

ADDENDUM TO THE NOTICE OF 28TH ANNUAL GENERAL MEETING:

Nettlinx Limited ("the Company") had issued Notice dated 18th August, 2021 ("AGM Notice") for convening 28th Annual General Meeting of the Members of Nettlinx Limited scheduled to be held on Friday, 24th September, 2021 at 10:30 A.M. through Video Conferencing ('VC')/ Other Audio Visual Means ("OAVM") without the in-person presence of members. The AGM Notice has already been dispatched to all the members of the Company in due compliance with the provisions of the Companies Act, 2013 read with the rules made thereunder.

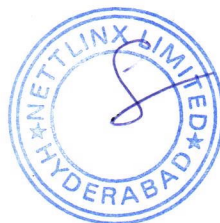
Subsequent to the issuance of the Notice of AGM dated 18th August, 2021, due to sudden demise of Mr. Subramanyeswara Rao Kakarala, Independent & Non-Executive Director of the Company on 02nd September, 2021, the Company needs to withdraw agenda item no 5 from the Notice of AGM pertaining to re-appointment of Mr. Subramanyeswara Rao Kakarala as an Independent Director of the Company.

Members are aware that the Company is offering remote e-voting facility to its shareholders on all the resolutions proposed to be transacted at the AGM. However, to enable the members to exercise their voting rights through remote e-voting facility or at the AGM on informed basis, the Company deems it appropriate to bring latest factual position to the notice of all the members of the Company by this Addendum to the Notice of AGM.

This Addendum to the Notice of AGM shall form an integral part of the Notice dated 18th August, 2021 circulated to the members of the Company.

WITHDRAWAL OF AGENDA ITEM NO. 5 OF THE NOTICE OF AGM PERTAINING TO RE-APPOINTMENT OF MR. SUBRAMANYESWARA RAO KAKARALA (DIN: 07587769) AS AN INDEPENDENT DIRECTOR OF THE COMPANY DUE TO HIS SUDDEN DEMISE:

The Company needs to withdraw resolution no. 5 proposing candidature of Mr. Subramanyeswara Rao Kakarala (Holding DIN: 07587769) for re-appointment as a Independent Director pursuant to the provisions of Sections 149, 152 and other applicable provisions, If any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, from Notice of AGM due to sudden demise of the said Director.



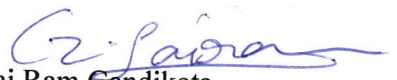
Members and other stakeholders are requested to read the AGM Notice along with this Addendum.

Accordingly all the concerned members, stock exchanges, depositories, RTA, agency voted for remote E-Voting, other authorities, regulators, and all other concerned person are requested to take note of the same.

Date: 03.09.2021
Place: Hyderabad



Yours Faithfully,
For Nettlinx Limited



Sai Ram Gandikota
CS & Compliance Officer

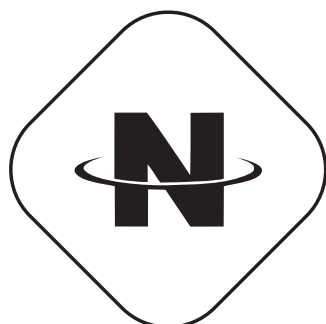


28th

Annual Report
2020 – 2021

NETTLINX LIMITED

Your Power to Communicate



NETTLINX LIMITED
YOUR POWER TO COMMUNICATE

CORPORATE INFORMATION
BOARD OF DIRECTORS :

Dr. Manohar Loka Reddy	- Promoter and Managing Director (Appointed As Managing Director with effect from 05.06.2020)
Mr. Venkata Hanumantha Rao Joginapally	- Independent and Non-Executive Director (Resigned as Director of the company with effect from 13.02.2021)
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
Dr. Erwin Leopold Dieck	- Independent and Non Executive Director
Mr. Jeeten Anil Desai	- Independent and Non-Executive Director

Chief Financial Officer :

Mr. Mahaganesh Sanku (Resigned with effect from 22.07.2020)
Mr. Venkateswara Rao Narepalem (Appointed with effect from 14.09.2020)

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

SYB & Co.,
H.No.: 1-8-448 & 449, 5th Floor,
Chikkadpally, Hyderabad - 500 020,
Telangana, India

BANKERS

M/s HDFC Bank Limited
1st Floor 6-3-249/5/1, ANR Center Road No.1,
Besides Taj Krishna Hotel, Banjara Hills,
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. Subramanyeswara Rao Kakarala	- Member
Dr. Manohar Loka Reddy	- Member

Nomination and Remuneration Committee

Mr. Kiran Venkatasiva Kakarla	- Chairman
Mr. Subramanyeswara Rao Kakarala	- Member
Mr. Jeeten Anil Desai	- Member

Stakeholders Relationship Committee

Mr. Kiran Venkatasiva Kakarla	- Chairman
Mr. Subramanyeswara Rao Kakarala	- Member
Dr. Manohar Loka Reddy	- Member

Risk Management Committee

Mr. Kiran Venkatasiva Kakarla	- Chairman
Mr. Subramanyeswara Rao Kakarala	- Member
Dr. Manohar Loka Reddy	- Member

Internal Compliants Committee

Mrs. Radhika Kundur	- Chairperson
Dr. Manohar Loka Reddy	- Member
Ms. P. Saritha	- External Member

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Nettlinx Limited will be held at 10.30 A.M. Indian Standard Time (IST) on Friday, 24th September, 2021 through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the in-person presence of members to transact the following business(es):

ORDINARY BUSINESS :**ITEM NO. 1 – ADOPTION OF FINANCIAL STATEMENTS:**

To receive, consider and adopt the Audited Financial Statements (standalone and consolidated) including Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.

ITEM NO. 2 – APPOINTMENT OF DIRECTOR:

To appoint a director in place of Dr. Manohar Loka Reddy (Holding DIN:00140229) 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. Dr. Manohar Loka Reddy is the longest serving member on the Board, retires by Rotation and, being eligible, seeks reappointment. To the extent that Dr. Manohar Loka Reddy is required to retire by rotation, he 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 Dr. Manohar Loka Reddy (Holding DIN: 00140229) as a director, to the extent that he is required to retire by rotation.

ITEM NO. 3- APPOINTMENT OF AUDITORS

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution by approving the appointment of M/s. Niranjana & Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S) as Statutory Auditors of the Company effective August 18, 2021 till the conclusion of Twenty Ninth Annual General Meeting arising out of the casual vacancy caused by the resignation of M/s. C. Ramachandram & co, Chartered Accountants.

RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. Niranjana & Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. C. Ramachandram & co, Chartered Accountants (ICAI Firm Registration No. 002864S).

RESOLVED FURTHER THAT M/s. Niranjana & Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S), be and are hereby appointed as Statutory Auditors of the Company from this Annual General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the ensuing Annual General Meeting and shall conduct the Statutory Audit for the Financial Year 2021-22 on a remuneration of 2 lakhs per annum (exclusive of taxes and reimbursement of out of pocket expenses at actuals)."

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution

SPECIAL BUSINESS:**ITEM NO. 4. RE-APPOINTMENT OF MR. KAKARLA KIRAN VENKATASIVA (DIN: 07592337) AS AN INDEPENDENT DIRECTOR**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Kakarla Kiran Venkatasiva (DIN: 07592337), who holds office of Independent Director up to 10th August, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Kakarla Kiran Venkatasiva candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 11th August, 2021 upto 10th August, 2026."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

ITEM NO. 5. RE-APPOINTMENT OF MR. SUBRAMANYESWARA RAO KAKARLA (DIN: 07587769) AS AN INDEPENDENT DIRECTOR:

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

"RESOLVED THAT pursuant to the provisions of Sections 49, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Subramanyeswara Rao Kakarla (DIN: 07587769), who holds office of Independent Director up to 10th August, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Subramanyeswara Rao Kakarla candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 11th August, 2021 upto 10th August, 2026."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

ITEM NO. 6. RE-APPOINTMENT OF DR. ERWIN LEOPOLD DIECK (DIN : 07614028) AS AN INDEPENDENT DIRECTOR:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Dr. Erwin Leopold Dieck (DIN: 07614028), who holds office of Independent Director up to 28th September, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Dr. Erwin Leopold Dieck candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 29th September, 2021 upto 28th September, 2026.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

ITEM NO. 7. APPOINTMENT OF MR. JEETEN ANIL DESAI (DIN: 07254475) AS AN INDEPENDENT DIRECTOR

And In this regard to consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 of the Companies Act, 2013 (“the Act”) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment(s) thereof) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time, Mr. Jeeten Anil Desai (DIN: 07254475), who was appointed by the Board of Directors as an Additional Director of the Company with effect from November 10, 2020, and who holds office up to the date of this Annual General Meeting of the Company and who being eligible for appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term commencing from November 10, 2020 to November 09, 2025.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board of Directors
For Nettlinx Limited**

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

**Date : 18.08.2021
Place : Hyderabad**

NOTES

1. Considering the present COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India (“MCA”), and the Securities and Exchange Board of India (“SEBI”), have allowed companies to conduct Annual General Meetings (“AGM”) through video conference (“VC”) / other audiovisual means (“OAVM”), without the physical presence of Members at a common venue.
2. This AGM is being convened in compliance with applicable provisions of the Companies Act, 2013 (“Act”) and the rules made thereunder; provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”); the General Circular No. 14/2020 dated 8th April 2020; General Circular No.17/2020 dated 13th April 2020; General Circular No. 20/2020 5th May 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by the MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January 2021 issued by SEBI (“MCA and SEBI Circulars”).
3. 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.

4. 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. 4, 5, 6 & 7 of the Notice, are also annexed.
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 17th September, 2021 to Friday, 24th September, 2021 (both days inclusive) for the purpose of payment of payment of dividend, if any, for the financial year ended 31st March, 2021 and the Annual General Meeting (AGM).

7. 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.
8. 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.
9. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-2021 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 2020-2021 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.
10. 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.
11. Members are requested to quote ledger folio numbers in all their correspondences.
12. 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.
13. 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.
14. 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.
15. 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).
16. 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.
17. 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.
18. 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.

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

19. 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.
 20. 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.
 21. 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.
 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:** Dr. Manohar Loka Reddy, Managing Director of the Company, retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment. The Board of Directors recommends the re-appointment of Dr. Manohar Loka Reddy, Managing Director of the Company 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 28th 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 of the venue of the Meeting is not annexed hereto. The deemed venue for the AGM shall be the Registered Office of the Company.
 26. **Voting through electronic means:**
CDSL e-Voting System – For Remote e-voting and e-voting during AGM
 1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
 2. Pursuant to the 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 MCA Circulars 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 e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
 5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at 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.mseil.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.
 7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
 8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021
- THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**
- (i) The voting period begins on Tuesday, September 21, 2021 (9.00 a.m. IST) and ends on Thursday, September 23, 2021 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, September 16, 2021 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only

facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. If the user is not registered for Easi/Easiest, option to register is available https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<p>A. NSDL IDeAS Facility</p> <p>If you are already registered for NSDL IDeAS facility :</p> <ol style="list-style-type: none"> Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & e-voting during the meeting. <p>If the user is not registered for IDeAS e-Services, follow the below steps:</p> <ol style="list-style-type: none"> Option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login Type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(I) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and in Physical form.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository 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 or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> 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 (3).

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.

- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant Company NETTLINX LIMITED on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolutions 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 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.
- Facility for Non-Individual Shareholders and Custodians – Remote Voting
 - 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 by e-mail on its registered e-mail address to chveeru@gmail.com and to the Company at the email address viz: secretarial@nettlinx.org, info@vccipl.com, cs@nettlinx.org (designated email address of the Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e- Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.

7. 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 atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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.

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. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

The Results declared along with 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 Nettlinx Limited**

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

**Date : 18.08.2021
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 Nos. 3 to 7 of the accompanying Notice:

ORDINARY BUSINESS :

ITEM NO. 3: APPOINTMENT OF AUDITORS

M/s. C. Ramachandram & co, Chartered Accountants (ICAI Firm Registration No. 002864S) were appointed as Statutory Auditors of the Company at the 24th Annual General Meeting of the company held on Wednesday, the 27th September, 2017 for a term of consecutive five years to hold office up to 29th Annual General Meeting.

However, they have resigned on August 06, 2021 stating that "due to shortage of qualified assistants and article students".

The Board thus appointed M/s. Niranjana & Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S) as Statutory Auditors of your Company effective August 18, 2021 in the casual vacancy caused by the said resignation till the conclusion of the forthcoming AGM.

M/s. Niranjana & Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S) have consented to act as statutory auditors of the Company for the Financial Year 2021-22 i.e. up to the 29th AGM of the Company and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that they are eligible to hold office as Statutory Auditors of the Company.

The proposed fee for the said appointment will be Rs.2 Lakhs (exclusive of taxes and reimbursement of out of pocket expenses at actuals) which is in line with the industry standards and is not materially different from the fee paid to the erstwhile auditors.

The Audit Committee has taken into account the experience and expertise of the auditors and recommended them to the Board for appointment. The Board has accordingly appointed them in the casual vacancy caused by M/s. C. Ramachandram & co and recommending to the shareholders for their appointment.

