linked incentives, along with the performance criteria: No Director is paid any fixed component nor performance linked incentives.

(iii). Service contracts, notice period, severance fees: A separate contract of employment was entered with each of the Executive Directors with terms and conditions of appointment as per the HR Policy of the Company and approved by the Board.

(iv). Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: Not Applicable.

REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS/KMPS AND THEIR REMUNERATION;

The Nomination and Remuneration Committee has adopted a policy namely Nomination and Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director & KMP`s,evaluation of their performance and to fix their remuneration. The policy is hosted on the website of the Company www.nettlinx.com.

Remuneration:

The Non-Executive Directors shall be entitled to receive remuneration byway of sitting fees, reimbursement of expenses for participation in the Board meetings. Commission may be paid within monitoring limit approved by the shareholders subject to the limit not exceeding 1% of the profits of the Company computed as per applicable provisions of the Act.

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014;

Apart from receiving the Sitting Fees from the Company, the Non-ExecutiveDirectors do not have any pecuniary relationship or transactions with the Company.

CEO/Executive Director –

Criteria for selection/appointment For the purpose of selection of the CEO/Executive Director including Managing Director, the Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the CEO/ Executive Director:

At the time of appointment or reappointment, the CEO/Executive Director including Managing Director shall be paid as may be recommended by the Nomination and Remuneration Committee and such remuneration as may be mutually agreed between the Company and the concerned appointee within the overall limits prescribed under the Companies Act, 2013. The remuneration shall be subject to the approval of the Members of the Company (if necessary) in General Meeting. The remuneration of the CEO Executive Director including Managing Director, comprises only either in the form of fixed component or commission. The fixed component comprises salary, allowances, perquisites, amenities and retiree benefits.

Remuneration Policy for the Senior Management Employees In determining the remuneration of the Senior Management Employees (as per the Nomination & Remuneration Policy of the Company) the Nomination and Remuneration Committee shall ensure the relationship of remuneration and performance benchmark is clear. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination and Remuneration Committee for its review and approval.

D. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 07.02.2020, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;

2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website (WWW.NETTLINX.COM) Investor Relations).

E. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 07.02.2020 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

(a) Review of the performance of non-independent directors and the Board as a whole;
(b) Review of the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors;
(c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has 3 non-independent directors namely:

i.) Mr. Manohar Loka Reddy –Chairman
ii.) Mr. Chandra Sekhar Pogula- Whole-time Director& CEO
iii.) Ms. Radhika Kundur

The meeting recognized the significant contribution made by Mr. Chandra Sekhar Pogula in directing the Company towards the success path and placing the Company firmly in Internet Service Providing.
The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects

- Preparedness for Board/Committee meetings
- Attendance at the Board/Committee meetings
- Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- Monitoring the effectiveness of the company's governance practices
- Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

7.GENERAL BODY MEETINGS:

1. Annual General Meetings:

The date, time, location of Annual General Meetings held during last three years and the special/Ordinary resolutions passed there at are as follows:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2018-2019	25.09.2019	10.30 A.M.	5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad - 500 063 Telangana State, India.	1. Re-appointment of Mr. Kothuri Kameswara Rao (DIN : 00271944) as an Independent Director 2. Re-appointment of Mr. Venkata Hanumantha Rao Joginapally (DIN: 02682027) as an Independent Director
2017-2018	26.09.2018	10.30 A.M.	5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad - 500 063 Telangana State, India.	1. Alteration of Object Clause of the Memorandum of Association of the Company 2. Approval for continuation of Mr. Kothuri Kameswara Rao (DIN: 00271944) as independent director 3. Approval for continuation of Dr. Erwin Leopold Dieck (Din:07614028), as independent director
2016-2017	27.09.2017	10.30 A.M.	5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad - 500 063 Telangana State, India.	1. Regularization of Additional Director, Mr. Joy Abraham (Din: 01993517) as Non-executive Director. 2. Appointment of Dr. Erwin Leopold Dieck (DIN : 07614028) as an independent director of the Company. 3. Reappointment and Fixing of Remuneration Of Mr. Chandra Sekhar Pogula (Din: 00007536) As Whole Time Director Cum CEO of the company. 4. Approval of the limits for the Loans and Investment by the Company in terms of the Provisions Section 186 of the Companies Act, 2013.

(b) During the financial year 2019-20 under review, no resolution was passed through Postal Ballot. Therefore providingdetails of person who conducted the postal ballot exercise and voting pattern does not arise.

Also, no special resolution is being proposed through postal ballot as on the date of notice calling the Annual General Meeting. The members of the Company will be intimated appropriately as and when the postal ballotneed arises.

Procedure for postal ballot

The Postal ballot will be conducted in accordance with the provisions of Section 110 of The Companies Act,2013 read with Rule 22 of The Companies (Management and Administration) Rules, 2014 and Regulation 44of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

D. Disclosures:

A. Related Party Transactions:

There were no materially significant transactions with related parties i.e. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interests, save and except as mentioned in the Schedule of Accounts.

The Company has formulated Related Party transactions (RPT) Policy which provides a framework to regulate transaction between the Company and its related parties based on laws and regulations applicable to the Company. The Company's RPT Policy is available on the company's website www.Nettlinx.com and on the weblinkhttp://nettlinx.com/company/Code%20of%20Conduct%20of%20Fair%20Disclosure.pdf

Every Related Party Transactions are subject to the prior approval of the Audit Committee in compliance with the conditions contained in Reg. 23(2) of the Listing Regulations.

B. Details of non compliance by the Company, penalties, strictures imposed on the company:

There were no instances of non-compliance by Company imposed by either Stock Exchange or Securities and Exchange Board of India (SEBI) or any statutory authority on any matter related to the capital markets during the last 3 years.

C. Whistle Blower Policy (Vigil mechanism):

Your Company is serious about its adherence to the codes of Conduct and to achieve at par with the highest standards of ethical, moral and legal conduct of business operations and henceforth encourage its employees to bring ethical and legal violations they are aware of to an internal authority without fear of punishment or unfair treatment so that action can be taken immediately to resolve the problem. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. Thus minimization of organization's exposure to the damage that can occur when employees circumvent internal mechanisms is the main objective which neither releases employees from their duty of confidentiality in the course of their work, nor can it be used as a route for raising any malicious allegations against people in authority and / or colleagues in general. Your company has given

Disclosure as per 23(9) of SEBI(LODR),2015of Related party transactions on a consolidated basis as prescribed in Ind AS-24 are given below:

a)	Subsidiary Company	Type
1.	Nettlinx Technologies Private Limited(Subsidairy of Nettlinx Realty Private Limited)	Wholly Owned Subsidiary Company
2.	Nettlinx Realty Private Limited	Wholly Owned Subsidiary Company
3.	Sri Venkateswara Green Power Projects Limited	Subsidiary Company
4.	Nettlinx INC	Wholly Owned Subsidiary Company
5.	Salion SE	Subsidiary Company

a)	Key Managerial Personnel	Designation
1.	Dr. Manohar Loka Reddy	Chairman, Promoter and Non-Executive Director
2.	Mr. Chandra Sekhar Pogula	WTD & CEO
3.	Mr. Maha Ganesh Sanku	Chief Financial Officer
4.	Mr. Sairam Gandikota	Company Secretary & Compliance Officer

C) Relatives of Key Managerial Personnel:

1.SaranyaLoka Reddy
2. Vijaya Lakshmi Pogula

d).List of Entities over key managerial personnel are able to exercise significant influence:

1. Northeast Broking Services Limited

ii) Transactions During the year and outstanding at the end of the year with Related parties:

Nature of Transactions	Subsidiary	Key managerial Personnel	Relatives of Key Managerial Personnel	Entities over which KMP have significant influence	Total
Loans Taken	--	(14.05)	---	--	(14.05)
Loans Repaid	--	--	--	--	–
Interest Expense	--	--	--	--	–
Managerial Remuneration Paid	23.39	40.00	--	--	40.00
Outstanding Loans & Receivables	431.18	--	--	--	431.18
Investment at cost	3353.64954	--	--	13,16,000	3366.80954
Managerial Remuneration Outstanding	10.11	13.40	--	--	23.51

affirmation that no personnel have been denied access to the Audit Committee. The Company's Whistle Blower Policy is available on the company's website www.nettlinx.com and on the weblink http://nettlinx.com/company/Policies/Nettlinx_VIGIL_MECHANISM.pdf.

D. Compliance with Mandatory requirements and adoption of the non –mandatory requirements:

The Company has complied with the mandatory requirements as stipulated in Listing Regulations, 2015 with the Stock Exchanges.The Company is not required to adopt discretionary Requirements as specified in Regulation 27(1) of the Listing Regulation because no such activities took place in the company.

E. Reconciliation of Share Capital Audit:

The Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

F. Policy for Determining Materiality of an event or information and for making disclosures to Stock Exchanges:

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to the Stock Exchanges which is effective from December 1, 2015 and same is available on the company's website www.nettlinx.com and on the weblink http://nettlinx.com/company/MATERIALITY%20OF%20EVENT%20OR%20INFORMATION.pdf. The Board of Directors of the Company has authorized CEO & Chief Financial Officer to determine materiality of an event or information and authorized Company Secretary for making disclosures to the Stock Exchanges under the said regulation.

G. Code of practices and procedures for fair disclosure of unpublished price sensitive information:

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, during the year, approved and adopted the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". The Code is available on the company's website www.nettlinx.com and on the weblink http://nettlinx.com/company/Code%20of%20Conduct%20of%20Fair%20Disclosure.pdf.

Disclosure of commodity price risks and commodity hedging activities- **Not Applicable**

Details of utilization of funds raised through preferential allotment or qualified institutions placementas specified under Regulation 32 (7A)- **Not Applicable**

A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been enclosed as separately to this report. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year- There are no such instances during the year and the Board considered and accepted the recommendations of all the Committees.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is apart- Rs. 3,29,500/-.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassmentat workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action.

The Company has not received any complaint on sexual harassment during the year.

Non-compliance of any requirement of corporate governance report, with reasons thereof:

All the corporate governance requirements are complied with.

The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

- Discretionary Requirements:

  The Company has adopted / complied with the discretionary requirements specified in Part E of ScheduleII as detailed below:

  i. The Board:

     Maintenance of Office to the Non-executive Chairperson at the Company's expense:
     Not Applicable

ii. Shareholders' rights:
All the quarterly financial results are placed on the Company's Website: www.nettlinx.com,
apart from publishing the same in the Newspapers.

iii. Modified opinion(s) in audit report:
There are no modified opinions in the Audit Reports.

iv. Separate Posts of Chairman and CEO:
The Company has separate posts of Chairman and CEO as on 31st March 2020.

v. Reporting of internal auditor:
The Internal auditor reports to the Chairman of the Audit Committee directly.

Disclosures of compliance with corporate governance requirements specified in Regulation 17to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status(Yes/No)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

H. Prohibition of insider trading:-

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has adopted a Code of Conduct for regulating, monitoring and reporting of Trading by Insider with a view to regulate trading in securities by the Directors and designated employees of the Company. This policy also provides for periodical disclosures from designated employees as well as preclearance of transactions by such persons. The Compliance Officer is responsible for implementation of the Code. During the year under review there has been due compliance with the said code. All Board Directors and the designated employees have confirmed compliance with the Code. The Code is available on the company's website www.nettlinx.com and on the weblinkhttp://nettlinx.com/company/Code%20of%20Conduct%20to%20Regulate-%20Monitor-%20Report%20Trading%20by%20Insiders.pdf

I. Compliance with accounting standard:

The company has followed all relevant Accounting Standards notified by the Indian Accounting Standards, while preparing the Financial Statements. None of shares of the company are lying in the Dematerialization Suspense Account or unclaimed suspense account.

J. Means of communication:

(a) Quarterly results:
The quarterly, half-yearly and annual results of the Company were normally published by the Company in the newspapers within 48 hours from the conclusion of the Board meeting. Annual reports with audited financial statements are sent to the shareholders through permitted mode.

(b) Newspapers wherein results normally published:
The results are normally published by the Company in the newspapers (Business Standard) in English version, circulating in the whole of India and in regional newspaper (Nava Telangana) in the vernacular language in all editions.

(c) Any website, where displayed:
The results are also displayed on the Company's website: https://www.nettlinx.com/

(d) Whether it also displays official news releases:
The newsletters and press releases from time to time were also displayed on the Company's website.

(e) Presentations made to institutional investors or to the analysts:
The presentations to institutional investors or to the analysts are covered in the Company's website andwere intimated to the Stock Exchanges.

News items are sent to the Stock Exchanges i.e. BSE Limited and Metropolitan Stock Exchange of India Limited, where shares of the Company were listed and the Exchanges display the same on their websites.
As the company does not have any institutional investors and angel investors, so no presentation made to institutional investors or to the analysts.

K.GENERAL INFORMATION FOR SHAREHOLDERS AND INVESTORS:

Registered Office Address of the company	5-9-22, Flat No.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Saifabad, Hyderabad,Telangana - 500063. Ph: 91-040-23232200/23231621 Fax: 23231610 E - mail: secretarial@nettlinx.org Website: www.nettlinx.com
Date, time and Venue of Annual General Meeting	30th September, 2020, 10.00 A.M. at Registered Office address
Tentative Calendar of Events for the Financial Year 2020-21	First Quarter- September 2020 Second Quarter- November 2020 Third Quarter- February 2021 Financial Year- May 2021
Shareholders Services, Enquiries, Complaints	Dr. Manohar Loka Reddy Email:secretarial@nettlinx.org Mr.Sai Ram Gandikota Email;cs@nettlinx.org
Dividend Payment Date	NA
Financial Year	From 1st April 2019 to 31st March 2020
Registrars & Share Transfer Agent	Venture Capital and Corporate Investments Pvt. Ltd., Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana Tel: 91-40-23818475/23818476/2386808023 Fax: 040 – 23868024 E – Mail: info@vccilindia.com
Book Closure for AGM	Wednesday, 23rdSeptember, 2020 to Wednesday, 30th September, 2020 (both days inclusive)
Stock Code	511658
Listing on Stock Exchange of	Bombay Stock Exchange Ltd & MSEI Limited
Trading of Equity Shares	Equity Shares are traded through a. National Securities Depository Ltd (NSDL) and b. Central Depository Services Ltd (CDSL)
ISIN	: INE027D01019
ADDRESS FOR CORRESPONDENCE	
Transfer/Dematerialization/Consolidation/ Split of Shares, Issue of Duplicate Share Certificate, Change of Address of members and beneficial owners and any other query relating to the shares of the Company	Venture Capital and Corporate Investments Pvt. Ltd., Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana Tel: 91-40-23818475/23818476/2386808023 Fax: 040 – 23868024 E – Mail: info@vccilindia.com
Investor Correspondence/Query on Annual Report	M/s. Nettlinx Limited 5-9-22, Flat NO.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana-500063. Ph: 91-040-23232200/23231621 Fax: 23231610 E-mail : secretarial@nettlinx.org Website: www.nettlinx.com

Custodial fees to Depositories: The custodial fee has been paid to NSDL and CDSL up-to 31st March, 2020.

The Listing Fees has been paid to BSE Ltd and MSEI Ltd. up-to 31stMarch, 2020.

H. Monthly High, Low & Closing Share Price at BSE:

Month	BSE LIMITED		
	High Price	Low Price	Close Price
April 2019	42.00	31.25	33.65
May 2019	39.00	32.05	36.40
June 2019	38.45	32.50	33.95
July 2019	37.90	24.05	28.95
August 2019	32.00	16.15	18.50
September 2019	30.50	17.50	28.70
October 2019	34.95	27.30	30.30
November 2019	35.00	28.00	28.90
December 2019	33.00	25.75	27.65
January 2020	29.40	25.75	27.60
February 2020	32.90	21.25	24.00
March 2020	28.45	12.75	15.05

I) Distribution of shareholding as on March 31, 2020:

Range (Nominal value)	Holders		Amount	
	Number	% To Total Share-holders	In Rs	% To Total shareh-olding
Upto - 5000	1651	74.04	233399	2.04
5001 - 10000	224	10.04	195977	1.71
10001 - 20000	111	4.98	179566	1.57
20001 - 30000	59	2.65	148096	1.29
30001 - 40000	30	1.35	105493	0.92
40001 - 50000	31	1.39	147379	1.29
50001 - 100000	51	2.29	363411	3.17
100001 and above	73	3.27	10089991	88.02
Total	2230	100	11463312	100

J) Shareholding pattern as on March 31, 2020:

Particulars	No. of shares held	%to Total issued Shares
Promoters, Directors and relatives	6883687	60.049
Bank, Financial Institutions,	800	0.0069
Insurance Companies &		
Mutual Funds		
A. Bank	Nil	Nil
B. Financial Institutions	800	0.0069
C. Insurance Companies	Nil	Nil
D. Mutual Funds/UTI	Nil	Nill
F. Central& State Governments	Nil	Nil
G. Foreign Institutional Investors	Nil	Nil
H. NRIs/Foreign Nationals	41621	0.36
I. Public and Others	4537204	39.58
Total	**11463312**	**100.00**

K) Dematerialisation of shares and liquidity as on March 31, 2020:

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2020, is given below:

Particulars	No. of shares held	%to Total issued Shares
Demat Segment		
NSDL	9227947	80.49983
CDSL	1785087	15.57217
Sub-total	11013034	96.072
Physical Segment	450278	3.928
Total	**1,14,63,312**	**100**

Securities suspended from trading: Not applicable

(L) Outstanding GDR/ADR/Warrants and Convertible Instruments, Conversion dates and likely impact in Equity:

During the Financial year, 2016-2017, On 21st December, 2016 the company has issued 1795127 convertible share warrants (each warrant convertible into one equity share of Rs. 10/- each) to the following persons:

S.No	Name of the Investor	No.of warrants allotted
1	TRANS GLOBAL FZC	4,12,678
2	Exchange Investors N.V.	13,82,449
	Total	17,95,127

As the warrantholders have failed to exercise the right of conversion of 1795127 share warrants within stipulated time i.e. 20th June, 2018 (as per the terms of issue), the warrants lapsed and Rs. 4,71,22,090/- received as subscriber's money towards the 1795127 share warrants has been forfeited by the Company. The Board of Directors of the Company at their meeting held on 10th August, 2018 approved the forfeiture.