SPECIAL BUSINESS :

ITEM NO. 4. RE-APPOINTMENT OF MR. KAKARLA KIRAN VENKATASIVA (DIN: 07592337) AS AN INDEPENDENT DIRECTOR

Mr. Kakarla Kiran Venkatasiva was appointed as Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the 23rd Annual General Meeting held on 28th September, 2016 to hold office upto 10th August, 2021 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

The Nomination & Remuneration Committee at its Meeting held on 06th August, 2021 after taking into account the performance evaluation of this Independent Director, during his first term of five years and considering the knowledge, acumen, expertise and experience in his respective fields and the substantial contribution made by this Director during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of these Directors as an Independent Director would be in the interest of the Company.

Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of this Director as Independent Director on the Board of the Company, to hold office for the second

term of five consecutive years commencing from 11th August, 2021 to 10th August, 2026 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Kakarla Kiran Venkatasiva for his appointment to the office of Independent Director.

Mr. Kakarla Kiran Venkatasiva aged about 47 years and he is a member of ICAI and PG Diploma in Business Administration from BITE has an 21 years of working experience including 15.5 years of SAP Experience. Worked in different roles as consultant, Production support lead, Test lead and Project manager.

The above Director have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Kakarla Kiran Venkatasiva fulfils the conditions specified in the Act for their appointment as an Independent Director.

The Company has also received from the above director:- (i) the consent in writing to act as Director and (ii) intimation that they are not disqualified under section 164(2) of the Companies Act, 2013. (iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter for the appointment of the above Directors as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been put up on the Company website www.nettlinx.com.

The other details including the shareholding of the Director, whose appointment is proposed at item no. 4 of the accompanying Notice, have been given in the attached annexure.

The Board recommend the Resolutions for re-appointment of the Independent Director at item no. 4 as Special Resolution of this notice for your approval.

Mr. Kakarla Kiran Venkatasiva is concerned or interested in the resolutions of the accompanying notice relating to his own appointment. None of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolutions at item no. 4.

ITEM NO.5: RE-APPOINTMENT OF MR. SUBRAMANYESWARA RAO KAKARLA (DIN: 07587769) AS AN INDEPENDENT DIRECTOR:

Mr. Subramanyeswara Rao Kakarala was appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the 23rd Annual General Meeting held on 28th September, 2016 to hold office upto 10th August, 2021 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

The Nomination & Remuneration Committee at its Meeting held on 06th August, 2021 after taking into account the performance evaluation of this Independent Director, during his first term of five years and considering the knowledge, acumen, expertise and experience in his respective fields and the substantial contribution made by this Director during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of these Directors as an Independent Directors would be in the interest of the Company.

Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of this Director as Independent Director on the Board of the Company, to hold office for the second term of five consecutive years commencing from 11th August, 2021 to 10th August, 2026 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Subramanyeswara Rao Kakarala for his appointment to the office of Independent Director.

Mr. Subramanyeswara Rao Kakarala aged about 53 years and has an Over all 25+ years of experience out of which 15+ years of ERP experience in implementation and support in SAP R/3 FI/CO. And 13+ years of good experience in handling the Functional aspects like Financial Accounting, Financial Analysis and Financial Management.

The above Director have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Mr. Subramanyeswara Rao Kakarala fulfils the conditions specified in the Act for their appointment as an Independent Director.

The Company has also received from the above directors:- (i) the consent in writing to act as Director and (ii) intimation that they are not disqualified under section 164(2) of the Companies Act, 2013. (iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter for the appointment of the above Directors as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been put up on the Company website www.nettlinx.com.

The other details including the shareholding of the Director, whose appointment is proposed at item no. 5 of the accompanying Notice, have been given in the attached annexure.

The Board recommend the Resolutions for re-appointment of the Independent Director at item no. 5 as Special Resolution of this notice for your approval.

Mr. Subramanyeswara Rao Kakarala is concerned or interested in the resolution of the accompanying notice relating to his own appointment. None of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolutions at item no. 5.

ITEM NO. 6. RE-APPOINTMENT OF DR. ERWIN LEOPOLD DIECK (DIN : 07614028) AS AN INDEPENDENT DIRECTOR:

Dr. Erwin Leopold Dieck (DIN: 07614028) was appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the 24th Annual General Meeting held on 27th September, 2017 to hold office upto 28th September, 2021 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

The Nomination & Remuneration Committee at its Meeting held on 18th August, 2021 after taking into account the performance evaluation of this Independent Director, during his first term of five years and considering the knowledge, acumen, expertise and experience in his respective fields and the substantial contribution made by this Director during his tenure as an Independent Director since his appointment, has recommended to the Board that continued association of these Directors as an Independent Directors would be in the interest of the Company.

Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of this Director as Independent Director on the Board of the Company, to hold office for the second term of five consecutive years commencing from 29th September, 2021 to 29th September, 2026 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Dr. Erwin Leopold Dieck for his appointment to the office of Independent Director.

Dr. Erwin Leopold Dieck Widely recognised for his pivotal role in development of the Postal Automation Business in Germany from an annual volume of 30 million DM to more than 1 billion DM, Dr. Erwin Leopold Dieck is known to be the best innovator with 25 patents and 20 scientific publications to his credit.

Dr. Erwin Leopold Dieck, who served in the German Air Force and has 3500 hours of flying experience, studied Physics at the Rheinisch- Westfälische Technische Hochschule in Aachen, Germany. He was associated with several businesses where he pursued research in various positions contributing to numerous breakthrough advances in nuclear reactor and fuel related segments.

A consulting professor at the Dong Hua University, Shanghai, Dr. Erwin Leopold Dieck serves on the boards of multiple global enterprises which seek his expertise in innovation and to expand into unheralded sectors of business.

Dr. Erwin Leopold Dieck was Managing Partner at ELD Industrie Holding KG, Ravensburg, German; and was a Member of the Executive Board and Head of Sales and Marketing at Schleicher & Co. International AG. He served as Chairman of the Supervisory Board of Brodogradiliste (Shipyard) Punat AG, Sun Lit Waterproof Insulation Engineering Co. Ltd, and Pfister International AG. A Member of the Supervisory Board of Dalian HongfengRoto Office Equipment Co. Ltd., Dalian, China, Dr. Leopold Dieck was a Member of the Supervisory Board of Marina Punat AG and AktivBauAG.

Dr. Erwin Leopold Dieck aged about 80 years and has an Over all 25+ years of experience out of which 15+ years of ERP experience in implementation and support in SAP R/3 FI/CO. And 13+ years of good experience in handling the Functional aspects like Financial Accounting, Financial Analysis and Financial Management.

The above Director have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Dr. Erwin Leopold Dieck fulfils the conditions specified in the Act for their appointment as an Independent Director.

The Company has also received from the above directors:- (i) the consent in writing to act as Director and (ii) intimation that they are not disqualified under section 164(2) of the Companies Act, 2013. (iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

A copy of the draft letter for the appointment of the above Director as Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day and the same has also been put up on the Company website www.nettlinx.com.

The other details including the shareholding of the Director, whose appointment is proposed at item no. 6 of the accompanying Notice, have been given in the attached annexure.

The Board recommend the Resolutions for re-appointment of the Independent Director at item no. 6 as Special Resolution of this notice for your approval.

Dr. Erwin Leopold Dieck is concerned or interested in the resolutions of the accompanying notice relating to his own appointment. None of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolutions at item no. 6.

ITEM NO. 7. APPOINTMENT OF MR. JEETEN ANIL DESAI (HOLDING DIN: 07254475) AS AN INDEPENDENT DIRECTOR:

Mr. Jeeten Anil Desai (Holding DIN: 07254475) is an Additional Director of the Company, born on May 05, 1983. He is a management certificate holder from the Indian School of Business and is currently a partner with the Angaros Group. Previous to that, as an Electronics Engineer with a major in Telecommunication, he worked in Telecom Product/Services businesses across markets like India, Belgium and New Zealand. In his last role as Product Manager with Alcatel-Lucent New Zealand, he helped lead the wireline business (Copper and Fiber Broadband) for New Zealand and Pacific Islands.. He does not hold any equity shares of the Company and his office shall not be liable to retire by rotation.

The Board, based on the recommendation of Nomination and Remuneration Committee, considers that given his educational and professional background and experience, his appointment would be beneficial to the Company.

In the opinion of the Board, he fulfils the conditions specified in the Act, the Rules made thereunder and Listing Regulations for his appointment as an Independent Director of the Company and is independent of the management.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, he had confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties as Independent Director of the Company.

The other details including the shareholding of the Director, whose appointment is proposed at item no. 7 of the accompanying Notice, have been given in the attached annexure.

The Company has, in terms of Section 160(1) of the Act received in writing a notice from the Member, proposing his candidature for the office of Director. All the documents referred to in the aforesaid Notice and Explanatory Statement, shall be available for inspection through electronic mode and request for the same may be sent on secretarial@nettlinx.org.

The Board of Directors recommends the resolution in Item Nos. 4 for the consideration and approval of the Members.

There are no inter-se relationships between the Directors. None of the other Directors, Key Managerial Personnel of your Company and their relatives is in any way concerned or interested, financially or otherwise in the aforesaid resolution.

**By order of the Board of Directors
For Nettlinx Limited**

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

**Date : 18.08.2021
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	Mr. Jeeten Anil Desai	Mr. Kakarla Kiran Venkatasiva	Mr. Subramanyeswara Rao Kakarala	Dr. Erwin Leopold Dieck
Category	Executive- Director	Non-Executive- Independent Director	Non-Executive- Independent Director	Non-Executive- Independent Director	Non-Executive- Independent Director
DIN	00140229	07254475	07592337	07587769	07614028
Date of Birth and Age	20/11/1962 & 58 years	05/05/1983 & 38 Years	18/10/1974 & 47 years	30/07/1968 & 53 Years	24/07/1940 & 81 years
Qualification	MBBS degree from Nagarjuna University and a Post Graduation in Internal Medicine from Luthurn Medical Centre	a. Electronics Engineer with a major in Telecommunication and management certificate holder from the Indian School of Business	I C M A I - Membership Number-21744 & PG Diploma in Business Administration from BITE	M.B.A from Shivaji University (1991-93). B.E from Mysore University. D.M.E from from State Board of Technical Education, Tamil Nadu	1. Study of Physics at the Rheinisch - Westfälische Technische Hochschule in Aachen, Germany. 2. Graduation from the Technical University of Aachen as "Diploma Physiker 3. Graduate from the Technica College in Aachen as "Doctor Engineer"

	Total 20years experience in ISP Business	Over 15 years of work experience in IT	21 years working experience including 15.5 years of SAP Experience. Worked in different roles as consultant, Production support lead, Test lead and Project manager.	Over all 25+years' experience out of which 10+ years of ERP experience in implementation and support in SAP R/3 FI/CO. And 8+ years of good experience in handling the Functional aspects like Financial Accounting, Financial Analysis and Financial Management.	
First Appointment on the Board	07 th November, 2005	10 th November, 2020	11 th August, 2016	11 th August, 2016	29 th September, 2016
Terms & Conditions of Appointment / Re-appointment	Appointed as Managing Director	Appointed as Non- Executive - Independent Director	Appointed as Non- Executive -Independent Director	Appointed as Non- Executive- Independent Director	Appointed as Non- Executive- Independent Director
Remuneration Details	Rs.6,00,000/- per annum	Not Applicable	Not Applicable	Not Applicable	Not Applicable
No. of shares held in Nettlinx Limited as at March 31, 2021	5473920 (47.75%)	Nil	Nil	Nil	Nil
Relationship with other Directors / Manager / KMP	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
No. of Board meetings attended out of 6 meetings held during the year	6(Out of 6)	1(Out of 1)	6(Out of 6)	6(Out of 6)	4(Out of 6)
Other Directorships	Listed Public Companies	Listed Public Companies	Listed Public Companies	Listed Public Companies	Listed Public Companies
	1. Nettlinx Limited	1. Nettlinx Limited	1. Nettlinx Limited	1. Nettlinx Limited	1. Nettlinx Limited
	Public Companies:	Public Companies:	Public Companies:	Public Companies:	Public Companies:
	1. Sri Venkateswara Green Power Projects Limited.	Nil	Nil	1. Sri Venkateswara Green Power Projects Limited. 2. Nettlinx Realty Private Limited.	Nil
	Private Companies:	Private Companies:	Private Companies:	Private Companies:	Private Companies:
	1. Nettlinx Realty Private Limited 2. Nettlinx Technologies Private Limited	1. Angaros Management Company Private Limited 2. Jerians Consultancy (OPC) Private Limited	Nil	1. SK Vedainfo Universal Technologies Private Limited. 2. Srii Veda Risings Private Limited	Nil

	Foreign Companies:	Foreign Companies:	Foreign Companies:	Foreign Companies:	Foreign Companies:
	Nil	Nil	Nil	Nil	1. President and owner of ELD Industrie Holding KG, Ravensberg, Germany, Directorship's 2. Brodogradiliste (Shipyard(punat) dd in punat/croatia 3. Dalian Hongfeng Roto Office Equipment Company Limited In Dalian/China 4. DMN technologie GmBH in Sofia/ Bulgaria
	Section 8 Companies	Section 8 Companies	Section 8 Companies	Section 8 Companies	Section 8 Companies
	Nil	Nil	Nil	Nil	Nil
	LLPs:	LLPs:	LLPs:	LLPs:	LLPs:
	Nil	Nil	Nil	Nil	Nil
Committee Composition	Member: 1.Audit Committee 2.Stakeholder Relationship Committee 3.Risk Management Committee 4.Internal Complaints Committee	Member: 1.Nomination and Remuneration Committee	Member: 1.Audit Committee 2.Stakeholder Relationship Committee 3.Risk Management Committee 4.Nomination and Remuneration Committee	Member: 1.Audit Committee 2.Stakeholder Relationship Committee 3.Risk Management Committee 4.Nomination and Remuneration Committee	Nil

BOARD'S REPORT

To
The Members,

Your Directors take pleasure in presenting their Twenty Eighth Annual Report and the audited Statement of Accounts, highlighting the business operations and financial results for the financial year ended March 31, 2021. 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 follows:

Standalone	Amount in Lakhs	
Particulars	2020-2021	2019-2020
Revenue from Operations	763.09	2699.54
Other Income	5.43	136.23
Total Income	768.52	2835.77
Total Expenditure	818.70	2593.35
EBITDA	193.41	419.56
Depreciation	116.45	61.74
Finance Cost	127.13	115.40
Profit before exceptional items and Tax	(50.17)	242.42
Exceptional Item	-	-
Profit/(Loss) Before Tax	(50.17)	242.42
Deferred Tax Asset	(6.20)	(2.66)
Current Tax	65.15	71.91
Prior Period Taxes	43.49	-
Less: Provision of MAT	-	-
Net Profit/ (loss) after Tax	(152.61)	173.18

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

Consolidated	Amount in Lakhs	
Particulars	2020-2021	2019-2020
Revenue from Operations	3533.54	4680.23
Other Income	7.24	137.15
Total Income	3540.78	4817.38
Total Expenditure	3455.47	4593.26
EBITDA	336.18	406.23
Depreciation	120.71	65.93
Finance Cost	130.15	116.18
Profit before exceptional items and Tax	85.30	224.12
Exceptional Item	-	-
Profit/(Loss) Before Tax	85.32	224.12
Deferred Tax Asset	(6.23)	(2.55)
Current Tax	142.17	71.91
Prior Period Taxes	43.49	-
Less: Provision of MAT	-	-
Net Profit/ (loss) after Tax	(94.11)	154.76
Profit/(loss) for the year attributable to shareholders	(68.72)	173.06
Non Controlling Interest	(25.39)	(18.29)

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

On a consolidated basis, your Company's revenues from operation for the FY 2020-21 have decreased by 24.5% in rupee terms from Rs.4680.23 lakhs in FY 2019-20 to Rs.3533.54 lakhs in FY 2020-21. The net profits decreased from Rs.173.06 lakhs in FY 2019-20 to

Rs.(68.72) lakhs during the year, a decrease of 139.71%. This has translated to a Basic Earnings per Share of Rs.1.52 in FY 2019-20 is Rs.(0.55) in FY 2020-2021.

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 2021-2022 to achieve the targeted numbers. During the Financial Year 2021-2022. 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.1500.00 lakhs, up from the previous year's Rs .763.09 Lakhs, an estimated growth of around 150.85 % 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. Nettlinx Technologies Private Limited is 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, server less, 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

NETTLINX LIMITED

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 Aquaculture Private 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 (SVGreen) was incorporated in the year 1999 to establish power projects in the non renewable energy sector. "14 MW Waste to Energy Power Plant

Based on RDF" facility at Yacharam Village & Mandal, Range Reddy District, Telangana State, utilizing the MSW from GHMC with a project cost of Rs.247.69 cr. 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 14 MW Energy from Waste, which would scientifically process and dispose the MSW. The project facility covers processing and treatment of MSW, which includes:

- Upto 1000 TPD MSW receipt and processing plant,
- 14 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.

Power Finance Corporation has issued a sanction as a lead lender for a debt of Rs.136.22 cr. Out of which PFC is taking an exposure of Rs.95.36 cr. and the remaining Rs.40.86 cr. will be provided by the secondary lenders. The company has launched the applications for the same at Bank of Maharashtra, Indian Bank and Punjab National Bank. The sanction for the said amount is expected in by end of September, 2021.

MNRE under Central Financi Assistance has announced a grant of Rs.478 cr. for the renewable energy projects (Waste to Energy/ Bio Mass/ Gassification). SV Green is also eligible for a grant upto Rs.50 cr.. The company has applied for the grant and is one among the shortlisted companies. The application is under process. The sanction for the same is expected in next few months.

6. SUBSIDIARIES:

Company has Three wholly owned subsidiaries namely Nettlinx Inc., Salion SE and 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. 152.60/- Lakhs has been transferred to the Reserves during the financial year 2020-21, being the Deficit for the year end 31st March, 2021.

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, 2021 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 2020-2021.

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:**

During the year under review, Mr. Jeeten Anil Desai (Holding DIN: 07254475) was appointed as additional and Independent Non-Executive Director of the Company w.e.f November 10, 2020.

Mr. Kakarla Kiran Venkatasiva (DIN: 07592337) was appointed as an independent director at the 23rd Annual General Meeting (AGM) held on September 28, 2016 for a period of five years with effect from 11th August, 2016 to hold office up to 10th August 2021.

Mr. Subramanyeswara Rao Kakarala (DIN: 07587769) was appointed as an independent director at the 23rd Annual General Meeting (AGM) held on September 28, 2016 for a period of five years with effect from 11th August, 2016 to hold office up to 10th August 2021.

Dr. Erwin Leopold Dieck (DIN: 07614028) was appointed as an independent director at the 24th Annual General Meeting (AGM) held on September 27, 2017 for a period of five years with effect from 29th September, 2016 to hold office up to 28th September, 2021.

The Board of Directors of the Company in its meeting held on 06th August, 2021 has reappointed Mr. Kakarla Kiran Venkatasiva, Mr. Subramanyeswara Rao Kakarala whose term is going to expire on 10th August 2021 as an independent Directors for a second term of five years based on the recommendation of the Nomination and Remuneration Committee.

The Board of Directors of the Company in its meeting held on 18th August, 2021 has reappointed Dr. Erwin Leopold Dieck (DIN: 07614028) as an independent Directors for a second term of five years based on the recommendation of the Nomination and Remuneration Committee.

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

The Board of Directors of the Company in its meeting held on 20th 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. 05th June, 2020 as

recommended by the Nomination and Remuneration Committee in its meeting held on 20th 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 appointment for a term of five years was approved by the shareholder in the last Annual General Meeting. Brief resumes of Mr. Jeeten Anil Desai, Mr. Kakarla Kiran Venkatasiva, Mr. Subramanyeswara Rao Kakarala and Dr. Erwin Leopold Dieck, nature of their expertise in functional areas and the name of the companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Companies Act, 2013 and applicable Secretarial Standards are given as Annexure to the notice convening the Annual General Meeting.

The enabling resolutions for approval of their appointment are being placed in the Notice of the forthcoming Annual General Meeting for approval of the shareholders.

RE-APPOINTMENTS:

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Dr. Manohar Loka Reddy, Managing Director of the Company retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his reappointment at the ensuing Annual general Meeting of the company.

RESIGNATIONS:

Mr. Venkata Hanumantha Rao Joginapally (holding DIN 02682027) Independent Director of the Company ceased to be the Director of the Company due to personal reasons and pre-occupation with other commitments with effect from 13th February, 2021. The Board placed 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 placed 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 PERSONNEL (KMP):

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are – Dr. Manohar Loka Reddy, Managing Director, Mr. Venkateswara Rao Narepalem, Chief Financial Officer and Mr. Sai Ram Gandikota, Company Secretary as on 31.03.2021.

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

Mr. Venkateswara Rao Narepalem appointed as CFO of the company with effect from 14.09.2020 and designated as key managerial personnel of the Company with effect from 14.09.2020.

NUMBER OF MEETINGS OF THE BOARD:

Six 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 13.02.2021.

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 member son 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:

As per the provisions of Section 139 of the Act, M/s. C. Ramachandram & co, Chartered Accountants (ICAI Firm Registration No. 002864S) were appointed as Statutory Auditors of the Company at the 24th Annual General Meeting of the company held on Wednesday, the 27th September, 2017 for a term of consecutive five years to hold office up to 29th Annual General Meeting.

However, vide their letter dated August 6, 2021 have expressed their inability to continue as Statutory Auditors of your Company. The Board thus appointed M/s. Niranjana & Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S) as Statutory Auditors of your Company effective August 18, 2021 in the casual vacancy used by the said resignation till the conclusion of the forthcoming AGM and have sought approval of members to appoint them for the aforesaid period.

M/s. Niranjana & Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S) have consented to act as statutory auditors of the Company for the Financial Year 2021-22 i.e. upto the 29th AGM of the Company and given a certificate in accordance with Section 139, 141 and other applicable provisions of the Act to the effect that their appointment, if made, shall be in accordance with the conditions prescribed and that the yare eligible to hold office as Statutory Auditors of the Company.

As required under Regulation 33 of the Listing Regulations, Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Necessary resolution and explanation thereto have been provided in the AGM notice seeking approval of members.

AUDITOR'S REPORT:

A) the Board also gives the following explanations, to the Disclaimer of Opinion of the Auditors in the Auditors' Report to the members:

1. Property Plant & Equipment includes certain equipment located in temporary premises not having formal lease agreements. Accounting system is not integrated to location wise, equipment wise, customer wise, data with respect to bandwidth service billing, hence unable to comment on the utilization of equipment operations and resulting Impairment of equipment if no operations are existed

Response to point (1):

ISP equipment for fiber to home is located along with the streets by lines to customer premises. A GPS mapping is done to put all the locations and data in our network monitoring system. It is hard for the company to provide security for hundreds of kilometres but are being monitored by the network department and the equipment is under the custody of Networks. The company has also have a adequate network monitoring system.

2. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten. Considering sales and purchase returns, GST payment under section 74(5), we are unable to form an opinion on revenue recognition and related expenditure

Response to point (2):

This statement is with respect to outsourcing to third parties. The company makes all the payments to the subcontractors only after receiving the payment from the customer and subcontractors are responsible for marketing, delivery, implementation and execution of the work including payments.

3. Balance with Government Authorities includes
 - a. An amount of Rs.22,03,227 /- TDS deducted by customers, subject to confirmation and reconciliations with Form 26AS and customer accounts.
 - b. An amount of Rs.33,80,750/- "Income Tax refunds" pertaining to earlier years are under process of reconciliation with Income tax assessment orders.

Response to point (3):

- a) The due date filing of TDS return for Q4 for the Financial Year 2020-2021 is extended upto 31.07.2021. As on the date of preparation of Financials, the vendors have time to file their returns. Hence, TDS deducted by customers are subjected to confirmation. An Amount of Rs.19,56,160.31/- is already reflected in form 26AS and Remaining balance of Rs.2,47,066.69/- is yet to be received from customers. The company will make necessary adjustments, wherever any difference is identified after receipt of confirmations from debtors.
- b) The company will make necessary adjustments wherever any difference is identified after receipt of Income tax assessment orders.
4. An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has disclosed the above payment as balance with government authorities under Other Current Assets and the Company has recognised Contingent Liability for the above mentioned payment. Further, the company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under the process of reconciliation with accounts and GSTN records from f.y 2019-20 to till date. Due to the effect of lack of information about the voluntary payment made by the company, non-filing of GST Annual Return (F.Y 2019-20) and Completion of GST Audit and pending reconciliations, we are unable to comment on the accounting treatment of the voluntary payment, its impact on other related areas, such as current and non current classification of voluntary payment and resulting going concern issues.

Response to point (4):

The company has under tremendous pressure from the GST department to make the payment and then the Company has sought legal opinions from its legal advisors, Whilst the impact of contingent liabilities on these results can only be ascertained on the settlement of such cases/ disputes, management has broadly assessed that based on the merits of such cases, the Company has reasonably good chances on succeeding and accordingly, no provision has been recognised in these financial results and Accordingly, the management has paid an amount to the Department and the Company has disclosed the above payment as balance with government authorities under Other Current Assets. All the workings of GST filings are as per the dictation by the GST department.

5. The Company is in the process of obtaining confirmations for the Balances of Trade Payables, Trade receivables, Advances from the Customers and other balances.

Response to point (5):

The company has initiated the process of getting confirmations from sundry Debtors/sundry creditors. The company will make necessary provision, wherever any difference is identified after receipt of confirmations is identified from debtors/creditors.

- B) The Auditors' in their report to the members, have stated Eight "Emphasis of matter" and the response of your Directors on them are as follows:-
1. The Purchases were made by the Company for an amount of Rs.57,42,000/- on June 2020 from Malvin IT Systems Pvt Ltd and the same was reversed on November 2020 due to some technical issues and corresponding sale is also reversed on December 2020 for an amount of Rs 16,51,700/- Confirmations from parties are in progress. **(Refer Note No.20 of Standalone financial statements)**

Response to point (1):

The management of the Company based on the internal assessment and evaluation considers that these sales returns, which are in the normal course of business.

2. During the year, the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process. **(Refer Note No.27 of Standalone financial statements)**

Response to point (2):

the company has implemented the new software for the first time and is in process of completion of Information system control audit.

3. During the year, company depreciated/ impaired the value of old Property, Plant and Equipment for which the useful life of assets expired. Because of assets are impaired the depreciation/ impairment in the current year increased when compared to last year. Further the company has also impaired Intangible Asset value of Rs.15,09,023/-. **(Refer Note No.3 of the Standalone financial statements.)**

Response to point (3):

As per the Accounting standards, the appropriate adjustments has been made in the books of Accounts of the company.

4. The Company had paid an amount of Rs 18,91,000 towards advance listing fees to Swiss International Finance Group for listing of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. The Company has requested to return the advance amount but the Swiss International Finance Group refused to refund the money. Hence the company has recognised the amount as advance written off in the current accounting period. **(Refer Note No.9 of the Standalone financial statements.)**

Response to point (4):

Management has broadly assessed that based on the merits of such cases, the Company has reasonably no chances on succeeding and accordingly the company has recognised the amount as advance written off in the Financial year 2020-2021.