(M) Commodity price risk or foreign exchange risk and hedging activities:

No such risks or activities to report during the year under review.

(N) Plant Locations:

As the Company is engaged in the ISP activities, therefore the Company does not have any Plant Locations.

(O). List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad- **Not applicable.**

(P) Share Transfer System / Dividend and Other Related Matters:

Share transfers:

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

Nomination facility for shareholding:
As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

Permanent Account Number (PAN)
Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Pending Investors' Grievances:
Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

SI.No	Nature of Queries/Compliant	Pending as on April 1, 2019	Received during the year	Redressed during the year	Pending as on March 31, 2020
1	Transfer	Nil	0	0	Nil
2	Transmission	Nil	0	0.	Nil
3	Duplicate Share Certificate	Nil	25	25	Nil
4	Non-receipt of Dividend	Nil	Nil	Nil	Nil
5	Dematerialisation/	Nil	13	13	Nil
6	Rematerialisation of Shares	Nil	0	0	Nil
7	Complaints received from:	No	No	No	No
	SEBI	No	No	No	No
	Stock Exchanges/NSDL/CDSL	No	No	No	No
	ROC/MCA/Others	No	No	No	No
	Advocates	No	No	No	No
	Consumer Forum/Court Case	No	No	No	No
5	Others	No	7	6	1
	Grand Total	Nil	45	44	1

Internal Controls:
The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business processes have a strong monitoring and reporting process resulting in financial discipline and accountability.

CEO / CFO Certification
The CEO and the CFO have issued certificate pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

Statement showing Shareholding of more than 1% of the Capital as on March 31, 2020:

SI.No.	Name of the shareholders	No. of shares	% of Capital
1	NORTHEAST BROKING SERVICES LIMITED	787076	6.87
2	KUNINTE MANIMALA	309914	2.70
3	P PRAMEELLA REDDY	211437	1.84
4	SASIDHAR POSIM REDDY	133792	1.17
5	POGULA VIJAYA LAKSHMI	121217	1.06
6	DR SARAT SURAPANENI	115060	1.00
	Total	**1678496**	**14.64**

❖ **Meetings for approval of quarterly and annual financial results were held on the following dates:**

Quarter	Date of Board Meeting
1st Quarter	20/05/2019
2nd Quarter	09/09/2019
3rd Quarter	13/11/2019
4th Quarter	07/02/2020

By order of the Board of Directors
For Netttlinx Limited

Sd/-
Venkata Hanumantha Rao Joginapally
Independent Director
DIN: 02682027

Sd/-
Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229

Sd/-
Mr.Sai Ram Gandikota
Company Secretary & Compliance Officer

Date : 28.08.2020
Place : Hyderabad

ANNEXURE-G

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. **FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements based on certain assumptions and expectations of future events. The Company, therefore, cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

2. **INDUSTRY STRUCTURES & DEVELOPMENTS:**
The Internet services market is rapidly growing , partly on account of higher penetration of users in rural areas getting on to Net and higher frequent usage of broadband in urban locations as most are using internet for multiple uses inclusive of Voice , Data & Video. Add to this is the aggressive campaigns of Large TELCOs who are constantly attracting Users for their Cellular Data plans , both in terms of upgrading existing users and also creating new ones . The market is rapidly adapting to the use of popular social networking sites . New players launching their services will further boost the market although margins in the next few years may shrink to a little extent owing to raising other costs.

3. **OPPORTUNITIES & THREATS:**
The Company enjoys goodwill from its Customers. Our Corporate objective is to create mutual long term sustainable value through a collaborative approach driven by the vision of becoming a preferred Internet choice for distinguished Clientele demanding Quality, Value for Money & Flexibility translating into a perfect Win Win for either Entities. This formula is working fine in favor of our Organisation. Additionally, We are operating in Niche business segments & geographic locations within Telangana State & AP State without directly taking any of those large companies head on. We continue to optimistically protect and retain our current base and progressively increase the sales revenue and market share moving forward.

New technologies like WiFi& Free WiFI to Citizens envisaged by Govts , although may pose a little challenge to start with , In reality these may not be any threat to us as these service offerings may have challenges from the point of view of logistics and technological obstacles and will have lots of limitations and therefore may not be commercially viable . This would in reality enlarge the usage in the market place creating a level playing field in the long run.

4. **OUTLOOK:**
In order to meet the changing market realities, your Company has been following the philosophy of providing the highest quality products and services at the lowest possible prices. All endeavours are made to achieve possible cost reduction in every area of operations. Your Company's philosophy to provide high class quality products i.e. full value for money, to consumers would greatly benefit in the long run. In the otherwise increasing cost arena, every expense, whether capital or revenue is minutely reviewed to achieve all possible savings.

5. **RISKS AND CONCERNS:**
The Company's products are largely intended for sale in the domestic market. Apart from normal risks as are applicable to an Industrial Undertaking the Company does not foresee any serious area of concern. The Company is obtaining adequate insurance coverage for its assets at the plant and the field locations etc. The company has no foreign exchange risk coverage due to its limited exposure. Compliance of safety requirements and norms placed by different Government agencies is a top priority of your Management.

6. **INTERNAL CONTROL SYSTEMS**
The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorized use of disposition and that all transactions are authorised, recorded and reported correctly. An Audit Committee headed by a non-executive independent Director is in place to review various areas of the control systems.

7. **DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements etc. appearing separately. Highlights for the year 2019-20 are as under:

(Rs. In Lakhs)

Sales for the year 2019-2020	2699.54
Current tax	71.90
Profit after tax	173.18
Paid up equity share capital as on 31st March, 2020	1146.3312

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2019-20 appearing separately.

8. **HUMAN RESOURCES:**
During the year under review, the Company has undertaken extensive steps in optimizing the man power at corporate office, Branches and Field locations. Employee/employer relations were cordial throughout the year. Measures for safety of the employees, training and development continued to receive top priorities.

9. **CAUTIONARY STATEMENT:**
Certain statements in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc, may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Company's operations may inter-alia affect with the supply and demand situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

By order of the Board of Directors
For Netttlinx Limited

Sd/-
VenkataHanumantha Rao Joginapally
Independent Director
DIN: 02682027

Sd/-
Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229

Sd/-
Mr.Sai Ram Gandikota
Company Secretary & Compliance Officer

Date : 28.08.2020
Place : Hyderabad

ANNEXURE H
CERTIFICATE
(Pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of Nettlinx Limited, having CIN: L67120TG1994PLC016930,we hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on 31st March, 2020, none of the directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VCSR & Associates
Company Secretaries

Sd/-
Ch.Veeranjaneyulu
Partner
FCS:F6121
C.P.No: 6392
UDIN:F006121B000630217

Place: Hyderabad
Date: 28.08.2020

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Whole Time Directors, Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2020, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means Chief Executive Officer, the Chief Financial Officer, and the Company Secretary as on March 31, 2020.

By order of the Board of Directors
For Netttlinx Limited

Sd/-
Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229

Date : 28.08.2020
Place : Hyderabad

CEO AND CFO CERTIFICATION:

To
The Board of Directors,
Nettlinx Limited,
Hyderabad.
Dear Members of the Board,
We, Chandra Sekhar Pogula, Chief Executive Officer and S. Mahaganesh, Chief Financial Officer of Nettlinx Limited, in the best of our knowledge and belief, certify that:

A. We have reviewed financial statements and the cash flow statement (standalone and consolidated) for the year ended 31st March 2020 and all the notes on Accounts and Board's Report and to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transaction is entered into by the company during the year which is fraudulent, illegal or violative of the company code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:
   (1) There has not been any significant change in internal control over financial reporting during the year under reference;
   (2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
   (3) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

By order of the Board of Directors
For Netttlinx Limited

Date : 20.05.2020
Place : Hyderabad

Sd/-
Chandra Sekhar Pogula
CEO & Whole Time Director

Sd/-
S. Mahaganesh
CFO

INDEPENDENT AUDITOR'S REPORT

To
The Members of M/s NETTLINX LIMITED
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s. NETTLINX LIMITED ('the Company'), which comprise the balance sheet as at March 31, 2020, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

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

Emphasis of Matter
We draw attention to the following point to the standalone financial results:

1. An amount of Rs.18,83,44,753 receivable from wholly owned subsidiary M/s Nettlinx Realty Private Limited (the company), the company has allotted 69979 equity shares of Rs.10 each at a premium of Rs.2681 per share for the amount payable to the Company. Shares are allotted as per the Registered Valuer report.

2. During the quarter ended March 31, 2020 an amount of Rs. 7,80,56,000/- sales rendered to certain parties. Total outstanding balance as on date from these parties is Rs. 4,42,18,400/-. Further there is a long pending outstanding balance of Rs. 11,14,97,526/- to be receivable as on date. Refer Note 7: Trade Receivables of Balance sheet.

3. The Company has made an export sale to M/S Friendly Consultants Inc for an amount of Rs 88,87,500/- on 31/12/2019 and the same was cancelled due to same technical defects.

4. The Company had paid an amount of Rs 18,91,000 towards advance listing fees to frankfurt stock exchange for listing of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. Hence the Company has requested to return the advance amount but the frankfurt stock exchange refused to refund the money. Therefore, the company has initiated the legal proceedings to recover the said advance amount. The company is expecting a favourable decision in this regard. Refer Note 9: Loans of Balance sheet.

5. The Company has advanced an amount of Rs.4.13 Crores of unsecured interest free loan to SVGPPL. Refer note 5(a)(iii) under Non-Current Investments and Note 9 of Balance Sheet.

6. SVGPPL is for implementation of municipal solid waste based 12 MW Waste to Energy project at Ranga Reddy District, Telangana. Project Cost Rs. 247.69 Crores. Power Finance Corporation Ltd (PFC) vide its santion letter dated 20-03-2020, in principle agreeable to grant term loan to the extent of Rs.95.36 Crores. SVGPPL has agreed to the term loan sanction letter. Loan Conditions are the Company is a promoter company. Pledge at least 51% of equity shares, Atleast 69% of total promoters contribution will be infused as equity shares. Corporate Guarantee of the Company. Credit support undertaking for infusion of equity in a timely manner so as to maintain debt equity ratio and to the cost overrun of the project by jointly and severally with other promoters. To provide revenue support to the project to maintain a minimum DSCR 1.10. Further to above investment The Company has advanced an amount of Rs. 4.31 Crores as non interest bearing short term unsecured loan. Shall convert unsecured loans into equity in case of default. Interest on unsecured loan shall not be a part of project cost. Interest on unsecured loan shall be met only out of dividend distribution account after meeting DSRA. No repayment of Unsecured Loan during the tenure of PFC term loan. Refer note 5(a)(iii) under Non-Current Investments of Balance Sheet.

Our opinion is not modified in this regard

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matter	Auditor's Response
1	Provision for Impairment loss in account receivables. The credit loss provision in respect of account receivables represent management's best estimate of the credit losses incurred on the receivables at the balance sheet date. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows	Our Audit procedure in respect of this area included: • Understand and assess the management's estimate and related policies used in the credit loss analysis. • Performed test of key controls to analyze operating effectiveness relating to calculation of impairment provisions. • Reviewed the data flows from source systems to spreadsheet-based models to test their completeness and accuracy.

S.No	Key Audit Matter	Auditor's Response
	Refer to Note No.7 to the standalone financial statements.	• For Expected Credit Loss (ECL) of trade receivables assessed on individual level by the management, examined on a test check basis, the objective evidence relating to the impairment of trade receivables and the key assumptions used in the estimate of the cash short falls and reviewed whether amounts have been recovered after the end of reporting period. • Obtained debtor's credit information on sample basis to ascertain whether the classification of debtors is in compliance with the company's policy. • Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices). • Verified the calculation of ECL of each type of trade receivables according to the provision matrix.
2	a) The company has granted loans (including interest accrued) aggregating to Rs. 43,118,494 /- to its Subsidiaries Sri Venkateswara Green Power Projects Limited, as at March 31, 2020. Considering the deteriorated financial position of the "Subsidiaries", there are indicators of potential impairment of loans (including interest accrued) as set out in (a) above. The Management has assessed the impairment of Company's "Investment in Subsidiaries" by reviewing the business forecast of "Subsidiaries", using discounted cash flow valuation model and noted that no provision for impairment is required to be made in respect of these loans (including interest accrued). We considered this as a Key audit matter due to significant judgements involved in estimating future cash flows in the model prepared by the Management to support the carrying value of above loans (including interest accrued) and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in this model. (Refer Note No.9 to the Standalone Financial statements).	Our procedures included, amongst others, the following: Understanding and evaluating the design and testing the operating effectiveness of the Company's control over review of impairment assessment of "Investment in subsidiaries"; and recognition of provision for loans (including interest accrued); In respect of impairment assessment of "Loans to subsidiaries"; • Assessing reasonableness of the Management's historical business forecasts by comparing the business forecasts used in the prior year with the actual performance in the current year. • Testing the mathematical accuracy of the underlying model, reviewing reasonableness of the assumptions/ information considered in the model by examining source data and supporting documentation and checking the impairment assessment prepared by the management. • Comparing the business forecasts with the latest Board approved budgets; • Considered the work of external independent valuation expert engaged by the Group; • Assessed the independent valuation expert's methods, competency and objectivity; • Involving auditor's valuation experts for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as discount rate, terminal growth rate, etc. adopted by the management in the model; • Understanding of the operating parameters used in the model and assessing consistency of our understanding of parameters with those considered in the model; • Performing sensitivity tests on the model by analysing the impact of using alternate assumptions of discount rates, terminal growth rates, etc., within a reasonable and foreseeable range. Considered the results of the aforesaid procedures in evaluating the recoverability of loans (including interest accrued). Based on the above procedures performed, we noted that the Management's assessment of impairment of investments in subsidiaries, recoverability of loans (including interest accrued) to subsidiaries is reasonable.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the preparation of other information. The other 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 standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and on doing so, consider whether the other information is materially inconsistent with the standalone 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 the fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements, management is responsible for assessing the company's ability to continue as 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 Responsibility for the Standalone Financial Statements

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion proper books of accounts 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, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;

(e) on the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

(g) with respect to the other matters to be included in the Auditor’s Report in accordance with Requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii) There is no requirement for any provision as required by any act or Accounting standards for material for foreseeable losses, if any on long term contracts including derivative contracts.

iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For C Ramachandram& Co.,
Chartered Accountants,
Firm Registration No. 002864S

Sd/-
Premnath Degala
Partner
M.No: 207133
UDIN: 20207133AAAABU5752

Place: Hyderabad
Date: 22-07-2020

Annexure –'A' to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nettlinx Limited of even date)

I. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

ii. The Company is in the business of providing bandwidth &software 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 granted loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is applicable to the company. However the company has given advances to the companies, other parties covered in the register maintained under section 189 of the Act, and in our opinion and to the best of our examination, the terms are not prejudicial to the interests of the company.

iv. The Company has not made any transactions in the nature of investments, guarantees, and security, where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Thus, paragraph 3(iv) of the Order is not applicable to the Company. However the company has advanced an amount of Rs 4.13 Crores of short term unsecured interest free loan to Sri Venkateswara Green Power Projects Limited (SVGPPL). This loan is a part of conditions of Power Finance Corporation Ltd term loan santion letter. Refer Note 5(a)(iii) under Non-Current Investments & Note 9 Loans to related parties.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(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, 2020 for a period of more than six months from the date they became payable.