5. FEMA Compliance with respect to the submission of APR (Annual Performance Report) with respect to ODI made is pending. **(Refer Note No.5 of the Financial Statements.)**

Response to point (5):

The Management is of the view that there are delays in the submission of APR due to covid-19 pandemic. However, with improved outdoor environment, the Company will be able to meet its obligations in time. The Management is hopeful and committed to their level best to streamline the same in future.

6. During the year, the Company has written off the balance of Trade Receivable amount of Rs.56,07,529/- which is Rs.21,18,711/- more than ECL (Expected Credit Loss) created in previous financial year. Refer Note No.7 of the Standalone financial statements.

Response to point (6):

The board has reviewed longstanding dues and had the consensus that these payments will not come in. Hence, decided to write off.

7. The Company has not obtained insurance in accordance with Section 4A of Payment of Gratuity Act, 1972. Refer Note No.15 of the Standalone financial statements.

Response to point (7):

As this is brought up to our attention now, management will fulfill the statutory obligation.

8. We draw your attention to **Note No.39 of the Standalone** financial statement, which describes that certain estimates and judgements were made related to the COVID – 19 pandemic, wherein, the eventual outcome of the impact of this global pandemic may be different from those estimated by the management.

Response to point (8):

This is self explanatory which does not require any comments.

- C) Further, the Board also gives the following explanations, to the Disclaimer of Opinion of the Auditors' in the Annexure A to Auditors' Report to the members:-

1. DOT Tax amount of Rs.13,79,194/- is pending for more than one accounting year.

Response to Point No.(1)

This is the legal matter and waiting for the outcome of the case/dispute and the provisions has been made in books of Accounts.

- D) Further, the Board also gives the following explanations, to comments of the Auditors' in the Annexure B to Auditors' Report to the members:

1. The Company did not have an appropriate internal control system for customer acceptance, credit evaluation and establishing customer credit limit for sales, which could affect the company in recognizing revenue without establishing reasonable certainty of ultimate collection.

Response to Point No.(1)

A report on Internal Financial controls from Independent auditor has also obtained and produced for verification at the time of Audit. However, for an irreputable audit evidence, auditors has taken a view on this and the company has effective collection management process and credit blocks are executed at each customer level if there is delay in receivables. The management is trying to collect and this is the first time we have taken a credit loss in write off and in the last 10 years our credit losses is less than one percent therefore, the management is prudent in the above matter.

2. Accounting system is not integrated to location wise equipment wise customer wise data with respect to bandwidth service billing.

Response to Point No. (2)

The accounting software is used to track the consumer billing and accounting information whereas The networking software is responsible for location wise, equipment wise and customer wise data and bandwidth usage.

3. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten.

Response to Point No.(3)

This statement is with respect to outsourcing to third parties. The company makes all the payments to the subcontractors only after receiving the payment from the customer and subcontractors are responsible for marketing, delivery, implementation and execution of the work including payments.

4. Property Plant & Equipment includes certain equipments located in temporary premises not having formal lease agreements. Absent or inadequate controls over the safeguarding of assets.

Response to Point No.(4)

All the equipments are visible in the network monitoring room. Any equipment removable from the premises will intimate to the network team to recover the equipment. The network equipment has their inherent risk because it is on overhead lines for hundreds of kilometres which is standard for all ISP's. The company maintaining such business policies and procedures as may be required to effectively conduct the business of the Company and maintain such records as to properly record the business transaction, assets and liabilities of the Company in such a way that they help in prevention of frauds & errors.

5. The absence of an internal process to report deficiencies in internal control to management on a timely basis.

Response to Point No. (5)

There was no instances in the company and A report on Internal Financial controls from Independent auditor has also obtained and produced for verification at the time of Audit. However, for an irreputable audit evidence, auditors has taken a view on this.

6. Absent or inadequate segregation of duties within a significant account or process.

Response to Point No.(6)

All duties are defined for the employees at certain times if the workload to the employees is low, we reallocate additional work to the employees as we are a small organization.

7. Internal control on vendor evaluations with respect to supply of quality of services.

Response to Point No.(7)

The management itself takes all the decisions in the vendor evaluations with respect to supply of quality of services. As technology evolves, management makes a call in decision and certain times may be good or bad. We are one of the few class-B ISP's left in the country. Management must be doing right.

- E) Further, the Board also gives the following explanations, to the Disclaimer of Opinion of the Auditors' in the Annexure B to Auditors' Report to the members:-

1. During the year, the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process.

Response to Point No.(1)

The company has implemented the new software for the first time. The Management is hopeful and committed to their level best to streamline the same in future.

The notes on financial statements referred to in the Auditor's report are self-explanatory and do not call for any further comments.

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 2020-2021.

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 2020-2021 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. COMMITTEES OF BOARD:

AUDIT COMMITTEE:

Consequent to resignation of Mr. Kothuri Kameswara Rao as director, Audit Committee has been re-constituted pursuant to provisions of Companies Act, 2013, with effect from May 20, 2020:

1. Sri. Kiran Venkata Siva Kakarla, Non-Executive Independent Director – Chairman
2. Sri. Venkata Hanumantha Rao Joginapally, Non-Executive Independent Director – Member
3. Sri. Subramanyeswara Rao Kakarala, Non-Executive Independent Director-Member

Consequent to resignation of Mr. Venkata Hanumantha Rao Joginapally as director, The composition of the Audit Committee were reconstituted on 13th February, 2021 and details of the Members is as follows:

Name of Director	Designation	Category
Sri. Kiran Venkata Siva Kakarla	Chairman	NED(I)
Sri. Venkata Hanumantha Rao Joginapally (Resigned with effect from 13.02.2021)	Member	NED(I)
Sri. Subramanyeswara Rao Kakarala	Member	NED(I)
Dr. Manohar Loka Reddy Managing Director (Appointed with effect from 13.02.2021)	Member	Managing Director

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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	NED(I)
Sri. Subramanyeswara Rao Kakarala	Member	NED(I)

Consequent to resignation of Sri. Venkata Hanumantha Rao Joginapally as director, Stakeholders' Relationship Committee has been re-constituted pursuant to provisions of Companies Act, 2013, with effect from February 13, 2021:

Name of Director	Designation	Category
Sri. Kiran Venkata Siva Kakarla	Chairman	NED(I)
Sri. Venkata Hanumantha Rao Joginapally (Resigned with effect from 13.02.2021)	Member	NED(I)
Sri. Subramanyeswara Rao Kakarala	Member	NED(I)
Dr. Manohar Loka Reddy Managing Director (Appointed with effect from 13.02.2021)	Member	Managing Director

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

NOMINATION & REMUNERATION COMMITTEE:

Consequent to resignation of Mr. Kothuri Kameswara Rao as director Nomination & Remuneration Committee has been re-constituted pursuant to provisions of Companies Act, 2013, with effect from May 20, 2020:

1. Sri. Kiran Venkatasiva Kakarla, Non-Executive Independent Director – Chairman
2. Sri. Venkata Hanumantha Rao Joginapally, Non-Executive Independent Director – Member
3. Sri. Subramanyeswara Rao Kakarala, Non-Executive Independent Director - Member

Consequent to resignation of Sri. Venkata Hanumantha Rao Joginapally as director, Nomination & Remuneration Committee has been re-constituted pursuant to provisions of Companies Act, 2013, with effect from February 13, 2021:

Name of Director	Designation	Category
Sri. Kiran Venkatasiva Kakarla	Chairman	NED(I)
Sri. Venkata Hanumantha Rao Joginapally (Resigned with effect from 13.02.2021)	Member	NED(I)
Sri. Subramanyeswara Rao Kakarala	Member	NED(I)
Mr. Jeeten Anil Desai- Appointed with effect from 13.02.2021	Member	NED(I)

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

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, 2021.

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. 1,57,89,992/-
Foreign Exchange Outflows: Rs. NIL/-

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 2020-2021 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 Nettlinx Limited**

**Sd/-
Mr. Jeeten Anil Desai
Director
DIN: 07254475**

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

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

**Sd/-
Mr. Venkateswara Rao Narepalem
CFO**

**Date: 18.08.2021
Place : Hyderabad**

ANNEXURE INDEX

Annexure	Content
A	AOC-1
B&B1	MR-3 Secretarial Audit Report
C	Auditors Certificate on corporate Governance
D	Extract Of Annual Return
E	Particulars Of Employees
F	Corporate Governance Report
G	Management Discussion & Analysis Reports
H	Directors Disqualifications Certificate

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):

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

- Sl.No: 1
- Name of the subsidiary: Nettlinx Realty private Limited
- The date since when subsidiary was acquired: 16/09/2006
- Reporting period for the subsidiary concerned, if different from the holding company's reporting period: 01st Apr, 2020 to 31st March, 2021
- Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries: INR
- Share capital: 3799790
- Reserves and surplus: 134004545
- Total Assets: 161061768
- Total Liabilities: 23257433
- Investments: 36030277
- Turnover: Nil
- Profit before taxation: 47131688
- Provision for taxation: 7630292
- Profit after taxation: 39501396
- Proposed Dividend: Nil
- 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
- Name of the subsidiary: Nettlinx Technologies private Limited
- The date since when subsidiary was acquired: 22.11.2019
- Reporting period for the subsidiary concerned, if different from the holding company's reporting period: : 01st Apr, 2020 to 31st March, 2021
- Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries: INR
- Share capital: 1000000
- Reserves and surplus: (164241)
- Total Assets: 6489777
- Total Liabilities: 5654018
- Investments: NIL
- Turnover: 11199973
- Profit before taxation: (34567)
- Provision for taxation: Nil
- Profit after taxation: (34567)
- Proposed Dividend: Nil
- Extent of shareholding (in percentage): 100

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

- Sl. No.: 3.
- Name of the subsidiary: Nettlinx, INC.
- The date since when subsidiary was acquired: 22.08.2003
- Reporting period for the subsidiary concerned: Calender year (January - December)

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 73.5047
6. Share capital: \$ 381000
7. Reserves & surplus: \$ 3,71,851
8. Total assets: \$ 10,27,067.34
9. Total Liabilities: \$ 274215.59
10. Investments: \$ Nil
11. Turnover: \$ 2194105.46
12. Profit before taxation: \$ -367588.81
13. Provision for taxation: Nil
14. Profit after taxation: \$ -367588.81
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: Calender year(January - December)
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: EURO at 86.099
6. Share capital: € 6,20,000
7. Reserves & surplus: € (157163)
8. Total assets: € 497424
9. Total Liabilities: € 34587.01
10. Investments: € Nil
11. Turnover: € Nil
12. Profit before taxation: NIL
13. Provision for taxation: Nil
14. Profit after taxation: € NIL
15. Proposed Dividend: Nil
16. Extent of shareholding: 95%

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, 2021**

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, 2020 and ended 31st March, 2021, 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, 2021 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 other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on the Sectors/ Industry are:

- a) The Telecom Regulatory Authority of India Act, 1997("TRAI Act")
- b) Guidelines and General Information for Grant of License for Operating Internet Services dated August 24, 2007 ("ISP License Guidelines")
- c) 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 Stock Exchanges in compliance with The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015.;

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

- (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.
 - (v) 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.

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 based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on

record by the Board of Directors of their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the Company has responded appropriately to notices received from various statutory /regulatory authorities including actions for corrective measures, wherever found necessary.

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.

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.

**For VCSR & Associates
Company Secretaries**

**Sd/-
Ch. Veeranjanyulu
Partner
FCS : F6121
C.P.No: 6392**

UDIN: F006121C000802061

**Place: Hyderabad
Date: 18.08.2021**

Notes:

- i. This report is to be read with our letter of even date which is annexed as Annexure-B1 and forms an integral part of this report.
- ii. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.
7. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

**For VCSR & Associates
Company Secretaries**

**Sd/-
Ch. Veeranjanyulu
Partner
FCS : F6121
C.P.No: 6392**

UDIN: F006121C000802061

**Place: Hyderabad
Date: 18.08.2021**

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, 2021 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 ensuring the 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 certify that 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. Veeranjanyulu
Partner
FCS : F6121
C.P.No: 6392
UDIN: F006121C000802224**

**Place: Hyderabad
Date: 18.08.2021**

ANNEXURE - D
MGT 9
Extract of Annual Return
As on the Financial Year 31.03.2021
[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:-

Sl. 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:–

Sl. 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 (Directly 43.7903%-Indirectly through Nettlinx Realty-16.1649)	59.95%	2(87)(ii)
3	Nettlinx Technologies Private Limited	U72900TG2019PTC137052	Subsidiary of Nettlinx Realty Private Limited (Step Down Subsidiary)	100%	2(87)(ii)
4	Nettlinx INC	23-3821830	Wholly-Owned Subsidiary	100%	2(87)(ii)
5	Salion SE	HRB 180170 B	Subsidiary	95	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									
(1) Indian									
Individual/ HUF	6655470	--	6655470	58.06	6686039	--	6686039	58.33	+0.27
Central Govt	--	--	--	--	--	--	--	--	--
State Govt (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-	6655470	--	6655470	58.06	6686039	--	6686039	58.33	+0.27
(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)	6655470	--	6655470	58.06	6686039	--	6686039	58.33	+0.27
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) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
j. Any Other (specify)	--	--	--	--	--	--	--	--	--
B1-Sub-Total(B)(1)	--	800	800	0.01	--	800	800	0.01	--
2. Non Institutions									
B2A) Bodies Corp.	805252	4400	809652	7.06	794616	4400	799016	6.97	-0.09
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	941324	377367	1318691	11.5	912710	377467	1290177	11.25	-0.25
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	2552196	62411	2614607	22.81	2601370	32011	2633381	22.97	+0.16

B2B-Clearing Member	22471	0	22471	0.2	14001	0	14001	0.12	-0.07
B2C -Non Resident Individuals	36321	5300	41621	0.36	34598	5300	39898	0.35	-0.02
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B2A)+ (B2B)+ (B2C)	4357564	449478	4807042	41.93	4357295	419178	4776473	41.67	-0.27
Total Public Shareholding B = (B)(1)+(B)(2)	4357564	450278	4807842	41.94	4357295	419978	4777273	41.67	-0.27
C. Shares held by Custodian for GDRs & ADRs	-- --	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	11013034	450278	11463312	100	11043334	419978	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	13,36,67,543	14,05,302	0	13,50,72,845
ii) Interest due but not paid	89207	0	0	94,340
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
Change in Indebtedness during the financial year Addition :				
i) Principal Amount	4,15,26,312.27	0	0	4,15,26,312.27
Reduction:				
ii) Principal Amount	-5,84,25,542.24	-14,05,302.00	0	-5,98,30,844.24
iii) Interest paid	-89207	0	0	-89207
Net Change(i+ii+iii)	-1,69,88,436.97	-14,05,302.00	0	-1,83,93,738.97
Indebtedness at the end of the financial year				
i) Principal Amount	11,67,68,313.03	0	0	11,67,68,313.03
ii) Interest due but not paid	16,45,117.40	0	0	16,45,117.40
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	11,84,13,430.43	0	0	11,84,13,430.43

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 Remuneration to Rs.6,00,000/- PA (Resigned as Director of the company with effect from 05.06.2020)	Dr. Manohar Loka Reddy-Appointed as managing Director of the company with effect from 05.06.2020	
		1,00,000	6,00,000	7,00,000
2	Stock Option	—	—	
3	Sweat Equity	—	—	
4	Commission - as % of profit - Others, specify...	— — —	— — —	
5	Others, please specify)	—	—	
6	Total (A)	1,00,000	6,00,000	7,00,000
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.	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.	
8	Total	1,00,000	6,00,000	7,00,000

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
	Independent Directors		Jeeten Anil Desai	Dr. Erwin Leopold Dieck	Kiran Venkata siva Kakarla	Venkata Hanumantha Rao Jogin apally	Subraman yeswara Rao Kakarala	
1	• Fee for attending board / committee meetings	NA	5000	20000	30000	25000	30000	110000
2	Commission • Others, please specify	NA	NA	NA	NA	NA	NA	NA
3	Total (1)	--	5000	20000	30000	25000	30000	110000
4	2. Other Non-Executive Directors	--	--				Radhika Kundur	—
5	• Fee for attending board / committee meetings	NA	NA	NA	NA	NA	10000	10000
6	Commission	NA	NA	NA	NA	NA	NA	—
7	Others, please specify	NA	NA	NA	NA	NA	NA	—
8	Total (2)	--		--	--	--	--	—
9	Total (B)=(1+2)	NA	NA	NA	NA	NA	10000	10000
10	Total Managerial Remuneration	--	5000	20000	30000	25000	40000	120000
11	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	₹.1,00,000 per meeting

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel					TOTAL
		CEO Resigned with effect from 05.06.2020)	Managing Director (Appointed with Effect from 05.06.2020)	Company Secretary & Compliance Officer	CFO		
					S.M Ganesh	N.Venkateswara Rao	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,00,000 (paid during the Financial Year)	6,00,000 PA	6,70,000 PA	1,50,000 (paid during the Financial Year)	8,40,000 (paid during the Financial Year)	23,60,000
2	Stock Option	-		-	-		-
3	Sweat Equity	-		-	-		-
4	Commission - as % of profit - others, specify...	-		-	-		-
5	Others, please specify	-		-	-		-
	Total	1,00,000	6,00,000 PA	6,70,000 PA	1,50,000	8,40,000	23,60,000

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 Nettlinx Limited

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

Sd/-
Mr. Jeeten Anil Desai
Director
DIN: 07254475

Date: 18.08.2021
Place : Hyderabad

Sd/-
Mr. Venkateswara Rao Narepalem
CFO

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

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 01-04-20 to 31-03-21)	
		No. of shares at the beginning (01-04-20) end of the year (31- 03-21)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	DR MANOHAR LOKAREDDY	5465545	47.68	01.04.2020				
				03.03.2021	2000	Increase/Bought	5467545	47.69603
				08.03.2021	495	Increase/Bought	5468040	47.70
				9.03.2021	1100	Increase/Bought	5469140	47.70995
				26.03.2021	1000	Increase/Bought	5470140	47.71867
				30.03.2021	1300	Increase/Bought	5471440	47.73001
				31.03.2021	2480	Increase/Bought	5473920	47.75164
		5473920	47.75164	31-03-2021				
2.	SARANYA LOKA REDDY	644,186	5.62	01.04.2020				
		644,186	5.62	31.03.2021				
3.	P KALPANA REDDY	238,100	2.08	01.04.2020				
		238,100	2.08	31.03.2021				
4.	SHILPA LOKA REDDY	98,200	0.86	01.04.2020				
		98,200	0.86	31.03.2021				
5.	NITHYA LOKA REDDY	58,819	0.51	01.04.2020				
		58,819	0.51	31.03.2021				
6.	JAYA REDDY	25,000	0.22	01.04.2020				
		25,000	0.22	31.03.2021				
7.	Dr MANOHAR LOKA REDDY (HUF)	125670	1.1	01-04-2020				
				07-04-2020	6000	Increase/Bought	131620	1.15%
				28-08-2020	2931	Increase/Bought	134551	1.17%
				31.08.2020	1734	Increase/Bought	136285	1.19%
				28-09-2020	1800	Increase/Bought	138085	1.20%
				13.11.2020	2000	Increase/Bought	140085	1.22%
				17-11-2020	1429	Increase/Bought	141514	1.23%
				18-11-2020	700	Increase/Bought	142214	1.24%
				19-11-2020	1000	Increase/Bought	143214	1.25%
				08.12.2020	200	Increase/Bought	143414	1.25%
				04.01.2021	200	Increase/Bought	143614	1.25%
				23.02.2021	1000	Increase/Bought	144614	1.26%
				25.02.2021	1500	Increase/Bought	146114	1.27%
				03.03.2021	700	Increase/Bought	146814	1.28%
				09.03.2021	1000	Increase/Bought	147814	1.29%
		147814	1.29	31-03-2021				

**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 01-04-20 to 31-03-21)	
		No. of shares at the beginning (01-04-20)/ end of the year (31- 03-21)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	NORTHEAST BROKING SERVICES LIMITED	787076	6.87%	01.04.2020				
				10.07.2020	60333	Decrease/sold	778174	6.79%
		778174	6.79%	31-03-2021				
2.	P PRAMEELA REDDY	211437	1.84%	01.04.2020				
		211437	1.84%	31.03.2021				
3.	KUNINTE MANIMALA	309914	2.7%	01-04-2020				
		309914	2.7%	31.03.2021				
4.	SASIDHAR POSIM REDDY	133792	1.17%	01.04.2020				
				31-03-2020				
				22.09.2020	125	Decrease/sold	133667	1.17%
				30.09.2020	122	Decrease/sold	133545	1.16%
				20.11.2020	135	Decrease/sold	133410	1.16%
				20.11.2020	34	Decrease/sold	133376	1.16%
				11.12.2020	405	Decrease/sold	132971	1.16%
				15.01.2021	270	Decrease/sold	132701	1.16%
				15.01.2021	135	Decrease/sold	132566	1.16%
				12.02.2021	10	Decrease/sold	132556	1.16%
				19.02.2021	135	Decrease/sold	132421	1.16%
				26.02.2021	330	Decrease/sold	132091	1.15%
5.	DR. SARAT	132091	1.15%	31.03.2021				
	SURAPANENI	115060	1%	01.04.2020				
				22-5-2020	37410	Increase/Bought	152470	1.33%
				31-7-2020	1500	Increase/Bought	153970	1.34%
				7-8-2020	-1025	Decrease/sold	152945	1.33%
				14-8-2020	743	Increase/Bought	153688	1.34%
				28-8-2020	260	Increase/Bought	153948	1.34%
				4-9-2020	715	Increase/Bought	154663	1.35%
				11-9-2020	400	Increase/Bought	155063	1.35%
				18-9-2020	-2563	Decrease/sold	152500	1.33%
				22-9-2020	1000	Increase/Bought	153500	1.34%
				25-9-2020	-146	Decrease/sold	153354	1.34%
				30-9-2020	700	Increase/Bought	154054	1.34%
				9-10-2020	-477	Decrease/sold	153577	1.34%
				16-10-2020	-632	Decrease/sold	152945	1.33%
				23-10-2020	968	Increase/Bought	153913	1.34%
				30-10-2020	41	Increase/Bought	153954	1.34%
				6-11-2020	750	Increase/Bought	154704	1.35%
				13-11-2020	-1000	Decrease/sold	153704	1.34%
				20-11-2020	801	Increase/Bought	154505	1.35%
				27-11-2020	2918	Increase/Bought	157423	1.37%
				4-12-2020	2250	Increase/Bought	159673	1.39%
				11-12-2020	-8086	Decrease/sold	151587	1.32%

				18-12-2020	8500	Increase/Bought	160087	1.4%
				25-12-2020	1400	Increase/Bought	161487	1.41%
				22-1-2021	7128	Increase/Bought	168615	1.47%
				12-2-2021	6621	Increase/Bought	175236	1.53%
				19-2-2021	8800	Increase/Bought	184036	1.61%
				5-3-2021	7204	Increase/Bought	191240	1.67%
				12-3-2021	6354	Increase/Bought	197594	1.72%
				19-3-2021	1000	Increase/Bought	198594	1.73%
		198594	1.73%	31-03-2021				
6.	VIJAYA LAKSHMI POGULA	107448	0.94%	01.04.2020				
				22-09-2020	7217	Decrease/sold	114000	0.99%
		114000	0.99%	31.03.2021				
7.	B RANJITH RAO	73500	0.64%	01.04.2020				
				18.12.2020	3	Increase/Bought	73503	0.64%
		73503	0.64%	31-03-2021				
8.	Sreekanth Reddy Puthalapat	69905	0.61%	01.04.2020				
				10.04.2020	2030	Increase/Bought	71935	0.63%
				24.04.2020	436	Increase/Bought	72371	0.63%
				31.12.2020	6700	Decrease/sold	65671	0.57%
				15.01.2021	919	Increase/Bought	66590	0.58%
		66590	0.58%	31.03.2021				
9.	PADMAJA JUVVADI	58645	0.51%	01-04-2020				
				30.10.2020	2851	Decrease/sold	55794	0.49%
				20.11.2020	1000	Decrease/sold	54794	0.48%
				18.12.2020	192	Decrease/sold	54602	0.48%
				31.12.2020	102	Decrease/sold	54500	0.48%
		54500	0.48%	31.03.2021				
10.	POGULA CHANDRA SEKHAR	100000	0.87%	01-04-2020				
		100000	0.87%	31-03-2021				
11.	P SAHITYA REDDY	61587	0.54%	01-04-2020				
		61587	0.54%	31-03-2021				
12.	P PARASHURAM REDDY	64800	0.57%	01-04-2020				
		64800	0.57%	31-03-2021				
13.	DINESH REDDY YELTI	53168	0.46%	01.04.2021				
				05.03.2021	1500	Increase/Bought	54668	0.48%
		54668	0.48%	31.03.2021				

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 01-04-20 to 31-03-21)	
		No. of shares at the beginning (01-04-20)/ end of the year (31- 03-21)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	DR MANOHAR LOKAREDDY	5465545	47.68	01.04.2020				
				03.03.2021	2000	Increase/Bought	5467545	47.69603
				08.03.2021	495	Increase/Bought	5468040	47.70
				09.03.2021	1100	Increase/Bought	5469140	47.70995
				26.03.2021	1000	Increase/Bought	5470140	47.71867
				30.03.2021	1300	Increase/Bought	5471440	47.73001
				31.03.2021	2480	Increase/Bought	5473920	47.75164
		5473920	47.75164	31-03-2021				
2.	CHANDRA SEKHAR POGULA Resigned with effect from 05.06.2020)	100000	0.87%	01-04-2020				
		100000	0.87%	31-03-2021				
3.	VENKATA HANUMANTHA RAO JOGINAPALLY (Resigned with effect from 13.02.2021)	Nil		01-04-2020				
		Nil		31-03-2021				
4.	RADHIKA KUNDUR	Nil		01-04-2020				
		Nil		31-03-2021				
5.	SUBRAMANY- ESWARA RAO KAKARALA	Nil		01-04-2020				
		Nil	Nil	31-03-2021				
6.	KAKARLA KIRANVENK- ATASIVA	Nil	Nil	01-04-2020				
		Nil	Nil	31-03-2021				
7.	ERWIN LEOPOLD DIECK	Nil		01-04-2020				
		Nil		31-03-2021				
8.	SANKU MAHA- GANESH	610		01-04-2020				
		610		31-03-2021				
9.	SAI RAM GANDIKOTA	Nil		01-04-2020				
		Nil		31-03-2021				
10.	Mr.Venkateswara Rao Narepalem (Appointed as CFO with effect from 14.09.2020)	Nil		01-04-2020				
		Nil		31-03-2021				