(c) An amount of Rs.468,446 pertaining to service tax, which have not been deposited as on March 31, 2020 on account of dispute pending at Hon'ble Andhra Pradesh High Court pertaining to financial year 2009-10. Refer Note no.18

viii. In our opinion and according to information and explanations given to us, the company has not defaulted in payment of dues to Banks, Government, Financial Institutions as on date of Balance Sheet.

ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. According to information provided to us term loans availed during the reporting period was applied for the purposes for which those were raised.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud on the Company or by the officers and employees of the Company has been noticed or reported during the year..

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. The Company is not a Nidhi Company and hence reporting under clause3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 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. Thus, paragraph 3(xv) of the Order is not applicable to the company.

For C Ramachandram& Co.,
Chartered Accountants,
Firm Registration No. 002864S

Sd/-
Premnath Degala
Partner
M.No: 207133
UDIN: 20207133AAAABU5752

Place: Hyderabad
Date: 22-07-2020

Annexure 'B' To The Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nettlinx Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/S NETTLINX LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For C Ramachandram& Co.,
Chartered Accountants,
Firm Registration No. 002864S

Sd/-
Premnath Degala
Partner
M.No: 207133
UDIN: 20207133AAAABU5752

Place: Hyderabad
Date: 22-07-2020

NETTLINX LIMITED
Standalone Balance Sheet as at March 31, 2020
All amounts are in Rs. except share data and where otherwise stated

Particulars	Notes	For the year ended March 31, 2020	Year ended March 31, 2019
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	9,20,71,660	8,70,40,839
(b) Capital work-in-progress	3	-	76,72,786
(c) Other intangible assets	4	18,99,695	19,75,406
(d) Financial assets			
(i) Investments	5	33,67,89,219	14,78,06,232
(ii) Other financial assets	6	2,000	2,000
Total non-current assets		**43,02,62,575**	**24,44,97,263**
Current assets			
(a) Financial assets			
(i) Trade receivables	7	17,09,52,105	6,69,83,472
(ii) Cash and cash equivalents	8	83,40,203	2,89,233
(iii) Loans	9	4,50,09,494	19,23,58,723
(iv) Other financial assets	6	12,16,244	12,16,244
(b) Other current assets	10	1,66,08,988	1,10,94,645
Total current assets		**24,21,27,034**	**27,19,42,317**
Total assets		**67,28,89,609**	**51,64,39,580**
A. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	11,46,33,120	11,46,33,120
(b) Other equity	12	23,60,57,557	21,82,89,924
Total equity		**35,06,90,677**	**33,29,23,044**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	10,95,45,106	10,71,33,929
(b) Provisions	14	26,19,269	20,21,564
(c) Deferred tax liabilities (net)	15	9,06,297	9,99,504
Total non-current liabilities		**11,30,70,671**	**11,01,54,997**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,33,06,503	2,94,76,950
(ii) Advances		1,68,35,196	-
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	16	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises"	16	14,94,92,940	78,77,452
(iii) Other financial liabilities	17	1,87,62,866	1,38,66,089
(b) Other current liabilities	18	35,40,247	53,96,682
(c) Provisions		-	2,20,000
(d) Current tax liabilities (net)	19	71,90,509	1,65,24,366
Total current liabilities		**20.91.28.261**	**7,33,61,539**
Total equity and liabilities		**67,28,89,610**	**51,64,39,580**
Corporate information and Significant accounting policies	**1,2**		
See accompanying notes to the financial statements	**to3**		**-**

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Place : Hyderabad
Date : July 22, 2020

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

NETTLINX LIMITED
Standalone Statement of profit and loss for the year ended March 31, 2020
All amounts are in Rs. except share data and where otherwise stated

	Particulars	Notes	For the year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	20	26,99,54,288	12,03,62,905
II	Other income	21	1,36,23,106	2,87,41,390
III	**Total Income (I + II)**		**28,35,77,394**	**14,91,04,295**
IV	**Expenses**			
(a)	Access charges, license fee and network expenses	22	19,47,88,329	2,66,69,459
(b)	Employee benefits expense	23	2,02,97,539	2,14,31,213
(c)	Finance costs	24	1,15,39,827	1,24,68,069
(d)	Depreciation and amortization expense	25	61,73,522	74,33,807
(e)	Other expenses	26	2,65,35,745	2,48,61,692
Total Expenses			**25,93,34,962**	**9,28,64,240**
V	**Profit before tax (III - IV)**		**2,42,42,432**	**5,62,40,055**
VI	**Tax expense**			
(a)	Current tax		71,90,509	1,65,24,366
(b)	Deferred tax expense /(credit)		(2,66,388)	(6,55,592)
Total tax expense			**69,24,121**	**1,58,68,774**
VII	**Profit after tax (V - VI)**		**1,73,18,311**	**4,03,71,281**
VIII	**Other comprehensive income**			
(i)	Items that will not be reclassified to profit or loss			
(a)	Remeasurement of the defined benefit plans		(15,732)	97,452
(b)	Net (loss)/gain on fair value through OCI (FVTOCI)		6,38,235	17,79,245
(ii)	Income tax on items that may not be reclassified to profit or loss		(1,73,180)	(5,22,097)
Total other comprehensive income			**4,49,323**	**13,54,600**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,77,67,633**	**4,17,25,881**
	Earnings Per Share (of Rs.10 each)			
	Basic and Diluted (Rs.)		1.55	3.64
	Corporate information and Significant accounting policies	1,2		
	See accompanying notes to the financial statements	to 3		

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Place : Hyderabad
Date : July 22, 2020

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020 ₹ In Lakhs

Particulars	For the year ended March 31, 2020		Year ended March 31, 2019	
A. Cash Flows From Operating Activities				
Profit Before Tax for the year		**252.16**		**564.94**
Adjustments for:				
Depreciation and amortization expense	61.74		74.34	
Profit on sale of property, plant and equipment (net)	(92.49)		131.72	
Finance costs	115.40		0.00	
Interest income	(0.02)		-187.48	
Bad trade receivable written off	1.68		15.37	
Operating Cash Flows Before Working Capital Changes		**86.31**		**33.95**
Movements in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(1072.31)		-197.71	
Inventories	0.00		0.00	
Other current assets	305.52		-111.94	
Proceeds from Loans and advances	1033.32		-356.43	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	1394.38		-12.47	
Other current liabilities	(118.81)		78.94	
Other Liabilities & Provisions	(3.76)		7.25	
Movements in working capital- Total		**1538.34**		**(592.36)**
Cash Flows From Operating Activities		**1876.81**		**(89.02)**
Net Tax Paid		126.06		(94.85)
Net Cash Generated From Operating Activities (A)		**1750.75**		**(183.87)**
B. Cash Flows From Investing Activities				
Purchase of Fixed Assets	(111.76)		318.35	
Disposals of Fixed Assets	50.59		187.48	
Long Term Loans & Advances	112.13		78.11	
Investment in subsidiary	(1,883.45)		3.17	
Interest Income received	0.02		0	
Sale of Property,Plant and Equipment	169.21		95.55	
Net Cash Generated/ Used in Investing Activities (B)		**(1,663.26)**		**(520.11)**
C. Cash Flows From Financing Activities				
Proceeds from Long Term borrowings	220.50		221.09	
Proceeds from Short Term borrowings	173.31			
Repayments from Long Term borrowings	(108.50)			
Repayments from ShortTerm borrowings	(179.83)			
Finance Costs Paid	(112.45)		131.72	
Net Cash Generated From/ (Used in) Financing Activities ©		**(6.99)**		**352.81**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)		**80.51**		**(351.17)**
Cash and Cash Equivalents at the Beginning of the year		2.89		51.44
Cash and Cash Equivalents at the End of the year		83.40		2.89

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Place : Hyderabad
Date : July 22, 2020

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

NETTLINX LIMITED
Statement of changes in equity for the year ended March 31, 2020
All amounts are in Rs. except share data and where otherwise stated

Equity share capital	Amount
Balance as at March 31, 2018	11,46,33,120
Changes in equity share capital during the year	–
Balance as at March 31, 2019	11,46,33,120
Changes in equity share capital during the year	–
Balance as at March 31, 2020	11,46,33,120

Other Equity	Reserves and surplus					Items of other comprehensive income		Money received against share warrants	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Revaluation reserve	Equity instruments through other comprehensive income	Others items of other Comprehensive Income		
Balance as at March 31, 2018	1,50,00,000	2,45,99,575	1,30,00,000	6,62,01,856	2,41,09,090	(13,31,238)	(68,69,956)	4,71,22,090	18,18,31,417
Profit for the Year	-	-	-	4,05,81,343	-	-	-	-	4,05,81,343
Other comprehensive income for the year	-	-	-	-	-	17,79,245	(6,30,917)	-	11,48,328
Money received against share warrants	4,18,50,926	-	-	-	-	-	-	(4,71,22,090)	(52,71,164)
Balance as at March 31, 2019	5,68,50,926	2,45,99,575	1,30,00,000	10,67,83,199	2,41,09,090	4,48,007	(75,00,873)	-	21,82,89,924
Profit for the Year	-	-	-	1,73,18,311	-	-	-	-	1,73,18,311
Other comprehensive income for the year	-	-	-	-	-	6,38,235	(1,88,912)	-	4,49,323
Balance as at March 31, 2020	5,68,50,926	2,45,99,575	1,30,00,000	12,41,01,510	2,41,09,090	10,86,242	(76,89,785)	-	23,60,57,557
See accompanying notes to the financial statements									

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Place : Hyderabad
Date : July 22, 2020

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

NETTLINX LIMITED
Notes to the financial statements
All amounts are in Rs. except share data and where otherwise stated

NOTE – 3: Property, plant and equipment and capital work-in-progress	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Freehold land	2,39,56,000	2,39,56,000
Buildings	3,03,78,939	3,10,70,599
Plant & equipment	2,10,85,186	1,61,66,082
Furniture & fixtures	5,94,475	6,28,372
Vehicles	92,83,226	1,02,53,226
Office equipment	39,13,619	45,65,782
Computers	28,60,215	4,00,778
	9,20,71,660	8,70,40,839
Capital work-in-progress	-	76,72,786
	-	76,72,786

Particulars	Freehold land	Buildings	Plant & equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	TOTAL
A. Cost or deemed cost								
Balance as at March 31, 2018	**-**	**3,42,72,000**	**10,78,39,891**	**82,35,616**	**2,21,93,739**	**81,49,312**	**9,67,716**	**18,16,58,274**
Additions	2,39,56,000	-	48,99,193	-	-	10,31,139	3,50,040	3,02,36,372
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**2,39,56,000**	**3,42,72,000**	**11,27,39,084**	**82,35,616**	**2,21,93,739**	**91,80,451**	**13,17,756**	**21,18,94,646**
Additions	-	-	65,79,032	29,000	14,49,827	1,78,429	29,39,917	1,11,76,205
Disposals	-	-	25,99,441	24,59,758	-	-	-	50,59,199
Balance as at March 31, 2020	**2,39,56,000**	**3,42,72,000**	**11,67,18,675**	**58,04,858**	**2,36,43,566**	**93,58,880**	**42,57,673**	**21,80,11,652**
B. Accumulated depreciation					**-**			
Balance as at March 31, 2018	**-**	**25,09,740**	**9,46,38,499**	**74,01,051**	**84,47,711**	**38,22,887**	**6,60,151**	**11,74,80,039**
Depreciation expense	-	6,91,661	19,34,503	2,06,193	34,92,802	7,91,782	2,56,827	73,73,768
Eliminated on disposal of assets	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**-**	**32,01,401**	**9,65,73,002**	**76,07,244**	**1,19,40,513**	**46,14,669**	**9,16,978**	**12,48,53,807**
Depreciation expense	-	6,91,660	16,12,355	62,897	24,19,827	8,30,592	4,80,480	60,97,811
Eliminated on disposal of assets	-	-	25,51,868	24,59,758	-	-		50,11,626
Balance as at March 31, 2020	**-**	**38,93,061**	**9,56,33,489**	**52,10,383**	**1,43,60,340**	**54,45,261**	**13,97,458**	**12,59,39,992**
C.Carrying amount								
Balance as at March 31, 2020	**2,39,56,000**	**3,03,78,939**	**2,10,85,186**	**5,94,475**	**92,83,226**	**39,13,619**	**28,60,215**	**9,20,71,660**
Balance as at March 31, 2019	**2,39,56,000**	**3,10,70,599**	**1,61,66,082**	**6,28,372**	**1,02,53,226**	**45,65,782**	**4,00,778**	**8,70,40,839**

Note : 4 Intangible Assets	
Software	**Total**
4,49,130	**4,49,130**
15,99,023	15,99,023
-	-
20,48,153	**20,48,153**
-	-
-	-
20,48,153	**20,48,153**
12,708	**12,708**
60,039	60,039
-	-
72,747	**72,747**
75,711	75,711
-	-
1,48,458	**1,48,458**
18,99,695	**18,99,695**
19,75,406	**19,75,406**

NETTLINX LIMITED
Notes to the financial statements
All amounts are in Rs. except share data and where otherwise stated

NOTE – 5: Non-current investments	**As at 31-03-2020**	**As at 31-03-2019**
Investments in equity instruments		
Unquoted investments (fully paid)		
(a) Investments in subsidiaries (at cost unless stated otherwise)		
(i) "Nettlinx Inc, USA24,663 (March 31, 2019: 24,663) equity shares of $15 each"	2,17,09,360	2,17,09,360
(ii) "Nettlinx Reality Private Limited 3,79,969 (March 31, 2019: 309,990) equity shares of Rs.10 each"	19,14,44,653	30,99,900
(iii) "Sri Venkateswara Green Power limited8,494,923 (March 31, 2019: 8,494,923) equity shares of Rs.10 each"	8,49,49,230	8,49,49,230
(v) "Sailon Se589,000 (March 31, 2019: 589,000) equity shares of EUR 01 each"	3,62,83,735	3,62,83,735
(b) Investments in others (at cost)		
(I) "Northeast Broking Services Ltd 69,531 (March 31, 2019: 11,600) equity shares of Rs. 10 each"	13,16,000	1,16,000
(ii) "Northeast Commodities Private Ltd (March 31, 2019: 120,000) equity shares of Rs. 10 each"	–	12,00,000
(c) Investments in others (at FVTOCI)	10,86,241	4,48,007
TOTAL	**33,67,89,219**	**14,78,06,232**

"* pursuant to the Scheme of Amalgamation of Northeast Commodities Private Limited With Northeast Broking Services Limited as approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench at Hyderabad vide order dated 08.05.2019, is required to issue 14 Equity shares at a face value of Rs 10/- (Ten Rupees each) of Northeast Broking Services Limited (i.e., Transferee Company) against 29 Equity shares held in Northeast Commodities Private Limited (i.e.Transferor company).Accordingly, Northeast Broking Services Limited (i.e., Transferee Company) issued and allotted 57931 equity shares of Rs.10/- each on 05.09.2019 against 1,20,000 Equity shares of Rs.10/- each held by Nettlinx Limited in Northeast Commodities Private Limited."

NOTE – 6: Other financial assets	**As at 31-03-2020**	**As at 31-03-2019**
Unsecured, considered good		
Non–Current		
Security Deposits*	2,000	2,000
Total	2,000	2,000
Current		
Interest Accrued but not due on FDRs	1,59,394	1,59,394
Rental Deposits	10,56,850	10,56,850
Total	**12,16,244**	**12,16,244**

*Bank guarantee against license towards Telecom Operations to the Department of Telecommunications.

NOTE – 7: Trade receivables	**As at 31-03-2020**	**As at 31-03-2019**
Unsecured, considered good	17,09,52,105	6,69,83,472
Doubtful	34,88,818	11,70,000
	17,44,40,923	6,81,53,472
Allowance for expected credit loss	(34,88,818)	(11,70,000)
Total	**17,09,52,105**	**6,69,83,472**

Note: The Company has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.

NOTE – 8: Cash and cash equivalents	**As at 31-03-2020**	**As at 31-03-2020**
Balance with banks		
- In current accounts	71,00,659	28,063
Cash on hand	12,39,544	2,61,170
Total	**83,40,203**	**2,89,233**

NETTLINX LIMITED
Notes to the financial statements
All amounts are in Rs. except share data and where otherwise stated

NOTE – 9: Loans		
Advances to related parties	4,31,18,494	19,02,41,723
Others*	18,91,000	21,17,000
Total	**4,50,09,494**	**19,23,58,723**

*The Company had paid an amount of Rs 18,91,000 towards advance listing fees to frankfurt stock exchange for lisitng of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. Hence the Company has requested to return the advance amount but the frankfurt stock exchange refused to refund the money. Therefore, the company has initiated the legal proceedings to recover the said advance amount. The company is expecting a favourable decision in this regard.

NOTE – 10: Other current assets	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good		
Prepaid expenses	2,28,375	3,57,269
Balances with government authorities	1,51,47,378	95,19,141
Deposits	12,33,235	12,18,235
Total	**1,66,08,988**	**1,10,94,645**

Note - 11: Share capital	**As at 31-03-2020**		**As at 31-03-2019**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
(a) Authorised				
Equity shares of Rs. 10 each	3,45,00,000	34,50,00,000	3,45,00,000	34,50,00,000
(b) Issues, subscribed and fully paid-up				
Equity shares of Rs. 10 each	1,14,63,312	11,46,33,120	1,14,63,312	11,46,33,120
Total	**1,14,63,312**	**11,46,33,120**	**1,14,63,312**	**11,46,33,120**

Notes:

(i)Reconciliation of Equity Shares outstanding at the Beginning and at the end of the Reporting Period is set out below:

	Number of shares	**Amount**
Balance as at March 31, 2018	**1,14,63,312**	**11,46,33,120**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	**1,14,63,312**	**11,46,33,120**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	**1,14,63,312**	**11,46,33,120**

(ii) Rights, preference and restrictions attached to the eeuity shares:
The Company has only one class of shares referred to as equity shares having a face value of Rs. 10 each. Each holder of equity share is eligible for one vote per share held.

(iii)Details of equity shares held by each shareholder holding more than 5% of the equity shares:

Name of the shareholder	**As at 31-03-2019**		**As at 31-03-2019**	
	Number of shares	**Amount %**	**Number of shares**	**Amount %**
Dr. Manohar Loka Reddy	54,65,545	47.68	54,37,749	47.44
Northeast Broking Services ltd	7,87,076	6.87	7,26,743	6.34
Saranya Loka Reddy	6,44,186	5.62	6,44,186	5.61

NOTE - 13: Borrowings	As at 31-03-2020	As at 31-03-2019
Non-current Secured		
Term loans From banks		
TERM LOAN	10,71,50,060	10,00,18,590
- From others	(39,850)	49,74,960
Unwinding of Discount on Decommissioning Liabilitites	24,34,896	21,40,379
TOTAL	**10,95,45,106**	**10,71,33,929**

Note: 1. Loans are obtained from HDFC Ltd. at the interest rate of 9.75% are secured by way of first charge, having pari passu rights, on the Company's Immovable Assets, both present and future, in favour of Company's lenders/trustees. Further, they are secured by way of personal guarantee of Shri Manohar Loka Reddy, Managing Director of the Company.

2.During the year FY 2019-20 Indian Overseas Bank sanctioned Term loan of Rs. 4.50 Crores at the interest rate of 9.85% are secured by exclusive charge on equipments/ items procured out of proceeds of proposed term loan value of Rs. 5.18 Crores."

NETTLINX LIMITED
Notes to the financial statements
All amounts are in Rs. except share data and where otherwise stated

	As at 31-03-2020	As at 31-03-2019
Current (at amortised cost)		
Unsecured loans repayable on demand		
- From banks- CC ACCOUNT	1,00,83,176	1,00,88,315
- Vehicle Loan	16,05,400	
- From related parties	16,17,927	1,93,88,635
Total	**1,33,06,503**	**2,94,76,950**
loans & Advances		
- From Northeast Broking Service Limited	1,68,35,196	-

NOTE – 14: Provisions	**As at 31-03-2020**	**As at 31-03-2019**
Non - Current		
Employee Benefits		
- Gratuity	26,19,269	20,21,564
Total	**26,19,269**	**20,21,564**
Current		
Employee Benefits		
- Leave Encashment	-	2,20,000
Total	**-**	**2,20,000**

NOTE – 15 Deferred Tax	**As at 31-03-2020**	**As at 31-03-2019**
Opening Deferred Tax-GAAP	43,64,779	57,18,135
Mat Credit Entitlement	-	-
Related to Temporary differences on Depreciation/Amortization	-4544	6,12,190
Others	-	(19,65,546)
Deferred Tax Asset	**43,60,235**	**43,64,779**
Deffered Tax Liability	(52,66,532)	(53,64,283)
Net Deferred Tax Liability	**9,06,297**	**9,99,504**

NOTE – 16: Trade payables	**As at 31-03-2020**	**As at 31-03-2019**
- Total outstanding dues of micro enterprises and small enterprises	-	-
"- Total outstanding dues of creditors other than micro enterprises and small enterprises"	14,94,92,940	78,77,452
Total	**14,94,92,940**	**78,77,452**

NOTE – 17: Other financial liabilities	**As at 31-03-2020**	**As at 31-03-2019**
Current maturities of long-term debt	1,49,18,114	71,58,355
Interest accrued but not due on borrowings	-	6,32,615
Outstanding expenses	3,68,614	5,55,927
Employee related expenses	29,53,747	38,10,284
Rental deposit	5,22,391	17,08,908
Total	**1,87,62,866**	**1,38,66,089**

NOTE – 18: Other current liabilities	**As at 31-03-2020**	**As at 31-03-2019**
Unsecured		
Advances from customers	91,263	1,53,141
Statutory remittances	34,48,984	52,43,541
Total	**35,40,247**	**53,96,682**

NETTLINX LIMITED
Notes to the financial statements
All amounts are in Rs. except share data and where otherwise stated

NOTE – 19: Current tax liabilities	As at 31-03-2020	As at 31-03-2019
Provision for income tax	71,90,509	1,65,24,366
Total	**71,90,509**	**1,65,24,366**

NOTE – 20: Revenue from operations	As at 31-03-2020	As at 31-03-2019
(a) Sale of goods	75,300	55,000
(b) Sale of services		
(I) From bandwidth services	7,72,28,797	7,00,92,034
(ii) From web solutions	17,58,76,466	12,42,461
(iii) From ITES (Export)	1,67,73,725	4,89,73,410
Total	**26,99,54,288**	**12,03,62,905**

NOTE – 21: Other income	As at 31-03-2020	As at 31-03-2019
(a) Interest income earned on financial assets that are not designated as at fair value through profit and loss:		
- Bank deposits	1,987	37,245
- Other financial assets	-	1,46,24,519
(b) Other non-operating income		
- Rental income	18,36,277	23,94,871
- Others	19,69,597	4,38,092
(c) Other gains and losses		
- Net foreign exchange gains / (losses)	5,66,690	16,91,518
- Gain on disposal of property, plant and equipment	92,48,555	95,55,145
Total	**1,36,23,106**	**2,87,41,390**

Interest income and Rental Income includes income from related parties amounting to Rs. 18,36,277 for the year ended March 31, 2020 (For the year ended March 31, 2019: Rs.16,429,319).

NOTE – 22: Access charges, license fee and network expenses	As at 31-03-2020	As at 31-03-2019
Bandwidth, web hosting, leased circuit & service charges	17,98,09,247	2,30,65,600
Purchase of equipment	1,34,01,542	-
Domain registration expenses	2,20,439	1,57,409
Annual membership fee	1,12,101	97,154
DOT licence fees	12,45,000	33,49,296
Total	**19,47,88,329**	**2,66,69,459**

NOTE – 23: Employee benefits expense	As at 31-03-2020	As at 31-03-2019
Salaries (including managerial remuneration)	1,78,21,004	1,83,01,677
Contribution to provident and other funds	5,57,514	6,12,377
Gratuity		5,72,710
Staff welfare expenses	12,39,664	18,46,997
Defined Benefits Plans	6,79,357	97,452
Total	**2,02,97,539**	**2,14,31,213**

NOTE – 24: Finance costs	As at 31-03-2020	As at 31-03-2019
(a) Interest costs:		
(I) Interest on term loans	1,01,21,177	1,11,93,952
(ii) Interest on working capital facilities	11,24,133	11,18,105
(b) Other borrowing costs:		
(i) Unwinding of discounts on decommissioning liabilitites	2,94,517	1,56,012
Total	**1,15,39,827**	**1,24,68,069**

NETTLINX LIMITED
Notes to the financial statements
All amounts are in Rs. except share data and where otherwise stated

	As at 31-03-2020	As at 31-03-2019
NOTE – 25: Depreciation and amortisation expense		
Depreciation of property, plant and equipment [Refer Note 3]	60,97,811	73,73,768
Amortisation of intangible assets [Refer Note 4]	75,711	60,039
Total	**61,73,522**	**74,33,807**

NOTE – 26: Other expenses	**As at 31-03-2020**	**As at 31-03-2019**
Computer & network maintainance	40,71,865	15,39,713
Electricity charges	18,39,788	23,39,643
Rent	40,69,073	38,76,649
Vehicle maintainance	12,39,073	11,82,352
Office maintenance	18,35,014	24,04,394
Insurance	2,66,722	2,12,705
Rates and taxes	36,74,043	16,05,508
Communication	4,18,061	4,62,290
Travelling and conveyance	26,35,228	43,81,385
Advertisement and sales promotion	8,95,807	5,07,705
Professional charges	3,31,881	9,95,512
Payment to auditor (statutory audit fee)	2,00,000	2,00,000
Bad trade receivables written-off	1,67,922	15,37,443
Provision for doubtful trade receivables (expected credit loss)	23,18,818	11,70,000
Security charges	7,76,000	6,33,577
Printing and stationery	2,71,815	2,56,794
Bank Charges	14,14,069	8,60,405
Miscellaneous expenses	1,10,566	1,44,436
Total	**2,65,35,745**	**2,43,10,511**

Notes of Account

A. General Information:

Nettlinx Limited ('the Company') is a Public Limited Company incorporated in India, registered under Companies Act 1956 having registered office at 5-9-22, Flat No.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Hyderabad, Telangana-500063 india and its securities listed on the BSE Limited and MSEI Limited.

Nettlinx Limited provides a portfolio of high quality Internet solutions for data voice and security and software development to cater to the corporate customer needs.

B. Basis of preparation of financial statements

B.1. Statement of Compliance :
These financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) Specified under section 133 of the Companies Act 2013("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 , the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other provisions to the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI)

The financial statements were authorized for issue by the Company's Board of Directors on 22 July, 2020.

Details of the accounting policies are included in Note 1.

B.2 Basis of preparation and presentation
The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for the following assets and liabilities:

- Certain financial assets and liabilities are measured at fair value;
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- Long term borrowings are measured at amortized cost using the effective interest rate method.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant Amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the quarter and year figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

B.3 Functional and presentation currency:
The financial statements are presented in Indian rupees, which is the functional currency of the Company.

All amounts are in Indian Rupees except share data, unless otherwise stated.

B.4 Operating Cycle:
All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out under Ind As and in the Schedule III to the Companies Act, 2013.

Assets:

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

a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realized within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

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

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

B.5 Critical accounting judgements and key sources of estimation uncertainty:
In the application of the Company's accounting policies, which are described in Note 1, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

Useful lives of depreciable assets
Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investment in equity instruments of subsidiary and associate companies:
During the year, the Company assessed the investment in equity instrument of subsidiary companies carried at cost for impairment testing. These companies are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

B.6. Fair value measurement and valuation process:
The company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1. Significant accounting Policies

1.1 Revenue recognition:
The Company offers a complete range of network solutions like Internet, Network Management Services, Data Centre and Co-Location Services and Enterprise Mailing Solutions etc and derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from Online information and database access or retrieval recognized as the service is performed on the basis of actual usage of the company network in accordance with contractual obligation and is recorded net of Goods &service tax

Company provided specialised features to the subscribers which entitles them to access the network of the company, in such case the revenue is recognised when such features are activated and used by the subscriber.

Products and platforms:

The Company offers a complete range of network solutions like Internet, Network Management Services, Data Centre and Co-location Services and Enterprise Mailing Solutions etc and derives revenues in the way of sale of products, sale of VOIP Telephones and y way of provision of Bandwidth Services, Web Solutions & ITES (Exports).

Revenue includes only the gross inflows of economic benefits received a receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. The company presents revenues net of taxes in its statement of Profit and Loss.

Other Income

Other income is comprised primarily of interest income, Rental income and exchange gain / loss on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

1.2 Leases
Effective 1 April 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies applicable for previous year, The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Lessee Policy effective 1 April 2019 The Company’s lease asset classes primarily consist of leases for Land, buildings and colocations spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the

Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

However, since the right of use asset and corresponding lease liability is insignificant and not material the same has not been recognised. Further, expense towards such lease is shall be recorded as depreciation on right of use assets and finance costs on lease liability, instead of rent in case of significant and material. There are no significant and material long term leases.

1.3 Foreign currency Transactions.

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off wherever required)

Transactions and translations

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. Exchange difference on monetary items is recognised in the Statement of Profit and Loss in the period in which it arises except for;

(a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.

(b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

The results and financial position of foreign operations with functional currency different from the presentation currency, are translated into the presentation currency as follows:

(a) Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;

(b) income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into rupee, the functional currency of the company, at the exchange rates at the reporting date. Exchange difference arising are recognised in other comprehensive income and accumulated in equity, except to the extent that the exchange differences is allocated to the non-controlling interests.

1.4 Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets up to the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

Borrowing cost includes interest incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

1.5 Taxes on Income Tax and Deferred Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Provision for income tax is made on the basis of taxable income for the year at the current rates

Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable income. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets/ liabilities are not recognised for initial recognition of Goodwill or on an asset or liability in a transaction that is not a business combination and at the time of transaction affects neither the accounting profit nor taxable profit or loss. MAT credit is recognised as an asset, only if it is probable that the Company will pay normal income tax during the Specified period.

1.6 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company and includes post tax effect of any exceptional item by the weighted average number of equity shares outstanding during the period excluding the shares owned by the Trust, outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.7 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole. Cost of an item of PPE comprises of its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly

attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which It is located.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. Gains or losses arising from de recognition of assets 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

1.8 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life as per Ind AS 16 and is provided on a Reduced Balance Method basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Particulars	Useful life
Buildings	60
Plant and Machinery	13
Furniture & Fixtures	10
Office Equipment – Others	05
Vehicles	8

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

1.9 Intangible assets and amortisation

1. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.

2. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3. There are no intangible assets assessed with indefinite useful life. The life of amortisation of the intangible assets is as follows.

Particulars	Useful life
Software	8 years

4. Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

5. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

6. Gains or losses arising from de recognition of an intangible asset 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. Any gain or loss on disposal of an item of Intangible Assets is recognized in statement of profit and loss.

1.10 Inventories

Stock-in-trade, stores and spares are accounted for at cost and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realizable value, whichever is less Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.11 Cash and cash equivalents

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

1.13 Employee benefits

1. Provident Fund: Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company or Government administered provident fund. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

2. Gratuity:

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

3. Compensated Absences:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by Estimation Basis.

4. The actuarial valuation is done at the end of the year. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

1.14 Investments in Subsidiaries and Associates

The company's investment in its Subsidiaries and Associates are carried at cost.

1.15 Provisions

1. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.16 Financial instruments

a. Recognition and Initial recognition

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

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

b. Classification and Subsequent measurement
Financial assets

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

– amortized cost;
– FVTPL

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

Financial assets: Assessment* whether contractual cash flows are solely payments of principal and interest

*For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

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

Financial assets: Subsequent measurement and gains and losses

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

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

Financial liabilities:

Classification, Subsequent measurement and gains and losses

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

c. Derecognition

Financial assets

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

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

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

d. Offsetting

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

e. Impairment

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost; At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income (FVOCI) are credit impaired. A financial asset is ‘credit- impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
– Debt securities that are determined to have low credit risk at the reporting date; and
– Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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

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

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

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

Measurement of expected credit losses

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

Note 27

CONTINGENT LIABILITIES (IndAS-37)

Contingent liabilities/claims not provided for:

a) Claims against the Company not acknowledged as Debt:*	**2019-2020**	**2018-2019**
I) Unexpired Bank Guarantees	0.00	13
ii) Provisional Licence fee assessment	43.30	43.30
iii) Service Tax Due for the FY 2009-10 dispute pending at Hon’ble Andhra Pradesh High Court	4.68	4.68

*Company has received revised provisional license fee assessment notice from Department of Telecommunications-AP circle for the years 2005-06, 2006-07, 2007-08 and 2008-09 w.r.t ISP(IT) License for Rs.43,30,195/-

Note 28

A. Auditors Remuneration:

₹. in Lakhs

Particulars	For the Year 2019–20	For the Year 2018–19
a) Statutory Auditor		
Audit Fee	2.00	2.00
Certification & Fees for other Services	0.35	0.54
Total	2.35	2.54

B. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Under the Micro, Small and Medium Enterprises Development act, 2006(MSMED) which came into force from Oct 2, 2006, certain disclosures are required to be made relating to MSMED. On the basis of information and records available with the company, the following disclosures are made for the amounts due to the micro and small enterprises.