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(Resigned with Effect from 05.06.2020)	5%
Dr.Manohar Loka Reddy(Appointed with effect from 05.06.2020)	5%

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
Dr.Manohar Loka Reddy (Appointed with effect from 05.06.2020)	Not Applicable
Mr.S.Mahaganesh, Chief Financial Officer	Not Applicable
Mr.Narepalem Venkateswara Rao(Appointed with Effect from 14.09.2020)	Not Applicable
Mr.Sai Ram Gandikota, Company Secretary	20%

- (iii) the percentage increase in the median remuneration of employees in the financial year: 12.5

- (iv) the number of permanent employees on the rolls of company: 37

- (v) the explanation on the relationship between average increase in remuneration and company performance:

The employee liability has decreased 26.08% from 2.09 crores to 1.50 crores.
The Average Annual Increase in salaries of employees was around 15 %.
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 2020-2021 (Rs. In Lakhs)	23.60
Revenue (Rs. Lakhs)	763.09
Remuneration of KMP's (as % of Revenue)	3.09
Profit before tax(PBT) (Rs. Lakhs)	(50.17)
Remuneration of KMP (as % of PBT)	47.04

- (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	31 st March, 2021	31 st March, 2020	% Change
Market Capitalisation (Rs. Lakhs)	7624.403	1679.844	353.8757
Price Earnings Ratio	(55.426)	9.544	-486.25

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	31 st March, 2021	2001	% Change
Market Price (BSE)	66.511	10	5.65
MSEI	66.511	10	5.65

- (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 (Resigned With Effect from 05.06.2020)	Dr.Manohar Loka Reddy (Appointed as MD with effect from 05.06.2020)	Mr. Narepalem Venkateswara Rao (Appointed with Effect from 14.09.2020)	Mr. S. Mahaganesh, Chief Financial Officer (Resigned with Effect from 22.07.2020)	Mr.Sai Ram Gandikota Company Secretary & Compliance Officer
Remuneration in FY 2020-2021	1,00,000/-	6,00,000	8,40,000	1,50,000	6,07,000
Total Revenue (Rs.Lakhs)	763.09	763.09	763.09	763.09	763.09
Remuneration as (as % of Revenue)	0.13%	0.7862	1.100	0.196	0.795
Profit before tax(PBT) (Rs.Lakhs)	(50.17)	(50.17)	(50.17)	(50.17)	(50.17)
Remuneration (as % of PBT)	1.99	11.959	16.74	2.989	12.098

- (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, 2021:

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 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 Managing Director of the company, and Ms. Radhika Kundur, Woman 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, 2021 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 Managing Director 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 6 Directors as on March 31, 2021. 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	Promoter & Managing Director	6	6	Yes	2	1	2	0	-
Mr. Chandra Sekhar Pogula (Resigned with effect from 05.06.2020)	Executive	1	1	Not Applicable	2	0	1	0	-
Mr. Venkata Hanumantha Rao Joginapally (Resigned with effect from 13.02.2021)	Independent	6	5	No	1	1	2	0	-
Mr. Subramanyeswara Rao Kakarala	Independent	6	6	Yes	2	0	2	0	-
Kakarala Kiran Venkatasiva	Independent	6	6	Yes	0	0	2	0	-
Dr. Erwin Leopold Dieck	Independent	6	4	No	0	0	0	0	-
Ms. Radhika Kundur	Non-Executive	6	4	No	0	0	0	0	-
Mr. Jeeten Anil Desai	Independent	1	1	Not Applicable	2	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, 2020 to March 31, 2021, Six Board meetings were held on the following dates –May 20, 2020, July 22, 2020, August 28, 2020, September 14, 2020, November 10, 2020 and February 13, 2021. 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 27th AGM of your Company was held on September 30, 2020. 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, 2021 are as below:

Directors	No. of shares held as on March 31, 2021
Mr. Venkata Hanumantha Rao Joginapally	NIL
Subramanyeswara Rao Kakarala*	NIL
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 13th February, 2021 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 apprised 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_Familiarization_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, 2015 with 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](http://nettlinx.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 2020-21.

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 resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

During the financial year 2020-21, Mr. Venkata Hanumantha Rao Joginapally has resigned before the expiry of his tenure as

Director of the company w.e.f 13.02.2021 due to personal reasons and pre occupations.

Mr. Venkata Hanumantha Rao Joginapally hereby confirm that there are no other material reasons other than those provided.

(f) 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 competences 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, Mr. Jeeten Anil Desai, Sri. Subramanyeswara Rao Kakarala, Sri. Kakarla Kiranvenkatasiva, DR Dieck Erwin Leopold
Technical knowledge on operations, Production	Dr.Manohar Reddy Loka,Mrs Radhika Kundur, Mr..Jeeten Anil Desai
Corporate Governance, Strategic Management	Dr.Manohar Reddy Loka,Sri.Subramanyeswara Rao Kakarala, Sri.Kakarla Kiranvenkatasiva,
Marketing and Sales	Dr. Manohar Reddy Loka, Sri. Subramanyeswara Rao Kakarala

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:
 - Any changes in accounting policies and practices;
 - Qualification in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern concept;
 - Compliance with accounting standards; Compliance with stock exchange and legal requirements Concerning financial statements and
 - 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.
- Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc., of the candidate
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

- Any other item or subject that may be required by the Companies Act, 2013 or SEBI Listing Regulations, as amended from time to time or under any other applicable law or statute.
- Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

B. COMPOSITION, MEETINGS & ATTENDANCE:

The Audit Committee continued working under Chairmanship of Mr. Kiran Venkatasiva Kakarla with Mr. Venkata Hanumantha Rao Joginapally and Mr. Subramanyeswara Rao Kakarala as co-members. During the year, the sub-committee met on Five occasions with full attendance of all the members.

There were five (5) Audit Committee Meetings held during the year on 20.05.2020, 22.07.2020, 14.09.2020, 10.11.2020 and 13.02.2021. The composition of the Audit Committee as at March 31, 2021 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				
		20.05.2020	22.07.2020	14.09.2020	10.11.2020	13.02.2021
Sri. Kiran Venkatasiva Kakarla	Chairman	Yes	Yes	Yes	Yes	Yes
Sri. Venkata Hanumantha Rao Joginapally (Resigned with effect from 13.02.2021)	Member	Yes	Yes	Yes	No	Yes
Sri. Subramanyeswara Rao Kakarala	Member	Yes	Yes	Yes	Yes	Yes

Consequent to resignation of Sri. Venkata Hanumantha Rao Joginapally as director, The composition of the Audit Committee were reconstituted on 13th February, 2021 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 (Resigned with effect from 13.02.2021)	Member	NED(I)
Sri. Subramanyeswara Rao Kakarala	Member	NED(I)
Dr. Manohar Loka Reddy	Member	Managing Director

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.

The statutory auditors and the internal auditors of the Company are invited to join the Audit Committee Meetings. The Company Secretary acts as Secretary to the Committee

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:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- 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.

- 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.

C) COMPOSITION:

The Details of composition of the Committee as on 31st March, 2021 are given below:

Name	Designation	Category
Sri. Kiran Venkata Siva Kakarla	Chairman	NED(I)
Dr. Manohar Loka Reddy	Member	MANAGING DIRECTOR
Sri. Subramanyeswara Rao Kakarala	Member	NED(I)

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

D. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Mr. Sai Ram Gandikota, Company Secretary of the company, is the compliance officer of the Company.

E. DETAILS OF COMPLAINTS / REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2020-21:

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2021
Pending at the beginning of the year	0
Received during the year	0
Disposed of during the year	0
Remaining unresolved at the end of the year	0

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 ATTENDANS DURING THE YEAR:

Consequent to resignation of Mr. Kothuri Kameswara Rao as director Nomination & Remuneration Committee has been re-constituted pursuant to provisions of Companies Act, 2013, with effect from May 20, 2020:

1. Sri. Kiran Venkatasiva Kakarla, Non-Executive Independent Director – Chairman
2. Sri. Venkata Hanumantha Rao Joginapally, Non-Executive Independent Director – Member
3. Sri. Subramanyeswara Rao Kakarala, Non-Executive Independent Director – Member

Consequent to resignation of Mr. Venkata Hanumantha Rao Joginapally as director, The composition of the Nomination & Remuneration Committee were reconstituted on 13th February, 2021 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 (Resigned with effect from 13.02.2021)	Member	NED(I)
Sri. Subramanyeswara Rao Kakarala	Member	NED(I)
Mr. Jeeten Anil Desai- Appointed with effect from 13.02.2021	Member	NED(I)

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

The committee met four times during the previous year on 20.05.2020, 14.09.2020, 10.11.2020 and on 13.02.2021.

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:

Consequent to resignation of Mr. Venkata Hanumantha Rao Joginapally as director, The composition of the Risk Management Committee were reconstituted on 13th February, 2021 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(Resigned with effect from 13.02.2021)	Member	NED(I)
Sri. Subramanyeswara Rao Kakarala	Member	NED(I)
Dr. Manohar Loka Reddy Appointed with effect from 13.02.2021	Member	Managing Director

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

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 all 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 of Director	Designation	Category
Ms.Radhika Kundur	Chairperson	NED
Dr.Manohar Loka Reddy	Member	Managing Director
Ms.P.Sarita	Member	External member-NGO

8. 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:

- 1.1 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 2020-2021 AND OTHER DISCLOSURES:

Name of the Director	Salary	Perks & other Benefits	Performance Bonus/ Commission	Sitting Fee/ Each Meeting	Total
Mr. Chandra Sekhar Pogula	6,00,000 P.A	Nil	Nil	Nil	Rs.1,00,000/-
Dr. Manohar Reddy Loka	6,00,000	Nil	Nil	Nil	Rs.6,00,000/-
Mr. Venkata Hanumantha Rao Joginapally	Nil	Nil	Nil	5000	Rs.25,000/-
Ms. Radhika Kundur	Nil	Nil	Nil	5000	Rs.10,000/-
Mr. Kiran Venkatasiva Kakarla	Nil	Nil	Nil	5000	Rs.30,000/-
Mr. Subramanyeswara Rao Kakarala	Nil	Nil	Nil	5000	Rs.30,000/-
Dr. Erwin Leopold Dieck	Nil	Nil	Nil	5000	Rs.20,000/-
Mr. Jeeten Anil Desai	Nil	Nil	Nil	5000	Rs.5,000/-

- 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.

REMUNERATION

The Non-Executive Directors shall be entitled to receive remuneration by way 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-Executive Directors 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 13.02.2021, 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 time lines 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 13.02.2021 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- Review of the performance of non-independent directors and the Board as a whole;
- Review of the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors;
- 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 two (2) non-independent directors namely:

- Mr. Manohar Loka Reddy –Managing Director
- Ms. Radhika Kundur

The meeting recognized the significant contribution made by Mr. Manohar Loka Reddy –Managing Director 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
2019-2020	30.09.2020	10.30 A.M.	5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad - 500 063. Telangana State, India. (Since the AGM will be held through VC/ OAVM, the Route Map of the venue of the Meeting is not annexed hereto. The deemed venue for the AGM shall be the Registered Office of the Company)	1. Appointment of Director of Ms. Radhika Kundur (Holding DIN:07135444) 2. Appointment OF DR. Manohar Loka Reddy (holding DIN: 00140229) as Managing Director of the Company
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

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- (b) During the financial year 2020-21 under review, no resolution was passed through Postal Ballot. Therefore providing details 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 ballot need 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 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

D. Disclosures:

A. Related Party Transactions:

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

The List of Related Parties as identified by the management is as under:

1)	Subsidiaries of the Group having significant Influence
a)	Nettlinx Inc, USA –WOS
b)	Nettlinx Realty Private Limited –WOS
c)	Sri Venkateswara Green Power Projects Limited
d)	Sailon SE
e)	Nettlinx Technologies Private Limited (wholly owned subsidiary of Nettlinx Realty Pvt Ltd)
2)	Companies in which directors are interested
a)	North East Broking Services Limited
3)	Key Management Personnel (KMP) of the Group
a)	Shri Manohar Loka Reddy – Chairman and Managing Director (Appointed as MD w.e.f 05/06/2020)
b)	Chandra Sekhar Pogula – CEO and Whole time Director (Resigned as WTD w.e.f 05/06/2020)
c)	Shri G. Sai Ram – CS
d)	S. Mahaganesh - CFO (Resigned w.e.f 22/07/2020)
e)	Venkateswara Rao Narepalem (Appointed as CFO w.e.f 14/09/2020)
4)	Relative of KMP, having transactions with the Group
a)	Rohith Loka Reddy

Following transactions were carried out with related parties in the ordinary course of business during the year 2020-21

					Rs. In Lakhs
S.No.	Description	Subsidiary	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	71.60	71.60
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	-	-	-	-
4	Investments	100.00	-	-	100.00
5	Loans (Repaid to parties)	-	237.54	25.55	-
6	Loans (Received from parties)	764.47	-	-	764.47
7	Other Income				
	a.(Sale of property to North East broking services)	-	234.192	-	234.192
	b.Interest received net of TDS (From Nettlinx reality Pvt Ltd)	2.39	-	-	2.39

Following are the transactions carried out with related parties during the previous year 2019-20

					Rs. In Lakhs
S.No.	Description	Subsidiary	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	50.04	50.04
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	77.82	1.19	-	79.01
4	Loans (Repaid to parties)	29.69		384.21	
5	Loans (Received from parties)	727.16			
6	Investments	1883.45	-	-	1883.45
7	Other (Rental Income)	-	18.36	-	18.36

Balances Outstanding with related parties:

S.No.	Parties	Descriptions	Rs. In Lakhs	
			As on 31.03.2021	As on 31.03.2020
1.	Sri Venkateshwara Green Power Projects	Investments	0	431.18
2.	Manohar Loka Reddy	Loan (KMP)	0	14.05
3.	Nettlinx Technology Pvt Ltd	Loan (Subsidiary)	0	2.12
4.	Northeast Broking service limited	Loan	0	168.35

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors of the Group, in accordance with shareholder's approval, wherever necessary

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.