(₹. in Lakhs)

S.NO.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Principal amount due to any supplier as at the year end.	-	-
2	Interest due on the principal amount unpaid at the year end to any supplier.	-	-
3	Amount of interest paid by the company in terms of Sec-16 of the MSMED, along with the amount of the payment made to the suppliers beyond the appointed day during the accounting year.	-	-
4	Payment made to the enterprises beyond appointed date under section 16 of MSMED	-	-
5	Amount of interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED.	-	-
6	Amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
7	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above or actually paid to the small enterprises, for the purpose of disallowance as deductible expenditure U/S 23 of MSMED.	-	-

C. Related Party disclosures under IND AS - 24.

The List of Related Parties as identified by the management is as under:

1)	**Subsidiaries of the Company having significant Influence**
a)	Nettlinx Inc, USA
b)	Nettlinx Realty Private Limited
c)	Sri Venkateswara Green Power Project Limited
d)	Sailon SE
e)	Nettlinx Technologies Private Limited (wholly owned subsidiary of Nettlinx Realty Private Limited
2)	**Companies in which directors are interested**
a)	North East Broking Services Limited
3)	**Key Management Personnel (KMP) of the Company**
a)	Shri Manohar Loka Reddy – Chairman and Managing Director
b)	Chandra Sekhar Pogula – CEO and Whole time Director
c)	Shri G. Sai Ram – CS
d)	S. Mahaganesh - CFO

Following transactions were carried out with related parties in the ordinary course of business during 2019-20 **(₹. in Lakhs)**

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration			50.40	50.40
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	77.82	1.19	-	79.01
4	Investments	1883.45	-	-	1883.45
5	Loans (Net)	866.48	-	171.39	1132.96
6	Other Income	-	27.71	-	27.71

Following are the transactions carried out with related parties during the previous year 2018-19 **(₹. in Lakhs)**

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	51.15	51.15
2	Reimbursement of Expenses	-	-	(12.30)	(12.30)
3	Service Sales	-	-	-	-
4	Investments	(3.17)	-	-	(3.17)
5	Loans (Net)	545.19	-	(119.60)	425.59
6	Other Income	-	-	-	-

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the Directories of the Company, in accordance with shareholder's approval, wherever necessary

Terms and Conditions of transactions with Related Parties:

The sale to related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

D. Defined Benefit Plan

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement / exit.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the amounts recognized in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

(₹. in Lakhs)

S.No	Particulars	Gratuity (Funded Plan)	
		As at 31-03-2020	As at 31-03-2019
I	Change in Obligation		
	1 Present Value of defined benefit obligation at the beginning of the year	20.50	15.17
	2 Current service cost	49.36	38.64
	3 Interest cost	1.56	1.18
	4 Actuarial (gain) / loss on obligation	0.15	0.97
	5 Benefits paid	(0.97)	(0.68)
	6 Present Value of defined benefit obligation at the end of the year	26.19	20.50
II	Change in the Fair Value of Plan Assets		
	1 Fair Value of Plan assets at the beginning of the year	0	0
	2 Expected return on plan assets	0	0
	3 Contributions by employer	0.97	0.68
	4 Actuarial gain / (loss) on plan assets	-	-
	5 Benefits paid	(0.97)	(0.68)
	6 Fair Value of Plan assets at the end of the year	0	0
III	Expenses recognized in the Profit and Loss Account		
	1 Current service cost	4.93	3.86
	2 Interest cost	1.56	1.18
	3 Expected return on plan assets	0	0
	4 Net actuarial loss / (gain) recognized in the current year	0.15	0.97
	5 Expenses recognized in the Profit and Loss Account	6.50	5.04
IV	Re-measurements recognized in Other Comprehensive Income (OCI)		
	1 Changes in Financial Assumptions	2.10	0.28
	2 Changes in Demographic Assumptions	0	0
	3 Experience Adjustments	(1.94)	0.68
	4 Actual return on Plan assets less interest on plan assets		
	5 Amount recognized in Other Comprehensive Income (OCI)	0.15	0.97
V	Expenses recognized in the Balance Sheet as at the end of the year		
	1 Present value of defined benefit obligation	26.19	20.50
	2 Fair Value of plan assets at the end of the year	0	0
	3 Funded status [Surplus / (Deficit)]	(26.19)	(20.50)
	4 Net assets / (liability) as at the end of the year	(26.19)	(20.50)
VII	Sensitivity analysis for significant assumptions: *		
	Increase/(Decrease) on present value of defined benefit obligation at the end of the year		
	Salary escalation-up by 1%	23.87	18.72
	Salary escalation-down by 1%	28.92	22.61
	Discount Rates-up by 1%	28.92	22.64
	Discount Rates-down by 1%	23.81	18.66
	Withdrawal Rates-up by 1%	26.69	21.36
	Withdrawal Rates-down by 1%	25.56	19.40
VIII	The major categories of plan assets as a percentage of total plan		
	1. Qualifying Insurance Policy		
IX	Actuarial Assumptions		
	1. Discount rate	6.73%	7.63%
	2. Mortality rate	IALM (2006-08 Ultimate)	IALM (2006-08 Ultimate)
	3. Withdrawal rate		
	4. Return on plan assets	0	0
	5. Salary Escalation	5%	5%

E.Earnings per Share (EPS) –

(₹. in Lakhs)

S.No	Particulars	As at 31-03-2020	As at 31-03-2019
1	Profit attributable to the Equity Share Holders (Rs in Lakhs)- A	177.68	417.25
2	No. of Equity Shares	11463312	11463312
3	Nominal Value of the Share (Rs.)	10	10
4	Basic / Weighted average number of Equity Shares - B	11463312	11463312
5	Earnings per Share (Rs.) – A/B*	1.55	3.64
6	Diluted Earnings Per Share (Rs)- A/(B+E)	1.55	3.64

F. Reconciliation of Effective Tax rate:

(₹. in Lakhs)

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
Applicable tax rate	27.82	27.82
Effect of tax exempt income	0	0
Effect of non-deductible expenses	1.303	4.2395
Effect of allowances for tax purposes		
(0.608) (2.8095)		
Effect of previous year adjustments	0	0
Effect of Deferred Tax Adjustments	(0.005)	(1.1604)
Effective tax rate	28.510	28.08

G. As stipulated in IndAS–36, the Company has assessed its potential of economic benefits of its business units and is of the view of that the assets employed in continuing business are capable of generating adequate returns over their useful life in the usual course of its business. There is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

H. Lease Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount equal to the lease liability on initial application date, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. On transition, the adoption of the new standard resulted in recognition as below:

Right of Use assets NIL, Lease liabilities NIL

I. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management overseas the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk, interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹. in Lakhs)

Particulars	Increase / decrease in interest rate	Effect on profit before tax
March 31,2020		
INR +1%	11.53	
INR -1%	11.53	
March 31,2019		
INR +1%	11.44	
INR -1%	11.44	

ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The trade receivables as on March 31, 2020 is Rs.1705.92 Lakhs (March 31, 2019: Rs.669.83 Lakhs). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

(₹. in Lakhs)

Allowance for credit loss	March 31, 2020	March 31, 2019
Opening balance	11.70	0
Impairement loss provided/ (reversed)	23.18	11.70
Closing balance	34.88	11.70

Customers accounted for more than 5% of the revenue as of March 31, 2020 and March 31, 2019 (NIL) and there is significant concentration of credit risk.

Niveshan Technologies India Pvt Ltd	Rs. 6,44,96,000
Microsystems	Rs. 1,95,92,362

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions.

iii) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹. in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years.	Total
Year ended March 31, 2020				
Borrowings (including Current maturities of long term debt)	149.18	701.28	385.05	1236.73
Other noncurrent financial liabilities	-	-	-	-
Trade payables	1494.92	-	-	1494.92
Other Payables	350.95	-	19.65	370.60
Interest Accrued but not due	-	-	-	-
Salary and Bonus payable	27.00	-	-	27.00
Year ended March 31, 2019				
Borrowings (including Current maturities of long term debt)	207.54	501.47	657.10	1366.11
Other noncurrent financial liabilities	-	20.21	-	20.21
Trade payables	78.77	-	-	78.77
Other Payables	1109.07	-	17.09	1126.15
Interest Accrued but not due	6.34	-	-	6.34
Salary and Bonus payable	38.10	-	-	38.10

J. Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves excluding Debenture Redemption Reserve.

Particulars	31-Mar-20	31-Mar-19
Total equity attributable to the equity shareholders of the Company	3506.91	3329.23
As a percentage of total capital	71.80	70.905
Long term borrowings including current maturities	1244.63	1071.33
Short term borrowings	133.06	294.76
Total borrowings	1377.69	1366.10
As a percentage of total capital	28.20	29.094
Total capital (equity and borrowings)	4884.60	4695.33

K. Corporate Social Responsibility:

The Company is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since the company is within the threshold limit given as per the provisions of the Act.

L. Details of foreign exchange Inflow or Out flow during the year.

Foreign Exchange Inflow:
Nettlinx INC is Rs. 1,66,76,368
Friendly Consultants is Rs. 3,64,80,021
Total - 5,31,56,389

Foreign Exchange Outflow:1,89,171

M. Covid-19

The outbreak of Novel Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Nettlinx Limited has been closely monitoring the COVID-19 situation, with the safety of our employees and business continuity for our customers and partners our top priority. We regularly communicate best practice advisories, and have put in place precautionary measures to protect our employees and ensure business continuity for us and our customers including:

- The implementation of work from home for all employees globally, with the exception of some essential roles that need to be conducted from an office or on location for critical network maintenance. In these cases, all necessary arrangements have been made to ensure their safety and protection.
- The cancellation of all business trips, meetings and events, which will be carried out virtually instead. Employees have taken this in their stride, since collaboration with remote colleagues was already the norm in our business – our teams are quite comfortable leveraging chat, voice, video and collaboration tools to get their jobs done. The situation

continues to evolve at pace and as governments around the world implement measures to contain this public health crisis, we continue to work through our preparedness on the variety of scenarios as part of our business continuity plans. We will continue to monitor the situation closely, taking into account local government mandates and decisions, and have planned for a range of outcomes as the situation continues to evolve.

As part of our business continuity planning and preparation, Nettlinx Limited has deployed a taskforce – overseen by our Global Management Committee that is led by our CEO – to continuously assess the Covid-19 situation. We have a clear command and control matrix, covering all functions, with needed backup and resiliency. This Global Emergency Response team is also in continuous interaction with national governments and health authorities to ensure best practice in health and safety while maintaining business continuity.

As far as impact of the COVID-19 situation on the financial statements is concerned, the Company has considered internal and external information while finalising various estimates in relation to its financial statements up to the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company is monitoring the situation closely, and shall take actions as appropriate, based on any material changes in the future economic conditions Standards issued but not effective.

Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and for low-value insignificant and not material leases.

Standards issued but not yet effective Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Place : Hyderabad
Date : July 22, 2020

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

INDEPENDENT AUDITOR'S REPORT

To
The Members of M/s NETTLINX LIMITED
Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s. Nettlinx Limited, ("the Company"), its subsidiaries (the company and its subsidiaries together referred as "Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to explanations given to us, the aforesaid consolidated financial statements give the information by the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31,2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Emphasis of Matter
We draw attention to the following point to the standalone financial results:

1. An amount of Rs.18,83,44,753 receivable from wholly owned subsidiary M/s Nettlinx Realty Private Limited (the company), the company has allotted 69979 equity shares of Rs.10 each at a premium of Rs.2681 per share for the amount payable to the Company. Shares are allotted as per the Registered Valuer report.

2. During the quarter ended March 31, 2020 an amount of Rs. 7,80,56,000/- sales rendered to certain parties. Total outstanding balance as on date from these parties is Rs. 4,42,18,400/-. Further there is a long pending outstanding balance of Rs. 11,14,97,526/- to be receivable as on date. Refer Note 7: Trade Receivables of Balance sheet.

3. The Company has made an export sale to M/S Friendly Consultants Inc for an amount of Rs 88,87,500/- on 31/12/2019 and the same was cancelled due to same technical defects.

4. The Company had paid an amount of Rs 18,91,000 towards advance listing fees to frankfurt stock exchange for listing of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. Hence the Company has requested to return the advance amount but the frankfurt stock exchange refused to refund the money. Therefore, the company has initiated the legal proceedings to recover the said advance amount. The company is expecting a favourable decision in this regard. Refer Note 9: Loans of Balance sheet.

5. The Company has advanced an amount of Rs.4.13 Crores of unsecured interest free loan to SVGPPL. Refer note 5(a)(iii) under Non-Current Investments and Note 9 of Balance Sheet.

6. SVGPPL is for implementation of municipal solid waste based 12 MW Waste to Energy project at Ranga Reddy District, Telangana. Project Cost Rs. 247.69 Crores. Power Finance Corporation Ltd (PFC) vide its santion letter dated 20-03-2020, in principle agreeable to grant term loan to the extent of Rs.95.36 Crores. SVGPPL has agreed to the term loan sanction letter.

Loan Conditions are the Company is a promoter company. Pledge at least 51% of equity shares, Atleast 69% of total promoters contribution will be infused as equity shares. Corporate Guarantee of the Company. Credit support undertaking for infusion of equity in a timely manner so as to maintain debt equity ratio and to the cost overrun of the project by jointly and severally with other promoters. To provide revenue support to the project to maintain a minimum DSCR 1.10. Further to above investment The Company has advanced an amount of Rs. 4.31 Crores as non interest bearing short term unsecured loan. Shall convert unsecured loans into equity in case of default. Interest on unsecured loan shall not be a part of project cost. Interest on unsecured loan shall be met only out of dividend distribution account after meeting DSRA. No repayment of Unsecured Loan during the tenure of PFC term loan. Refer note 5(a)(iii) under Non-Current Investments of Balance Sheet.

Our opinion is not modified in this regard

Basis for Opinion
We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on the consolidated financial statements.

Key Audit Matters
Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matter	Auditor's Response
1.	Provision for Impairment loss in account receivables. The credit loss provision in respect of account receivables represent management's best estimate of the credit losses incurred on the receivables at the balance sheet date. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behavior and estimating the level and timing of	Our Audit procedure in respect of this area included: • Understand and assess the management's estimate and related policies used in the credit loss analysis. • Performed test of key controls to analyze operating + effectiveness relating to calculation of impairment provisions. • Reviewed the data flows from source systems to spreadsheet-based models to test their completeness and accuracy.

S.No	Key Audit Matter	Auditor's Response
	expected future cash flows. Refer to Note No.7 to the consolidated financial statements.	• For Expected Credit Loss (ECL) of trade receivables assessed on individual level by the management, examined on a test check basis, the objective evidence relating to the impairment of trade receivables and the key assumptions used in the estimate of the cash short falls and reviewed whether amounts have been recovered after the end of reporting period. • Obtained debtor's credit information on sample basis to ascertain whether the classification of debtors is in compliance with the company's policy. • Reviewed the management's ageing analysis based on days past due by examining the original documents (such as invoices and bank deposit advices). • Verified the calculation of ECL of each type of trade receivables according to the provision matrix.
2	a) The company has granted loans (including interest accrued) aggregating to Rs. 44,792,896 /- to its Subsidiaries Sri Venkateswara Green Power Projects Limited, Nettlinx Inc., USA, Nettlinx Technologies Private Limited , as at March 31, 2020. Considering the deteriorated financial position of the "Subsidiaries", there are indicators of potential impairment of loans (including interest accrued) as set out in (a) above. The Management has assessed the impairment of Company's "Investment in Subsidiaries" by reviewing the business forecast of "Subsidiaries", using discounted cash flow valuation model and noted that no provision for impairment is required to be made in respect of these loans (including interest accrued). We considered this as a Key audit matter due to significant judgements involved in estimating future cash flows in the model prepared by the Management to support the carrying value of above loans (including interest accrued) and determining significant assumptions of discount rate, terminal growth rate, etc. adopted in this model. (Refer Note No.14 to the Consolidated Financial statements).	Our procedures included, amongst others, the following: Understanding and evaluating the design and testing the operating effectiveness of the Company's control over review of impairment assessment of "Investment in subsidiaries"; and recognition of provision for loans (including interest accrued); In respect of impairment assessment of "Loans to subsidiaries"; • Assessing reasonableness of the Management's historical business forecasts by comparing the business forecasts used in the prior year with the actual performance in the current year. • Testing the mathematical accuracy of the underlying model, reviewing reasonableness of the assumptions/ information considered in the model by examining source data and supporting documentation and checking the impairment assessment prepared by the management. • Comparing the business forecasts with the latest Board approved budgets; • Considered the work of external independent valuation expert engaged by the Group; • Assessed the independent valuation expert's methods, competency and objectivity; • Involving auditor's valuation experts for testing appropriateness of the method and model used, evaluating reasonableness and challenging key assumptions used such as discount rate, terminal growth rate, etc. adopted by the management in the model; • Understanding of the operating parameters used in the model and assessing consistency of our understanding of parameters with those considered in the model; • Performing sensitivity tests on the model by analysing the impact of using alternate assumptions of discount rates, terminal growth rates, etc., within a reasonable and foreseeable range. Considered the results of the aforesaid procedures in evaluating the recoverability of loans (including interest accrued). Based on the above procedures performed, we noted that the Management's assessment of impairment of investments in subsidiaries, recoverability of loans (including interest accrued) to subsidiaries is reasonable.