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 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 web link http://nettlinx.com/company/Policies/Nettlinx_VIGIL_MECHANIS M.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 web link <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 web link <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 placements as 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. 5,14,000/-

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 Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal 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 Schedule II as detailed below:
 - i. The Board:

Maintenance of Office to the Non-executive Chairperson at the Company's expense: This is not applicable as the Chairperson of the Company is an Executive Director.
 - 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 2021.
 - 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 17 to 27 and clauses (b) to (l) 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(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 [web link](http://www.nettlinx.com/company/Code%20of%20Conduct%20to%20Regulate-%20Monitor-%20Report%20Trading%20by%20Insiders.pdf)
<http://www.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 and were 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 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	24 th September, 2021, 10.30 A.M. at Registered Office address(Since the AGM will be held through VC/ OAVM, The deemed venue for the AGM shall be the Registered Office of the Company).
Tentative Calendar of Events for the Financial Year 2021-22	First Quarter- August, 2021 Second Quarter- November, 2021 Third Quarter- February, 2022 Financial Year- May 2022
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 1 st April 2020 to 31 st March 2021
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	Friday, 17 th Day of September 2021 to Friday, 24 th Day of September 2021
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, 2021.

The Listing Fees has been paid to BSE Ltd and MSEI Ltd. up-to 31st March, 2021.

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

Month	BSE LIMITED		
	High Price	Low Price	Close Price
April 2020	18.25	15.00	16.50
May 2020	21.00	15.00	17.55
June 2020	25.00	16.05	21.20
July 2020	43.20	21.05	42.90
August 2020	47.50	42.80	45.45
September 2020	55.00	43.10	54.70
October 2020	64.50	55.10	62.20
November 2020	68.45	60.00	65.50
December 2020	72.50	61.00	64.95
January 2021	70.00	62.10	65.95
February 2021	70.90	63.90	68.65
March 2021	75.00	62.00	67.30

M) Distribution of shareholding as on March 31, 2021:

Range (Nominal value)	Holders		Amount	
	Number	% To Total Share-holders	In Rs	% To Total shareholding
Upto - 5000	1748	75.93	2259440	1.97
5001 - 10000	204	8.86	1776000	1.55
10001 - 20000	106	4.6	1698220	1.48
20001 - 30000	60	2.61	1531870	1.34
30001 - 40000	34	1.48	1186470	1.04
40001 - 50000	26	1.13	1245360	1.09
50001 - 100000	50	2.17	3715190	3.24
100001 and above	74	3.21	101220570	88.3
Total	2302	100	114633120	100

N) Shareholding pattern as on March 31, 2021:

Particulars	No. of shares held	%to Total issued Shares
Promoters, Directors and relatives	66,86,039	58.33
Bank, Financial Institutions,	800	0.01
Insurance Companies &		
Mutual Funds		
A.Bank	Nil	Nil
B.Financial Institutions	800	0.01
C.Insurance Companies	Nil	Nil
D.Mutual Funds/UTINil	Nil	
F.Central & State Governments	Nil	Nil
G.Foreign Institutional Investors	Nil	Nil
H.NRIs/Foreign Nationals	39898	41.30
I.Public and Others	4736575	39.58
Total	11463312	100.00

O) Dematerialisation of shares and liquidity as on March 31, 2021:

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2021, is given below:

Particulars	No. of shares held	%to Total issued Shares
Demat Segment		
NSDL	9181864	80.09782
CDSL	1861470	16.23850
Sub-total	11043334	96.33632
Physical Segment	419978	3.66367
Total	1,14,63,312	100

Securities suspended from trading: Not applicable

(P) 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 warrant holders 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.

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

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

(R) Plant Locations:

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

(S). 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.**

(T) 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.

Sl.No	Nature of Queries/Compliant	Pending as on April 1, 2020	Received during the year	Redressed during the year	Pending as on March 31, 2021
1	Transfer	Nil	0	0	Nil
2	Transmission	Nil	0	0	Nil
3	Duplicate Share Certificate	Nil	0	0	Nil
4	Non-receipt of Dividend	Nil	Nil	Nil	Nil
5	Dematerialisation/	Nil	20	20	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	1	2	3	0
	Grand Total	1	22	23	0

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, 2021:

Sl.No.	Name of the shareholders	No. of shares	% of Capital
1	NORTHEAST BROKING SERVICES LIMITED	778174	6.79
2	KUNINTE MANIMALA	309914	2.70
3	P PRAMEELLA REDDY	211437	1.84
4	SASIDHAR POSIM REDDY	132091	1.15
5	POGULA VIJAYA LAKSHMI	114000	0.99
6	DR SARAT SURAPANENI	262099	2.29
	Total	1807715	15.769

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

Quarter	Date of Board Meeting
1st Quarter	14.09.2020
2nd Quarter	10.11.2020
3rd Quarter	13.02.2021
4th Quarter	30.06.2021

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

By order of the Board of Directors
For Nettlinx Limited

Sd/-
Mr. Jeeten Anil Desai
Director
DIN: 07254475

Date: 18.08.2021
Place : Hyderabad

Sd/-
Mr. Venkateswara Rao Narepalem
CFO

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

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 TELCO's 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 2020-21 are as under:

(Rs. In Lakhs)

Sales for the year 2020-2021	763.09
Current tax	65.15
Profit after tax	(152.60)
Paid up equity share capital as on 31 st March, 2021	1146.3312

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2020-21 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.

8. 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 Nettlinx Limited

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

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

Date : 18.08.2021
Place : Hyderabad

Sd/-
Mr.Venkateswara Rao Narepalem
CFO

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

**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, 2021, 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. Veeranjanyulu
Partner**

**FCS : F6121
C.P.No: 6392
UDIN: F006121C000802136**

**Place: Hyderabad
Date: 18.08.2021**

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, 2021, 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, 2021.

**By order of the Board of Directors
For Nettlinx Limited**

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

**Date : 18.08.2021
Place : Hyderabad**

CEO AND CFO CERTIFICATION:

To
The Board of Directors,
Nettlinx Limited,
Hyderabad.

Dear Members of the Board,

We, Dr. Manohar Loka Reddy, Managing Director and Mr. Narepalem Venkateswara Rao, 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, 2021 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 Nettlinx Limited**

**Date : 18.08.2021
Place : Hyderabad**

**Sd/-
Dr. Manohar Loka Reddy
Managing Director**

**Sd/-
Mr. Narepalem Venkateswara Rao
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, 2021, 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date except for the matters described in the Basis for Disclaimer of Opinion section of our report, we are not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

- Property Plant & Equipment includes certain equipment located in temporary premises not having formal lease agreements. Accounting system is not integrated to location wise, equipment wise, customer wise, data with respect to bandwidth service billing, hence unable to comment on the utilization of equipment operations and resulting Impairment of equipment if no operations are existed. Refer Note No.3.1&20.2 of the Financial Statements.
- Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten. Considering sales and purchase returns, GST payment under section 74(5), we are unable to form an opinion on revenue recognition and related expenditure Refer Note No.20.1, 20.3, 10.1 of the Financial Statements.
- Balance with Government Authorities includes
 - An amount of Rs.22,03,227 /- TDS deducted by customers, subject to confirmation and reconciliations with Form 26AS and customer accounts.
 - An amount of Rs.33,80,750/- "Income Tax refunds" pertaining to earlier years are under process of reconciliation with Income tax assessment orders. Refer Note No.10.1 of the Financial Statements
- An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has disclosed the above payment as balance with government authorities under Other Current Assets and the Company has recognised Contingent Liability for the above mentioned payment. Further, the company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under the process of reconciliation with accounts and GSTN records from f.y 2019-20 to till date. Due to the effect of lack of information about the voluntary payment made by the company, non-filing of GST Annual Return (F.Y 2019-20) and Completion

of GST Audit and pending reconciliations, we are unable to comment on the accounting treatment of the voluntary payment, its impact on other related areas, such as current and noncurrent classification of voluntary payment and resulting going concern issues. Refer Note No. 10.1 and Note No. 28 of the Standalone financial Statements.

- The Company is in the process of obtaining confirmations for the Balances of Trade Payables, Trade receivables, Advances from the Customers and other balances. Refer Note No. 40 of the Standalone financial Statements.

Emphasis of Matter

We draw attention to the following point to the standalone financial results:

- The Purchases were made by the Company for an amount of Rs.57,42,000/- on June 2020 from Malvin IT Systems Pvt Ltd and the same was reversed on November 2020 due to some technical issues and corresponding sale is also reversed on December 2020 for an amount of Rs 16,51,700 Confirmations from parties are in progress. Refer Note No.20 of Standalone financial statements
- During the year, the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process. Refer Note No.27 of Standalone financial statements
- During the year, company depreciated/ impaired the value of old Property, Plant and Equipment for which the useful life of assets expired. Because of assets are impaired the depreciation/ impairment in the current year increased when compared to last year. Further the company has also impaired Intangible Asset value of Rs.15,09,023/- Refer Note No.3 of the Standalone financial statements.
- The Company had paid an amount of Rs 18,91,000 towards advance listing fees to Swiss International Finance Group for listing of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. The Company has requested to return the advance amount but the Swiss International Finance Group refused to refund the money. Hence the company has recognised the amount as advance written off in the current accounting period. Refer Note No.9 of the Standalone financial statements.
- FEMA Compliance with respect to the submission of APR (Annual Performance Report) with respect to FDI made is pending. Refer Note No.5 of the Financial Statements.
- During the year, the Company has written off the balance of Trade Receivable amount of Rs.56,07,529/- which is Rs.21,18,711/- more than ECL (Expected Credit Loss) created in previous financial year. Refer Note No.7 of the Standalone financial statements.
- The Company has not obtained insurance in accordance with Section 4A of Payment of Gratuity Act, 1972. Refer Note No.15 of the Standalone financial statements.
- We draw your attention to Note No.39 of the Standalone financial statement, which describes that certain estimates and judgements were made related to the COVID – 19 pandemic, wherein, the eventual outcome of the impact of this global pandemic may be different from those estimated by the management.

Our opinion is not modified in this regard

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 not noticed any findings which are required to be considered in key audit matters of independent auditors report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Integrated report and Management Discussion and Analysis Report including Annexures and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.
- 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 identified above when it becomes available and, in 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.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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 thereunder.

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 except for the matter specified under para "Basis for Disclaimer of Opinion" above.
 - (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 thereunder;
 - (e) on the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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. Refer Note No.28 of the 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:21207133AAAADQ5178**

**Place: Hyderabad
Date: 30-06-2021**

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 except situation of fixed assets subject to the matters contained under para 1 of “Basis for Disclaimer of Opinion” & para 2 of “Emphasis of Matter”

(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, the company has impaired the value of old Property, Plant and Equipment for which the useful life of assets expired.

(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. The outstanding balances as on 31.03.2021 in respect of the loans given above is “Nil”.

iv. The Company has made transactions in the nature of investments, guarantees, and security, in accordance with provisions of section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 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.

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, 2021 for a period of more than six months from the date they became payable except DoT Tax amount of Rs.13,79,194/- is pending for more than one accounting year. Refer Note No 18.2 of the Standalone financial Statements

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

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 subject to relaxations given during COVID-19. Refer Note No.13.1 of the Standalone financial statements

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. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year except Note no 10.1 we are unable to express any opinion.

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 clause 3(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

Place: Hyderabad
Date: 30-06-2021

M.No: 207133
UDIN:21207133AAAADQ5178

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, 2021 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.

Qualified Opinion:

According to the Information and given to us and based on our audit, the following material weakness has been identified has been identified as March 31st, 2021.

- a. The Company did not have an appropriate internal control system for customer acceptance, credit evaluation and establishing customer credit limit for sales, which could affect the company in recognizing revenue without establishing reasonable certainty of ultimate collection.
- b. Accounting system is not integrated to location wise equipment wise customer wise data with respect to bandwidth service billing.
- c. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten.
- d. Property Plant & Equipment includes certain equipments located in temporary premises not having formal lease agreements. Absent or inadequate controls over the safeguarding of assets.
- e. The absence of an internal process to report deficiencies in internal control to management on a timely basis.
- f. Absent or inadequate segregation of duties within a significant account or process.
- g. Internal control on vendor evaluations with respect to supply of quality of services.

A 'material weakness' is a deficiency, or a combination of deficiencies in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on timely basis.

Disclaimer of Opinion :

During the year, the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process. Due to the above reasons, we are unable comment the effectiveness of Internal Financial Controls over the above mentioned areas. Refer Note No.27 read with clause no .2 of Emphasis of Matter Paragraph of the Independent Audit Report.

Opinion

In our opinion, except for the possible effects of the matters mentioned in Qualified and Disclaimer of Opinion paragraphs, the company has maintained 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, 2021, 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.