Information Other than Consolidated 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 consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 over information, we are required to report that fact. We have nothing in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud and 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 and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from, as fraud may involve collusion, forgery, international omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used in the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements of five subsidiary companies, whose financial statements reflect total assets of Rs.53.35 Crores as at March 31, 2020, total revenues of Rs. 19.18 Crores, total comprehensive loss (comprising of loss and other comprehensive loss) of Rs. -0.21 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of Section 143 of the Act including on other information in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of accounts for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of Written Representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure A” which is based on the auditor’s reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

(g) 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 information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Company and its Subsidiaries did not have any material foreseeable losses on long term contracts including derivative contracts.

iii. There are no amounts which are required to be transferred to Investor Education and protection fund.

For C Ramachandram& Co.,
Chartered Accountants,
Firm Registration No. 002864S

Sd/-
Premnath Degala
Partner
M.No: 207133
UDIN: 20207133AAAABU5752

Place: Hyderabad
Date: 22-07-2020

Annexure – "A" To The Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nettlinx Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of NETTLINX LIMITED, (hereinafter referred to as "Company"), and its subsidiary companies, which are companies incorporated in India, as of that date.

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

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

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

Meaning of Internal Financial Controls over Financial Reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion
In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies 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.

Other Matters
Our aforesaid reports under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies is based on the corresponding reports of the auditors of such company.

For C Ramachandram& Co.,
Chartered Accountants,
Firm Registration No. 002864S

Sd/-
Premnath Degala
Partner
M.No: 207133
UDIN: 20207133AAAABU5752

Place: Hyderabad
Date: 22-07-2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Notes	For the year ended March 31, 2020	Year ended March 31, 2019
A. Assets			
Non-current assets			
(a) Property, plant and equipment	3	11,57,94,104	11,11,19,347
(b) Capital work-in-progress	3	18,49,48,078	18,38,55,868
(c) Goodwill	4	19,56,344	60,23,073
(d) Other intangible assets	5	18,99,695	19,75,406
(e) Financial assets			
(i) Investments	6	37,32,326	37,09,762
(ii) Other financial assets	7	2,000	12,000
(f) Deferred tax assets (net)	8	1,06,30,224	1,05,32,666
(g) Other non-current assets	9	25,00,000	18,00,000
Total non-current assets		**32,14,62,771**	**31,90,28,122**
Current assets			
(a) Inventories	10	12,45,87,838	10,64,01,464
(b) Financial assets			
(i) Trade receivables	11	22,83,82,018	10,80,39,533
(ii) Cash and cash equivalents	12	5,39,06,920	4,21,44,878
(iii) Other bank balances	13	14,00,000	12,00,000
(iv) Loans	14	5,75,85,597	7,99,69,967
(v) Other financial assets	7	25,11,682	76,61,072
(c) Current Tax Assets		21,878	21,829
(c) Other current assets	9	3,98,19,527	2,48,35,784
Total current assets		**50,82,15,461**	**37,02,74,527**
Total assets		**82,96,78,231**	**68,93,02,649**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	11,46,33,120	11,46,33,120
(b) Other equity	16	20,44,28,263	16,68,16,140
Equity attributable to owners of the Company		**31,90,61,383**	**28,14,49,260**
Non-controlling interests	17	6,98,62,766	7,16,91,882
Total equity		**38,89,24,149**	**35,31,41,143**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	14,20,64,275	11,80,87,989
(b) Provisions	19	26,19,269	20,21,564
(c) Deferred Tax liabilities		9,06,297	9,99,504
Total non-current liabilities		**16,11,04,537**	**12,11,09,057**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	3,95,12,524	6,33,05,833
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	20	-	
"- Total outstanding dues of creditors other than micro enterprises and small enterprises"	20	16,39,03,668	78,80,764
(iii) Other financial liabilities	21	2,44,53,884	6,21,89,683
(b) Other current liabilities	22	5,89,26,881	6,46,99,868
(c) Provisions	19	2,49,150	4,51,933
(d) Current tax liabilities (net)	23	81,18,134	1,65,24,366
Total current liabilities		**29,51,64,241**	**21,50,52,447**
Total equity and liabilities		**82,96,78,231**	**68,93,02,647**

Corporate information and Significant accounting policies **1,2**
See accompanying notes to the financial statements **to 3**
Previous period / year figure have been regrouped / Reclassified Whereever necessary.

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Place : Hyderabad
Date : July 22, 2020

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

CONSOLIDATED STATEMENT FO PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Particulars	Notes	For the year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	24	46,80,22,721	20,59,81,597
II	Other income	25	1,37,14,833	2,88,35,514
III	**Total Income (I + II)**		**48,17,37,554**	**23,48,17,111**
IV	Expenses			
	(a) Access charges, license fee and network expenses	26	30,66,90,161	2,66,69,459
	(b) Employee benefits expense	27	9,16,46,066	6,55,40,674
	(c) Finance costs	28	1,16,17,912	2,71,24,396
	(d) Depreciation and amortization expense	29	65,93,261	82,93,771
	(e) Other expenses	30	4,27,78,149	6,06,60,419
	Total Expenses		**45,93,25,550**	**18,82,88,719**
V	Profit before tax (III - IV)		2,24,12,004	4,65,28,392
VI	Tax expense			
	(a) Current tax		71,90,509	1,65,24,366
	(b) Deferred tax expense /(credit)		(2,55,334)	(7,65,093)
	Total tax expense		**69,35,175**	**1,57,59,273**
VII	Profit after tax (V - VI)		1,54,76,829	3,07,69,119
VIII	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(15,732)	97,452
	(b) Net (loss)/gain on fair value through OCI (FVTOCI)		2,47,244	4,24,795
	(ii) Income tax on items that may not be reclassified to profit or loss		(71,522)	(1,69,940)
	Total other comprehensive income		**1,59,990**	**3,52,307**
IX	**Total comprehensive income for the year (VII + VIII)**		**1,56,36,818**	**3,11,21,426**
X	Profit for the year attributable to			5,60,95,903
	Shareholders		1,73,05,945	3,20,09,193
	Non Controlling Interest		(18,29,116)	(12,40,074)
XI	Other Comprehensive Income attributable to			
	Shareholders		1,59,990	3,52,307
	Non Controlling Interest		-	
XII	Total Comprehensive Income attributable to			
	Shareholders		1,74,65,934	3,23,61,499
	Non Controlling Interest		(18,29,116)	(12,40,074)
XIII	Earnings Per Share of Rs.10 each fully paid up			
	(i) Basic		1.36	2.71
	(ii)Diluted		1.36	2.71
XIV	Weighted Average Equity Shares used in Computing Earnings per Equity Share			
	(i) Basic		**1,14,63,312**	**1,14,63,312**
	(ii) Diluted		**1,14,63,312**	**1,14,63,312**

Corporate information and Significant accounting policies 1,2
See accompanying notes to the financial statements to 3
Previous period / year figure have been regrouped / Reclassified Whereever necessary.

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Place : Hyderabad
Date : July 22, 2020

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ In Lakhs

Particulars	For the year ended March 31, 2020		Year ended March 31, 2019	
A. Cash Flows From Operating Activities				
Profit Before Tax for the year		**233.86**		**465.28**
Adjustments for:				
Depreciation and amortization expense	65.93		82.94	
Profit on sale of property, plant and equipment (net)	(92.49)		-95.55	
Finance costs	116.18		271.24	
Interest income	(0.94)		-1.31	
Bad trade receivable written off	1.68		15.37	
Operating Cash Flows Before Working Capital Changes		**90.37**		**272.69**
Movements in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(1,236.70)		-285.93	
Inventories	(181.86)		0.00	
Other current assets	305.52		2.56	
Proceeds from Loans and advances	990.51		-359.01	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	1,538.46		-21.76	
Other current liabilities	(559.12)		498.73	
Other Liabilities & Provisions	(17.02)		72.84	
Movements in working capital- Total		**839.79**		**(92.57)**
Cash Flows From Operating Activities		**1164.02**		**645.41**
Net Tax Paid		126.06		94.85
Net Cash Generated From Operating Activities (A)		**1037.96**		**550.56**
B. Cash Flows From Investing Activities				
Purchase of Fixed Assets	(249.29)		-332.15	
Disposals of Fixed Assets	50.59		0.00	
Long Term Loans & Advances	(129.68)		-6.93	
Investments	(1,891.20)		63.24	
Interest Income received	0.94		1.31	
Sale of Property,Plant and Equipment	169.21		0.00	
Net Cash Generated/ Used in Investing Activities (B)		**-2,049.43**		**-274.53**
C. Cash Flows From Financing Activities				
Change in Equity Share capital	129.52		-	
Increase in Share premium	2,084.48		-	
Proceeds from Long Term borrowings	(330.07)		303.73	
Proceeds from Short Term borrowings	(312.61)		90.53	
Repayments from Long Term borrowings	(108.50)		0.00	
Repayments from ShortTerm borrowings	(179.83)		0.00	
Finance Costs Paid	(113.23)		-271.24	
Net Cash Generated From/ (Used in) Financing Activities ©		**1,169.75**		**123.01**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)		158.29		6.20
Cash and Cash Equivalents at the Beginning of the year		394.78		427.25
Cash and Cash Equivalents at the End of the year		553.07		433.45

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Place : Hyderabad
Date : July 22, 2020

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

Notes to the consolidated financial statements
Consolidated Statement of changes in equity for the year ended March 31, 2020
All amounts are in Rs. except share data and where otherwise stated

Note No. 16

Equity share capital	Amount	Amount
Balance as at March 31, 2018	11,46,33,120	11,46,33,120
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	11,46,33,120	11,46,33,120
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	11,46,33,120	11,46,33,120

	Reserves and surplus					Items of other comprehensive income					
	Capital reserve	Securities premium	General reserve	Retained earnings	Revaluation reserve	Equity instruments through other compreh- ensive income	Others items of other Comprehensive Income	Money received against share warrants	Attributable to owners of the Company	Non-contr- olling interests	TOTAL
Balance as at March 31, 2018	1,50,00,000	2,45,99,575	1,30,00,000	6,62,01,856	2,41,09,090	(13,31,238)	(68,69,956)	4,71,22,090	18,18,31,417	7,29,31,956	25,47,63,373
Profit / (loss) for the Year	-	-	-	5,60,95,904	-	-	-	-	5,60,95,904	(12,40,074)	5,48,55,830
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-
Money received against share warrants	-	-	-	-	-	-	-	(4,71,22,090)	(4,71,22,090)	-	(4,71,22,090)
Capital profit	6,37,70,360	-	-	-	-	-	-	-	6,37,70,360	-	6,37,70,360
Balance as at March 31, 2019	7,87,70,360	2,45,99,575	1,30,00,000	3,45,38,309	2,41,09,090	(13,31,238)	(68,69,956)	-	16,68,16,140	7,16,91,882	23,85,08,022
Profit / (loss) for the Year	-	-	-	1,73,05,945	-	-	-	-	1,73,05,945	(18,29,116)	1,54,76,829
Other comprehensive income for the year	-	-	-	-	-	2,47,244	(6,83,836)	-	(4,36,592)	-	(4,36,592)
Money received against share warrants	-	-	-	-	-	-	-	-	-	-	-
Capital profit	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	7,87,70,360	2,45,99,575	1,30,00,000	5,18,44,254	2,41,09,090	10,83,994	(75,53,792)	-	18,36,85,493	6,98,62,766	25,35,48,259

Notes to the consolidated financial statements
All amounts are in Rs. except share data and where otherwise stated

NOTE – 3: Property, plant and equipment and capital work-in-progress

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Freehold land	4,61,97,871	4,61,97,871
Buildings	3,03,78,939	3,10,70,599
Plant & equipment	2,10,85,186	1,61,66,082
Furniture & fixtures	5,94,475	6,28,372
Vehicles	1,03,00,520	1,15,18,577
Office equipment	43,76,898	51,37,066
Computers	28,60,215	4,00,778
Total	**11,57,94,104**	**11,11,19,345**
Capital work-in-progress	18,49,48,078	18,38,55,868
Total	**18,49,48,078**	**18,38,55,868**

Particulars	Freehold land	Buildings	Plant & equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	TOTAL	Software	TOTAL
A. Cost or deemed cost										
Balance as at March 31, 2018	2,22,41,871	3,42,72,000	10,78,39,891	82,35,616	2,81,83,718	93,26,762	9,67,716	21,10,67,574	4,49,130	4,49,130
Additions	2,39,56,000	-	48,99,193	-	-	11,28,755	3,50,040	3,03,33,988	15,99,023	15,99,023
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	4,61,97,871	3,42,72,000	11,27,39,084	82,35,616	2,81,83,718	1,04,55,517	13,17,756	24,14,01,562	20,48,153	20,48,153
Additions	-	-	65,79,032	29,000	14,49,827	2,42,106	29,39,917	1,12,39,882	-	-
Disposals	-	-	25,99,441	24,59,758	-	-	-	50,59,199	-	-
Balance as at March 31, 2020	4,61,97,871	3,42,72,000	11,67,18,675	58,04,858	2,96,33,545	1,06,97,623	42,57,673	24,75,82,245	20,48,153	20,48,153
B. Accumulated depreciation										
Balance as at March 31, 2018	-	25,09,740	9,46,38,499	74,01,051	1,24,74,698	43,64,346	6,60,151	12,20,48,485	12,708	12,708
Depreciation expense	-	6,91,661	19,34,503	2,06,193	41,90,443	9,54,105	2,56,827	82,33,732	60,039	60,039
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	-	32,01,401	9,65,73,002	76,07,244	1,66,65,141	53,18,451	9,16,978	13,02,82,217	72,747	72,747
Depreciation expense	-	6,91,660	16,12,355	62,897	26,67,884	10,02,274	4,80,480	65,17,550	75,711	75,711
Eliminated on disposal of assets	-	-	25,51,868	24,59,758	-	-	-	50,11,626	-	-
Balance as at March 31, 2020	-	38,93,061	9,56,33,489	52,10,383	1,93,33,025	63,20,725	13,97,458	13,17,88,141	1,48,458	1,48,458
C.Carrying amount										
Balance as at March 31, 2020	4,61,97,871	3,03,78,939	2,10,85,186	5,94,475	1,03,00,520	43,76,898	28,60,215	11,57,94,104	18,99,695	18,99,695
Balance as at March 31, 2019	4,61,97,871	3,10,70,599	1,61,66,082	6,28,372	1,15,18,577	51,37,066	4,00,778	11,11,19,345	19,75,406	19,75,406

Notes to the consolidated financial statements
All amounts are in Rs. except share data and where otherwise stated

	As at 31-03-2020	As at 31-03-2019
Note - 4: Goodwill		
Cost or deemed cost	60,23,073	60,23,073
Total	**60,23,073**	**60,23,073**
NOTE – 6: Non-current investments		
Investments in equity instruments		
Unquoted investments (fully paid)		
(a) Investments in subsidiaries (at cost unless stated otherwise)		
(i) "Nettlinx Inc, USA	2,17,09,360	2,17,09,360
(ii) "Nettlinx Reality Private Limited 3,79,969 (March 31, 2019: 309,990) equity shares of Rs.10 each"	19,14,44,653	30,99,900
(iii) "Sri Venkateswara Green Power limited 8,494,923 (March 31, 2019: 8,494,923) equity shares of Rs.10 each"	8,49,49,230	8,49,49,230
(iv) "Sailon Se589,000 (March 31, 2019: 589,000) equity shares of EUR 01 each"	3,62,83,735	3,62,83,735
(a) Investments in others (at cost)		
(i) "Northeast Broking Services Limited	13,16,000	1,16,000
(ii) "Northeast Commodities Private Limited (Ref Not Below) (March 31, 2020: 120,000) equity shares of Rs. 10 each"	-	12,00,000
(iii) "Brightcom Group Ltd 515,000 (March 31, 2020: 515,000) equity shares of Rs. 10 each"	3,43,71,861	3,45,96,441
(iv) "Nettlinx Technologies Private Limited (March 31, 2020: 99,990 equity shares of Rs. 10 each)”	9,99,900	-
(c) Investments in others (at FVTOCI)	(3,19,55,436)	(3,22,02,679)
Total	**47,32,325**	**37,09,762**

"* pursuant to the Scheme of Amalgamation of Northeast Commodities Private Limited With Northeast Broking Services Limited as approved by the Hon’ble National Company Law Tribunal, Hyderabad Bench at Hyderabad vide order dated 08.05.2019, is required to issue 14 Equity shares at a face value of Rs 10/- (Ten Rupees each) of Northeast Broking Services Limited (i.e., Transferee Company) against 29 Equity shares held in Northeast Commodities Private Limited (i.e.Transferor company).Accordingly, Northeast Broking Services Limited (i.e., Transferee Company) issued and allotted 57931 equity shares of Rs.10/- each on 05.09.2019 against 1,20,000 Equity shares of Rs.10/- each held by Nettlinx Limited in Northeast Commodities Private Limited."

	As at 31-03-2020	As at 31-03-2019
NOTE – 7: Other financial assets		
Unsecured, considered good		
Non–Current		
- Rental Deposits	-	10,000
- Security Deposits	2,000	2,000
Total	**2,000**	**12,000**
Current		
- Interest Accrued but not due on FDRs	2,83,042	2,01,014
- Rental Deposits	10,66,850	10,56,850
- Advances to employees	-	52,80,647
- MAT credit entitlement	11,61,790	11,61,790
- Advance for Expense	-	(39,229)
Total	**25,11,682**	**76,61,072**

***Bank guarantee against license towards Telecom Operations to the Department of Telecommunications.**

	As at 31-03-2020	As at 31-03-2019
NOTE – 8: Deferred tax assets / (liabilities) (net)		
The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet:		
Deferred tax assets	24,063	1,05,32,666
Deferred tax liabilities	1,06,06,161	-
Total	**1,06,30,224**	**1,05,32,666**

Notes to the consolidated financial statements
All amounts are in Rs. except share data and where otherwise stated

	As at 31-03-2020	As at 31-03-2019
NOTE – 9: Other assets		
Unsecured, considered good		
Non–Current		
- Advance for land	25,00,000	18,00,000
Total	**25,00,000**	**18,00,000**
Current		
- Prepaid expenses	2,28,375	3,57,269
- Balances with government authorities	1,81,01,779	96,64,778
- Deposits	2,14,89,713	1,48,13,737
- Others	(340)	-
Total	**3,98,19,527**	**2,48,35,783**
NOTE – 10: Inventories		
Land	12,37,31,089	10,64,01,464
Others	8,56,749	-
Total	**12,45,87,838**	**10,64,01,464**
NOTE – 11: Trade receivables		
Unsecured, considered good	22,83,82,018	11,07,46,976
Doubtful	34,88,818	15,37,443
	23,18,70,836	10,92,09,534
Allowance for expected credit loss	(34,88,818)	11,70,000
Total	**22,83,82,018**	**10,80,39,534**

Note: The Company has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.

	As at 31-03-2020	As at 31-03-2019
NOTE – 12: Cash and cash equivalents		
Balance with banks		
- In current accounts	5,21,56,482	4,18,54,856
Cash on hand	17,50,422	2,90,022
Total	**5,39,06,904**	**4,21,44,878**
NOTE – 13: Other bank balances		
In deposit accounts with maturity less than 12 months	14,00,000	12,00,000
Total	**14,00,000**	**12,00,000**
NOTE – 14: Loans		
Advances to related parties	4,47,92,896	19,02,41,723
Others*	5,61,23,819	1,81,37,096
Total	**10,09,16,715**	**20,83,78,819**

*The Company had paid an amount of Rs 18,91,000 towards advance listing fees to frankfurt stock exchange for lisitng of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. Hence the Company has requested to return the advance amount but the frankfurt stock exchange refused to refund the money. Therefore, the company has initiated the legal proceedings to recover the said advance amount. The company is expecting a favourable decision in this regard.

Note - 15: Share capital	**As at 31-03-2020**		**As at 31-03-2019**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
(a) Authorised				
Equity shares of Rs. 10 each	3,45,00,000	34,50,00,000	3,45,00,000	34,50,00,000
(b)Issues, subscribed and fully paid-up				
Equity shares of Rs. 10 each	1,14,63,312	11,46,33,120	1,14,63,312	11,46,33,120
Total	**1,14,63,312**	**11,46,33,120**	**1,14,63,312**	**11,46,33,120**

Notes:
(i)Reconciliation of Equity Shares outstanding at the Beginning and at the end of the Reporting Period is set out below:

Equity share capital	Number of shares	Amount
Balance as at March 31, 2018	**1,14,63,312**	**11,46,33,120**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	**1,14,63,312**	**11,46,33,120**
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	**1,14,63,312**	**11,46,33,120**

(ii) Rights, preference and restrictions attached to the eeuity shares:
The Company has only one class of shares referred to as equity shares having a face value of Rs. 10 each. Each holder of equity share is eligible for one vote per share held.

(iii) Details of equity shares held by each shareholder holding more than 5% of the equity shares:

Note - 15: Share capital	As at 31-03-2020		As at 31-03-2019	
	Number of shares	%	Number of shares	%
Dr. Manohar Loka Reddy	54,65,545	47.67	54,37,749	47.44
Northeast Broking Services ltd	7,87,076	6.87	7,26,743	6.34
Saranya Loka Reddy	6,44,186	5.61	6,44,186	5.61

	As at 31-03-2020	As at 31-03-2019
NOTE – 17: Non-controlling interest		
Balance at beginning of year	7,16,91,882	7,16,91,882
Share of profit / (loss) for the year	(18,29,116)	1,54,76,829
Total	**6,98,62,766**	**8,71,68,711**
NOTE - 18: Borrowings		
Non-current		
Secured term loans		
- From banks	10,71,50,060	10,49,93,550
- From related parties	6,43,05,188	12,65,82,649
- From others	1,15,05,250	-
Unwinding of Discount on Decommissioning Liabilitites	24,34,896	21,40,379
Total	**18,53,95,394**	**23,37,16,578**

Note:1.Loans are obtained from HDFC Ltd. at the interest rate of 9.75% are secured by way of first charge, having pari passu rights, on the Company's Immovable Assets, both present and future, in favour of Company's lenders/trustees. Further, they are secured by way of personal guarantee of Shri Manohar Loka Reddy, Managing Director of the Company.
2.During the year FY 2019-20 Indian Overseas Bank sanctioned Term loan of Rs. 4.50 Crores at the interest rate of 9.85% are secured by exclusive charge on equipments/ items procured out of proceeds of proposed term loan value of Rs. 5.18 Crores."

	As at 31-03-2020	As at 31-03-2019
Current (at amortised cost)		
Unsecured loans repayable on demand		
- From banks	1,22,96,645	1,08,54,594
- From related parties	1,84,53,123	6,52,49,319
- From others	87,62,756	1,63,78,663
Total	**3,95,12,524**	**9,24,82,576**
NOTE – 19: Provisions		
Non - Current		
Employee Benefits		
- Gratuity	26,19,269	20,21,564
Total	**26,19,269**	**20,21,564**
Current		
Employee Benefits		
- Leave Encashment	-	2,20,000
- Others	2,49,150	2,31,933
Total	**2,49,150**	**4,51,933**

Notes to the consolidated financial statements
All amounts are in Rs. except share data and where otherwise stated

	As at 31-03-2020	As at 31-03-2019
NOTE – 8: Deferred tax assets / (liabilities) (net)		
The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet:		
Deferred tax assets	43,60,235	43,64,779
Deferred tax liabilities	(52,66,532)	(53,64,283)
Total	**9,06,297**	**9,99,504**
NOTE – 20: Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	-	-
"- Total outstanding dues of creditors other than micro enterprises and small enterprises"	16,39,03,668	78,80,764
Total	**16,39,03,668**	**78,80,764**
NOTE – 21: Other financial liabilities		
Current maturities of long-term debt	1,49,18,114	71,58,355
Interest accrued but not due on borrowings	-	-
Outstanding expenses	5,55,164	7,40,406
Employee related expenses	1,18,35,201	1,16,13,581
HP Finance charges payable	-	4,56,98,596
Rental deposit	5,22,391	17,08,908
Others	(33,76,986)	(29,72,026)
Total	**2,44,53,884**	**6,39,47,820**
NOTE – 22: Other current liabilities		
Unsecured		
Advances from customers	5,40,90,751	5,43,62,469
Statutory remittances	45,98,356	84,07,148
Others	2,37,774	2,21,343
Total	**5,89,26,881**	**6,29,90,960**
NOTE – 23: Current tax liabilities (net)		
Provision for income tax (net)	81,18,134	1,65,24,366
Total	**81,18,134**	**1,65,24,366**
NOTE – 24: Revenue from operations		
(a) Sale of goods	1,13,15,786	55,000
(b) Sale of services		
(i) From bandwidth services	24,97,07,077	7,00,92,034
(ii) From web solutions	19,02,26,133	8,68,61,153
(iii) From ITES (Export)	1,67,73,725	4,89,73,410
Total	**46,80,22,721**	**20,59,81,597**
NOTE – 25: Other income		
(a) Interest income earned on financial assets that are not designated as at fair value through profit and loss:		
- Bank deposits	93,714	1,31,369
- Other financial assets	-	1,46,24,519
(b) Other non-operating income		
- Rental income	18,36,277	23,94,871
- Others	19,69,597	4,38,092
(c) Other gains and losses		
- Net foreign exchange gains / (losses)	5,66,690	16,91,518
- Gain on disposal of property, plant and equipment	92,48,555	95,55,145
Total	**1,37,14,833**	**2,88,35,514**

Interest income and Rental Income includes income from related parties amounting to Rs.18,36,277 for the year ended March 31, 2020 (For the year ended March 31, 2019: Rs.16,429,319).

	As at 31-03-2020	As at 31-03-2019
NOTE – 26: Access charges, license fee and network expenses		
Bandwidth, web hosting, leased circuit & service charges	29,03,98,394	2,30,65,600
Purchase of equipment	1,47,14,227	-
Domain registration expenses	2,20,439	1,57,409
Annual membership fee	1,12,101	97,154
DOT licence fees	12,45,000	33,49,296
Total	**30,66,90,161**	**2,66,69,459**

Notes to the consolidated financial statements
All amounts are in Rs. except share data and where otherwise stated

	As at 31-03-2020	As at 31-03-2019
NOTE – 27: Employee benefits expense		
Salaries (including managerial remuneration)	8,87,68,762	6,23,86,218
Contribution to provident and other funds	7,12,089	6,12,377
Gratuity	6,79,357	6,95,082
Staff welfare expenses	14,85,858	18,46,997
Total	**9,16,46,066**	**6,55,40,674**
NOTE – 28: Finance costs		
(a) Interest costs:		
(i) Interest on term loans	1,01,21,177	1,11,98,321
(ii) Interest on working capital facilities	11,24,133	11,18,105
(iii) Interest on ICD	-	1,27,59,867
(iv) Others	78,085	18,92,091
(b) Other borrowing costs:		
(i) Unwinding of discounts on decommissioning liabilitites	2,94,517	1,56,012
Total	**1,16,17,912**	**2,71,24,396**
NOTE – 29: Depreciation and amortisation expense		
Depreciation of property, plant and equipment [Refer Note 3]	65,17,550	82,33,732
Amortisation of intangible assets [Refer Note 4]	75,711	60,039
Total	**65,93,261**	**82,93,771**
NOTE – 30: Other expenses		
Computer & network maintainance	43,42,070	15,39,713
Electricity charges	18,39,788	28,23,755
Rent	40,69,073	38,76,649
Vehicle maintainance	13,78,390	13,89,618
Office maintenance	18,53,918	21,56,822
Insurance	7,72,266	4,45,640
Rates and taxes	81,61,014	13,08,400
Communication	4,36,012	4,67,231
Travelling and conveyance	29,97,649	51,30,782
Workers compensation charges	-	1,49,612
Advertisement and sales promotion	9,01,807	1,75,490
Legal & professional	64,59,807	25,83,627
Payment to auditors	3,50,300	2,88,500
Bad trade receivables written-off	1,67,922	15,37,443
Accounting Fee		1,16,800
Provision for doubtful trade receivables (expected credit loss)	23,18,818	11,70,000
Security charges	7,76,000	6,33,577
Printing and stationery	2,86,847	3,15,327
Bank Charges	55,38,302	9,72,342
Interest on Late Payment		9,89,379
Miscellaneous expenses	1,28,166	3,25,89,711
Total	**4,27,78,149**	**6,06,60,419**

Notes to the consolidated financial statements
All amounts are in Rs. except share data and where otherwise stated

Note - 5: Intangible Assets

	Software	Total
A.	**Cost or deemed cost**	
	Balance as at March 31, 2018	**4,49,130**
	Additions	15,99,023
	Disposals	-
	Balance as at March 31, 2019	20,48,153
	Additions	-
	Disposals	-
	Balance as at March 31, 2020	**20,48,153**
B.	**Accumulated depreciation**	
	Balance as at March 31, 2018	**12,708**
	Depreciation expense	60,039
	Eliminated on disposal of assets	-
	Balance as at March 31, 2019	72,747
	Depreciation expense	75,711
	Eliminated on disposal of assets	-
	Balance as at March 31, 2020	**1,48,458**
C.	**Carrying amount**	
	Balance as at March 31, 2020	**18,99,695**
	Balance as at March 31, 2019	**19,75,406**

Notes of Account on consolidated financial Statements

A. General Information

Nettlinx is an Internet Infrastructure initiative of the Nettlinx Group. Nettlinx Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

B. Basis of preparation of financial statements

B.1. Statement of Compliance

These consolidated financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) Specified under section 133 of the Companies Act 2013(“the Act”) read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 , the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other provisions to the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI)

The financial statements were authorized for issue by the Company’s Board of Directors on 22 July, 2020.

Details of the accounting policies are included in Note 1.

B.2 Basis of preparation and presentation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis, except for the following material items in the statement of financial position:

- Certain financial assets and liabilities are measured at fair value;
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- Long term borrowings are measured at amortized cost using the effective interest rate method.

The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies
(Indian Accounting Standards) Rules, 2015 and relevant Amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

B.3 Basis of Consolidation

Nettlinx Limited Consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the company, its controlled entities as disclosed in Note 30©. Control exists when the parent has power over the entity, is exposed or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

B.4 Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Group.

All amounts are in Indian Rupees except share data, unless otherwise stated.

B.5 Operating Cycle

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

Assets:

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

a) it is expected to be realized in, or is intended for sale or consumption in, the Company’s normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

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

a) it is expected to be settled in the Company’s normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

B.6 Critical accounting judgements and key sources of estimation uncertainty.

In the application of the Group’s accounting policies, which are described in Note 1, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

Useful lives of depreciable assets
Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investment in equity instruments of subsidiary and associate companies

During the year, the Group assessed the investment in equity instrument of subsidiary and associate companies carried at cost for impairment testing. These companies are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Group is confident that the investments do not require any impairment.

B.7 Fair value measurement and valuation process:
The Group measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1. Significant accounting Policies
1.1 Revenue recognition
The Group offers a complete range of network solutions like Internet, Network Management Services, Data Centre and Co-Location Services and Enterprise Mailing Solutions etc and derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Revenue from Online information and database access or retrieval recognized as the service is performed on the basis of actual usage of the company network in accordance with contractual obligation and is recorded net of Goods &service tax

Company provided specialised features to the subscribers which entitles them to access the network of the company, in such case the revenue is recognised when such features are activated and used by the subscriber.

Products and platforms:
The Group offers a complete range of network solutions like Internet, Network Management Services, Data Centre and Co-location Services and Enterprise Mailing Solutions etc and derives revenues in the way of sale of products, sale of VOIP Telephones and y way of provision of Bandwidth Services, Web Solutions &ITES(Exports).

Revenue includes only the gross inflows of economic benefits received a receivable by the entity on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. The company presents revenues net of taxes in its statement of Profit and Loss.

Other Income
Other income is comprised primarily of interest income, Rental income and exchange gain / loss on translation of other assets and liabilities. Interest income is recognized using the effective interest method.

1.2 Leases
Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies applicable for previous year, The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Lessee Policy effective 1 April 2019 The Company's lease asset classes primarily consist of leases for Land, buildings and colocations spaces. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

However, since the right of use asset and corresponding lease liability is insignificant and not material the same has not been recognised. Further, expense towards such lease is shall be recorded as depreciation on right of use assets and finance costs on lease liability, instead of rent in case of significant and material. There are no significant and material long term leases.

1.3 Foreign currency Transactions.
Functional currency
The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off wherever required)

Transactions and translations
Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the time of the transaction.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Exchange difference on monetary items is recognised in the Statement of Profit and Loss in the period in which it arises except for;

(a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.

(b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

The results and financial position of foreign operations with functional currency different from the presentation currency, are translated into the presentation currency as follows:

(a) Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;

(b) income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated into rupee, the functional currency of the company, at the exchange rates at the reporting date. Exchange difference arising are recognised in other comprehensive income and accumulated in equity, except to the extent that the exchange differences is allocated to the non-controlling interests.

1.4 Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the year in which they are incurred. Borrowing cost includes interest incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

1.5 Taxes on Income Tax and Deferred Tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Provision for income tax is made on the basis of taxable income for the year at the current rates

Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable income. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are generally accounted for all taxable temporary differences.

Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets/ liabilities are not recognised for initial recognition of Goodwill or on an asset or liability in a transaction that is not a business combination and at the time of transaction affects neither the accounting profit nor taxable profit or loss. MAT credit is recognised as an asset, only if it is probable that the Company will pay normal income tax during the Specified period.

1.6 Business Combinations and intangible assets:

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets.

1.6 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the group and includes post tax effect of any exceptional item by the weighted average number of equity shares outstanding during the period excluding the shares owned by the Trust, outstanding during the period

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.7 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Cost of an item of PPE comprises of its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which It is located.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. Gains or losses arising from de recognition of assets 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably.

1.8 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life as per Ind AS 16 and is provided on a Reduced Balance Method basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Group, or the number of production or similar units expected to be obtained from the asset by the Group. Such classes of assets and their estimated useful lives are as under

Particulars	Useful life (in yrs)
Buildings	60
Plant and Machinery	13
Furniture & Fixtures	10
Office Equipment – Others	5
Vehicles	8

1.9 Intangible assets and amortization

1. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.

2. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3. There are no intangible assets assessed with indefinite useful life. The life of amortisation of the intangible assets is as follows.

Particulars	Useful life
Software	8 years

4. Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

5. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

6. Gains or losses arising from derecognition of an intangible asset 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. Any gain or loss on disposal of an item of Intangible Assets is recognised in statement of profit and loss.

1.10 Inventories

Inventories are accounted for at cost and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realizable value, whichever is less.Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

1.11 Cash and cash equivalents

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

1.12 Statement of Cash Flows (Cash Flow Statement)

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

1.13 Employee benefits

1. Provident Fund: Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company or Government administered provident fund. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

2. Gratuity:

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

3. Compensated Absences:

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by Estimation Basis.

4. The actuarial valuation is done at the end of the year. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

1.14 Investments in Subsidiaries and Associates

The company's investment in its Subsidiaries and Associates are carried at cost.

1.15 Provisions

1. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

1.16 Financial instruments

a. Recognition and Initial recognition

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

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

b. Classification and Subsequent measurement

Financial assets

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

– amortized cost;

– FVTPL

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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

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

Financial liabilities: Classification, Subsequent measurement and gains and losses

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

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

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

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

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

e. Impairment
The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost;

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

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

– significant financial difficulty of the borrower or issuer;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganization; or

– the disappearance of an active market for a security because of financial difficulties.

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

– debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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

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

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

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

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

NOTE 31
CONTINGENT LIABILITIES (IndAS-37)

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent liabilities/claims not provided for:

	Particulars	2019-20	2018-19
i)	In respect of Bank Guarantees	0	13,00,000
ii)	In respect of Inland Letter	43,30,195	43,30,195
	of Credits		

Group has received Revised provisional license fee assessment notice from Department of Telecommunications-AP circle for the years 2005-06, 2006-07,2007-08 and 2008-09 w.r.t ISP(IT) License for 43,30,195/-

NOTE 32
Principles of consolidation:
These Consolidated Financial Statements (CFS) are prepared on the following basis in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS – 110), "Investments in Associates and Joint Ventures" (Ind AS – 28) and "Disclosure of interest in other entities" (Ind AS – 112), specified under Section 133 of the Companies Act, 2013.

(I). Subsidiaries:
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii). Non-controlling interest (NCI):
NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii). Loss of control:
When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

(iv). Equity accounted investees:
The Group's interests in equity accounted investees comprise interest in associates. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in associates is accounted for using equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

(v). Transactions eliminated on consolidation:
The financial statements of the Holding Company, its Subsidiaries and Associates used in the consolidation procedure are drawn up to the same reporting date i.e. March 31, 2020.

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Name of the Company	**% of Share holding and voting power**	
	Year Ended 31-03-2020	**Year Ended 31-03-2019**
Subsidiaries:		
1. Nettlinx Reality Private Limited	100%	100%
2. Nettlinx Inc	100%	100%
3. Sailon SE	95%	95%
4. Sri Venkateswara Green Power Projects Limited	53.56%	53.56%
5. Nettlinx Technologies private limited (Subsidary of Nettlinx Realty pvt Limited)	100%	-

NOTE 33
Goodwill on consolidation:
Goodwill represents the difference between the Holding Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries. For this purpose, the Holding Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition.

NOTE 34
A. Auditors Remuneration:

Particulars	**For the Year 2019–20 Rs. In Lakhs**	**For the Year 2018–19 Rs. In Lakhs**
a) Statutory Auditor		
Audit Fee	3.09	2.88
Certification & Fees for other Services	0.35	0.054
Total	3.44	2.934

B. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Under the Micro, Small and Medium Enterprises Development act, 2006(MSMED) which came into force from Oct 2, 2006, certain disclosures are required to be made relating to MSMED. On the basis of information and records available with the Group, the following disclosures are made for the amounts due to the micro and small enterprises.

(₹. in Lakhs)

S.NO.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Principal amount due to any supplier as at the year end.	-	-
2	Interest due on the principal amount unpaid at the year end to any supplier.	-	-
3	Amount of interest paid by the Group in terms of Sec-16 of the MSMED, along with the amount of the payment made to the suppliers beyond the appointed day during the accounting year.	-	-
4	Payment made to the enterprises beyond appointed date under section 16 of MSMED	-	-
5	Amount of interest due and payable for the period of delay in making payment, which has been paid but beyond the appointed day during the year, but without adding the interest specified under MSMED.	-	-
6	Amount of interest accrued and remaining unpaid at the end of each accounting year and	-	-
7	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above or actually paid to the small enterprises, for the purpose of disallowance as deductible expenditure U/S 23 of MSMED.	-	-

C. Related Party disclosures under IND AS – 24:

The List of Related Parties as identified by the management is as under:

1) Subsidiaries of the Company having significant Influence
a) Nettlinx Inc, USA
b) Nettlinx Realty Private Limited
c) Sri Venkateswara Green Power Projects Limited
d) Sailon SE
e) Nettlinx Technologies Private Limited
2) Companies in which directors are interested
a) North East Broking Services Limited
b) North East Commodities Private Limited
3) Key Management Personnel (KMP) of the Company
a) Shri Manohar Loka Reddy – Chairman and Director
b) Chandra Sekhar Pogula – CEO and Whole time Director
c) Shri G. Sai Ram – CS
d) S.Mahaganesh - CFO

Following transactions were carried out with related parties in the ordinary course of business: (₹. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Relative of KMP	Total
1	Managerial Remuneration			83.90		83.90
2	Advance paid for Expenses					
3	Service Sales	77.82	1.19	-	-	79.01
4	Investments	1883.34	-	-	-	1883.34
5	Loans			(14.05)		(14.05)

Following transactions were carried out with related parties during the previous year FY 2018-19 (₹. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Relative of KMP	Total
1	Managerial Remuneration			99.15		99.15
2	Advance paid for Expenses					
3	Service Sales					
4	Investments					
5	Loans			(208.43)		(208.43)

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the Directories of the Group, in accordance with shareholder's approval, wherever necessary.

Terms and Conditions of transactions with Related Parties:

The sale to related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

For the year ended March 31,2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

D. Defined Benefit Plan

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement / exit.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the amounts recognized in the balance sheet for the plan:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

S.No	Particulars	Gratuity (Funded Plan)	
		As at 31-03-2020	As at 31-03-2019
I	Change in Obligation		
	1 Present Value of defined benefit obligation at the beginning of the year	20.50	15.17
	2 Current service cost	49.36	38.64
	3 Interest cost	1.56	1.18
	4 Actuarial (gain) / loss on obligation	0.15	0.97
	5 Benefits paid	(0.97)	(0.68)
	6 Present Value of defined benefit obligation at the end of the year	26.19	20.50
II	Change in the Fair Value of Plan Assets		
	1 Fair Value of Plan assets at the beginning of the year	0	0
	2 Expected return on plan assets	0	0
	3 Contributions by employer	0.97	0.68
	4 Actuarial gain / (loss) on plan assets	-	-
	5 Benefits paid	(0.97)	(0.68)
	6 Fair Value of Plan assets at the end of the year	0	0
III	Expenses recognized in the Profit and Loss Account		
	1 Current service cost	4.93	3.86
	2 Interest cost	1.56	1.18
	3 Expected return on plan assets	0	0
	4 Net actuarial loss / (gain) recognized in the current year	0.15	0.97
	5 Expenses recognized in the Profit and Loss Account	6.50	5.04
IV	Re-measurements recognized in Other Comprehensive Income (OCI)		
	1 Changes in Financial Assumptions	2.10	0.28
	2 Changes in Demographic Assumptions	0	0
	3 Experience Adjustments	(1.94)	0.68
	4 Actual return on Plan assets less interest on plan assets		
	5 Amount recognized in Other Comprehensive Income (OCI)	0.15	0.97
V	Expenses recognized in the Balance Sheet as at the end of the year		
	1 Present value of defined benefit obligation	26.19	20.50
	2 Fair Value of plan assets at the end of the year	0	0
	3 Funded status [Surplus / (Deficit)]	(26.19)	(20.50)
	4 Net assets / (liability) as at the end of the year	(26.19)	(20.50)
VII	Sensitivity analysis for significant assumptions: *		
	Increase/(Decrease) on present value of defined benefit obligation at the end of the year		
	Salary escalation-up by 1%	23.87	18.72
	Salary escalation-down by 1%	28.92	22.61
	Discount Rates-up by 1%	28.92	22.64
	Discount Rates-down by 1%	23.81	18.66
	Withdrawal Rates-up by 1%	26.69	21.36
	Withdrawal Rates-down by 1%	25.56	19.40
VIII	The major categories of plan assets as a percentage of total plan		
	1 Qualifying Insurance Policy		
IX	Actuarial Assumptions		
	1 Discount rate	6.73%	7.63%
5.	2 Mortality rate	IAMLA (2006-08 Ultimate)	IAMLA (2006-08 Ultimate)
	3 Withdrawal rate		
	4 Return on plan assets	0	0
	5 Salary Escalation	5%	5%

E.Earnings per Share (EPS) –

(₹. in Lakhs)

	Particulars	Year Ended 31-03-2020	Year Ended 31-03-201
1	Profit attributable to the Equity Share Holders (Rs in Lakhs)- A	156.37	311.21
2	No. of Equity Shares	11463312	11463312
3	Nominal Value of the Share (Rs.)	10	10
4	Basic / Weighted average number of Equity Shares – B	11463312	11463312
5	Earnings per Share (Rs.) – A/B*	1.36	2.71
6	Diluted Earnings Per Share (Rs)- A/(B+E)	1.36	2.71

F. Reconciliation of Effective Tax rate:

Particulars	Year Ended 31-03-2020	Year Ended 31-03-201
Applicable tax rate	27.82	27.82
Effect of tax exempt income		0
Effect of non-deductible expenses	1.303	4.2395
Effect of allowances for tax purposes	(0.608)	(2.8095)
Effect of previous year adjustments	0	0
Effect of Deferred Tax Adjustments	(0.005)	(1.1604)
Effective tax rate	28.5103	27.5502

G. As stipulated in IndAS–36, the Group has assessed its potential of economic benefits of its business units and is of the view of that the assets employed in continuing business are capable of generating adequate returns over their useful life in the usual course of its business. There is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

H. Lease Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount equal to the lease liability on initial application date, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. On transition, the adoption of the new standard resulted in recognition as below:

Right of Use assets NIL, Lease liabilities NIL

I. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management overseas the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

I). Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk, interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows

(₹. in Lakhs)

Particulars	Increase / decrease in interest rate	Effect on profit before tax
March31,2020		
INR	+1%	13.44
INR	-1%	13.44
March31,2019		
INR	+1%	19.98
INR	-1%	19.98

ii). Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The trade receivables as on March 31, 2020 is Rs.2283.82 Lakhs (March 31, 2019: Rs. 1080.40 Lakhs). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

(₹. in Lakhs)

Allowance for credit loss	March 31,2020	March 31, 2019
Opening balance	11.70	0
Impairement loss provided/ (reversed)	23.18	11.70
Closing balance	34.88	11.70

No single customer accounted for more than 5% of the revenue as of March 31, 2020 and March 31, 2019 and there is no significant concentration of credit risk.

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions.

iii). Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹. in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years.	Total
Year ended March 31, 2020				
Borrowings (including Current maturities of long term debt)	149.18	701.28	385.05	1236.73
Other noncurrent financial liabilities	-	-	-	-
Trade payables	1494.92	-	-	1494.92
Other Payables	350.95	-	19.65	370.60
Interest Accrued but not due	-	-	-	-
Salary and Bonus payable	27.00	-	-	27.00
Year ended March 31, 2019				
Borrowings (including Current maturities of long term debt)	207.54	501.47	657.10	1366.11
Other noncurrent financial liabilities	-	20.21	-	20.21
Trade payables	78.77	-	-	78.77
Other Payables	1109.07	-	17.09	1126.15
Interest Accrued but not due	6.34	-	-	6.34
Salary and Bonus payable	38.10	-	-	38.10

A. Capital management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves excluding Debenture Redemption Reserve.

The capital structure as of March 31, 2020 and March 31, 2019 as follows

(₹. in Lakhs)

Particulars	31-Mar-20	31-Mar-19
Total equity attributable to the equity shareholders of the Group	3889.24	3531.41
As a percentage of total capital	66.44	66.07
Long term borrowings including current maturities	1569.82	1180.88
Short term borrowings	395.12	632.96
Total borrowings	1964.95	1813.84
As a percentage of total capital	33.56	33.93
Total capital (equity and borrowings)	5854.19	5345.25

B. Corporate Social Responsibility:

The Group is not required to spend towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013, since the Group is within the threshold limit given as per the provisions of the Act.

C. Details of foreign exchange Inflow or Out flow during the year.

Foreign Exchange Inflow:

Nettlinx INC is Rs. 1,66,76,368

Friendly Consultants is Rs. 3,64,80,021

Total - 5,31,56,389

Foreign Exchange Outflow:1,89,171

D. Covid-19

The outbreak of Novel Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Nettlinx Limited has been closely monitoring the COVID-19 situation, with the safety of our employees and business continuity for our customers and partners our top priority. We regularly communicate best practice advisories, and have put in place precautionary measures to protect our employees and ensure business continuity for us and our customers including:

- The implementation of work from home for all employees globally, with the exception of some essential roles that need to be conducted from an office or on location for critical network maintenance. In these cases, all necessary arrangements have been made to ensure their safety and protection.

- The cancellation of all business trips, meetings and events, which will be carried out virtually instead. Employees have taken this in their stride, since collaboration with remote colleagues was already the norm in our business – our teams are quite comfortable leveraging chat, voice, video and collaboration tools to get their jobs done. The situation continues to evolve at pace and as governments around the world implement measures to contain this public health crisis, we continue to work through our preparedness on the variety of scenarios as part of our business continuity plans. We will continue to monitor the situation closely, taking into account local government mandates and decisions, and have planned for a range of outcomes as the situation continues to evolve.

As part of our business continuity planning and preparation, Nettlinx Limited has deployed a taskforce – overseen by our Global Management Committee that is led by our CEO – to continuously assess the Covid-19 situation. We have a clear command and control matrix, covering all functions, with needed backup and resiliency. This Global Emergency Response team is also in continuous interaction with national governments and health authorities to ensure best practice in health and safety while maintaining business continuity.

As far as impact of the COVID-19 situation on the financial statements is concerned, the group has considered internal and external information while finalising various estimates in relation to its financial statements up to the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The group is monitoring the situation closely, and shall take actions as appropriate, based on any material changes in the future economic conditions Standards issued but not effective.

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(F.R.N : 002864S)

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : 20207133AAAABU5752

Place : Hyderabad
Date : July 22, 2020

For and on behalf of the board of Directors
FOR NETTLINX LIMITED

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
J.V Hanumantha Rao
Independent Director
DIN : 02682027

Sd/-
S. Maha Ganesh
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

NOTES

BOOK-POST

TO

If Undelivered please return to :

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Secretariat Road, Saifabad,
Hyderabad, Telangana - 500 063.
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Fax : 23231610 E-mail : secretarial@nettlinx.org
Website : www.nettlinx.com