We have considered the material weakness/es identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March, 2021 standalone financial statements of the company, and these material weakness do not effect our opinion on the standalone financial statements

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

**Sd/-
Premnath Degala
Partner**

**Place: Hyderabad
Date: 30-06-2021**

**M.No: 207133
UDIN:21207133AAAADQ5178**

NETTLINX LIMITED

NETTLINX LIMITED
Standalone Balance Sheet as at March 31, 2021
All amounts are in Rs. except share data and where otherwise stated

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	6,18,57,585	9,20,71,660
(b) Capital work-in-progress		-	-
(c) Right to use Assets	3	70,89,268	-
(d) Intangible assets	4	6,10,949	18,99,695
(e) Financial assets			
(i) Investments	5	34,71,51,444	33,67,89,221
(ii) Other financial assets	6	17,228	2,000
Total non-current assets		41,67,26,474	43,07,62,576
Current assets			
(a) Financial assets			
(i) Trade receivables	7	1,50,22,859	17,09,52,105
(ii) Cash and cash equivalents	8	1,18,98,418	83,40,203
(iii) Loans	9	-	4,50,09,494
(iv) Other financial assets	6	10,57,430	12,16,244
(b) Other current assets	10	4,02,21,070	1,66,08,988
Total current assets		6,81,99,777	24,21,27,034
Total assets		48,49,26,251	67,28,89,610
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	11,46,33,120	11,46,33,120
(b) Other equity	12	21,71,80,805	23,60,57,557
Total equity		33,18,13,925	35,06,90,677
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	10,37,63,826	11,11,50,506
(ii) Other Financial Liabilities	14	73,66,343	-
(b) Provisions	15	9,89,600	26,19,269
(c) Deferred tax liabilities (net)	16	8,85,131	9,06,297
Total non-current liabilities		11,30,04,900	11,46,76,072
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	-	2,85,36,299
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises"	17	53,66,756	14,94,92,940
(iii) Other financial liabilities	14	1,72,02,471	1,87,62,866
(b) Other current liabilities	18	1,09,74,325	35,40,247
(c) Provisions	15	48,653	-
(d) Current tax liabilities (net)	19	65,15,221	71,90,509
Total current liabilities		4,01,07,426	20,91,28,261
Total equity and liabilities		48,49,26,251	67,28,89,610

Corporate information and Significant accounting policies

1,2

See accompanying notes to the financial statements

3 to

Previous period / year figure have been regrouped / Reclassified Wherever necessary.

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(Firm Registration Number : 002864S)

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

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN:21207133AAAADQ5178

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

Place: Hyderabad
Date: 30-Jun-2021

Sd/-
N.Venkateswara Rao
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

NETTLINX LIMITED
Standalone Statement of profit and loss for the year ended March 31, 2021
All amounts are in Rs. except share data and where otherwise stated

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	20	7,63,09,392	26,99,54,288
II Other income	21	5,43,094	1,36,23,106
III Total Income (I + II)		7,68,52,486	28,35,77,394
IV Expenses			
(a) Access charges, license fee and network expenses	22	2,22,83,653	19,47,88,329
(b) Employee benefits expense	23	1,50,03,484	2,02,97,539
(c) Finance costs	24	1,27,13,093	1,15,39,827
(d) Depreciation and amortization expense	25	1,16,45,395	61,73,522
(e) Other expenses	26	2,02,24,288	2,65,35,745
Total Expenses		8,18,69,913	25,93,34,962
V Profit before tax (III - IV)		(50,17,427)	2,42,42,432
VI Tax expense			
(a) Current tax		65,15,221	71,90,509
(b) Prior Period Taxes		43,48,756	-
(c) Deferred tax expense /(credit)		(6,20,449)	(2,66,388)
Total tax expense		1,02,43,529	69,24,121
VII Profit after tax (V - VI)		(1,52,60,956)	1,73,18,311
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		17,91,924	(15,732)
(b) Net (loss)/gain on fair value through OCI (FVTOCI)		3,62,223	6,38,235
(ii) Income tax on items that may not be reclassified to profit or loss		(5,99,284)	(1,73,180)
Total other comprehensive income		15,54,863	4,49,323
IX Total comprehensive income for the year (VII + VIII)		(1,37,06,092)	1,77,67,633
Earnings Per Share (of Rs.10 each)			
Basic and Diluted (Rs.)		(1.20)	1.55
Corporate information and Significant accounting policies		1,2	
See accompanying notes to the financial statements		3 to	
Previous period / year figure have been regrouped / Reclassified Whereever necessary.			

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(Firm Registration Number : 002864S)

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

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN:21207133AAAADQ5178

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

Place: Hyderabad
Date: 30-Jun-2021

Sd/-
N.Venkateswara Rao
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

₹ In Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit /Loss before tax and extra-ordinary items	(50.17)	242.42
Adjustments For :		
Depreciation	116.45	61.74
(Profit)/loss on sale of property, plant and equipment, vehicles (net)	1.98	(92.49)
Finance costs	127.13	115.40
Interest - Income	(4.42)	(0.02)
Bad trade receivables written-off	-	1.68
Operating Profit /Loss Before working Capital Charges	190.97	328.73
Adjustments For :		
increase/(Decrease) in Trade payables	(1,441.26)	1,394.38
increase/ (Decrease) in Other Current Liabilities	51.98	(118.81)
Increase/ (Decrease) in Provisions	2.11	(3.76)
(increase)/ Decrease in Trade receivables	1,559.29	(1,072.31)
(increase)/ Decrease in Loans and advances	451.68	1,033.32
(increase)/ Decrease in Other Current Assets	(236.12)	305.52
Movements in working capital- Total	387.69	1,538.34
Direct Taxes	108.64	126.06
Net Cash Flow from operating Activities	470.02	1,741.01
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(78.34)	(111.76)
Disposal of Fixed Assets	240.94	60.33
Decrease/ (Increase) in Investment	(100.00)	(1,883.45)
increase/ Decrease in Other Non-Current Assets	(0.15)	112.13
Interest Received	4.42	0.02
Sale of Property,Plant and Equipment	-	169.21
Net Cash Flow From Investing Activities	66.87	(1,653.51)
C. CASH FLOW FROM FINANCING ACTIVITIES		
increase/ (Decrease) in Non-Current Liabilities	(97.68)	111.99
increase/ (Decrease) in Short Tem Borrowings	(285.36)	(6.53)
Finance costs Paid	(118.27)	(112.45)
Net Cash Flows from Financing Activities	(501.31)	(6.99)
Net Increase / Decrease in Cash + Cash equivalents	35.58	80.51
Opening Balance	83.40	2.89
Closing Balance	118.98	83.40

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(Firm Registration Number : 002864S)

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

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN:21207133AAAADQ5178

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

Place: Hyderabad
Date: 30-Jun-2021

Sd/-
N.Venkateswara Rao
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, 2021
All amounts are in Rs. except share data and where otherwise stated

Equity share capital	Amount
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
Changes in equity share capital during the year	-
Balance as at March 31, 2021	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, 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	-	-	-	1,73,18,310	-	-	-	-	1,73,18,310
Other comprehensive income for the year	-	-	-	-	-	6,38,235	(1,88,912)	-	4,49,323.00
Money received against share warrants	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	5,68,50,926	2,45,99,575	1,30,00,000	12,41,01,509	2,41,09,090	10,86,242	(76,89,785)	-	23,60,57,557
Profit for the Year	-	-	1,89,38,430	(1,52,60,956)	(2,41,09,090)	-	-	-	(2,04,31,616)
Other comprehensive income for the year	-	-	-	-	-	3,62,223	11,92,640	-	15,54,863
Balance as at March 31, 2021	5,68,50,926	2,45,99,575	3,19,38,430	10,88,40,553	-	14,48,465	(64,97,145)	-	21,71,80,805
See accompanying notes to the financial statements									

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(Firm Registration Number : 002864S)

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN:21207133AAAAADQ5178

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

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

Place: Hyderabad
Date: 30-Jun-2021

Sd/-
N.Venkateswara Rao
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, 2021	As at March 31, 2020
Carrying amounts of:		
Freehold land	2,39,56,000	2,39,56,000
Buildings	11,10,164	3,03,78,939
Plant & equipment	2,29,23,387	2,10,85,184
Furniture & fixtures	4,16,283	5,94,475
Vehicles	88,12,830	92,83,226
Office equipment	15,47,816	39,13,619
Computers	30,91,105	28,60,215
Total	6,18,57,585	9,20,71,660
Capital work-in-progress	18,49,48,078	18,49,48,078
Total	18,49,48,078	18,49,48,078

NOTE – 4: Intangible Assets	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Software	6,10,949	18,99,695
	6,10,949	18,99,695

Particulars	Freehold land	Buildings	Plant & equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	TOTAL	Right to Use Asset	TOTAL	Note : 4 Intangible Assets	
											Software	Total
A. Cost or deemed cost												
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	-	-	20,48,153	20,48,153
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	-	-	20,48,153	20,48,153
Additions	-	-	52,65,040	-	6,45,864	39,067	15,83,604	75,33,575	88,61,585	88,61,585	3,00,000	3,00,000
Disposals/Adjustments	-	3,26,83,595	3,08,11,390	-	20,86,544	-	-	6,55,81,529	-	-	-	-
Balance as at March 31, 2021	2,39,56,000	15,88,405	9,11,72,325	58,04,858	2,22,02,886	93,97,947	58,41,277	15,99,63,698	88,61,585	88,61,585	23,48,153	23,48,153
B. Accumulated depreciation											-	-
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	-	-	72,747	72,747
Depreciation expense	-	6,91,660	16,12,355	62,897	24,19,827	8,30,592	4,80,480	60,97,811	-	-	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	1,43,60,340	54,45,261	13,97,458	12,59,39,992	-	-	1,48,458	1,48,458
Depreciation expense	-	6,78,916	25,53,382	72,978	18,55,158	11,55,753	15,00,791	78,16,978	17,72,317	17,72,317	15,88,746	15,88,746
Depreciation adjustment	-	-	-	1,05,214	(7,38,899)	12,49,117	(1,48,077)	4,67,355	-	-	-	-
Eliminated on disposal of assets	-	40,93,735	2,99,37,932	-	20,86,544	-	-	3,61,18,211	-	-	-	-
Balance as at March 31, 2021	-	4,78,241	6,82,48,939	53,88,575	1,33,90,056	78,50,130	27,50,172	9,81,06,113	17,72,317	17,72,317	17,37,204	17,37,204
C. Carrying amount												
Balance as at March 31, 2021	2,39,56,000	11,10,164	2,29,23,387	4,16,283	88,12,830	15,47,816	30,91,105	6,18,57,585	70,89,268	70,89,268	6,10,949	6,10,949
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	-	-	18,99,695	18,99,695

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Notes to the financial statements

All amounts are in Rs. except share data and where otherwise stated

NOTE – 5: Non-current investments	As at 31-03-2021	As at 31-03-2020
Investments in equity instruments		
Unquoted investments (fully paid)		
(a) Investments in subsidiaries (at cost unless stated otherwise)		
(i) "Nettlinx Inc, USA 24,663 (March 31, 2020: 24,663) equity shares of \$15 each"	2,17,09,360	2,17,09,360
(ii) "Nettlinx Reality Private Limited 379,969 (March 31, 2020:379,969) equity shares of Rs.10 each"	19,14,44,654	19,14,44,654
(iii) "Sri Venkateswara Green Power limited 9,494,923 (March 31, 2020: 8,494,923) equity shares of Rs.10 each"	9,49,49,230	8,49,49,230
(iv) "Sailon Se 589,000 (March 31, 2020: 589,000) equity shares of EUR 01 each"	3,62,83,735	3,62,83,735
(b) Investments in others (at FVTOCI)		
(i) "Northeast Broking Services Ltd 69,531 (March 31, 2020: 69, 531) equity shares of Rs. 10 each"	27,64,465	24,02,242
Total	34,71,51,444	33,67,89,221

"* 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 31-03-2021	As at 31-03-2020
Unsecured, considered good		
Non-Current		
Security Deposits*	17,228	2,000
Total	17,228	2,000
Current		
Interest Accrued but not due on FDRs	580	1,59,394
Rental Deposits	10,56,850	10,56,850
Total	10,57,430	12,16,244

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

NOTE – 7: Trade receivables	As at 31-03-2021	As at 31-03-2020
Unsecured - considered good	1,50,22,859	17,09,52,105
" Trade Receivables which have significant increase in credit risk"	-	34,88,818
	1,50,22,859	17,44,40,923
Less : Loss Allowance	-	(34,88,818)
Total	1,50,22,859	17,09,52,105

NOTE – 8: Cash and cash equivalents	As at 31-03-2021	As at 31-03-2020
Balance with banks		
- In current accounts	1,18,35,933	71,00,659
Cash on hand	62,485	12,39,544
Total	1,18,98,418	83,40,203

NOTE – 9: Loans	As at 31-03-2021	As at 31-03-2020
Advances to related parties	-	4,31,18,494
Others*	-	18,91,000
Total	-	4,50,09,494

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Notes to the financial statements

All amounts are in Rs. except share data and where otherwise stated

NOTE – 10: Other current assets

	As at 31-03-2021	As at 31-03-2020
Unsecured, considered good		
Prepaid expenses	1,32,578	2,28,375
# Balances with government authorities (Refer Note No 10.1 & 10.2)	3,65,68,476	1,51,47,378
Advance to Vendors **	28,29,363	-
Advances to Others	4,964	
Deposits ***	6,85,689	12,33,235
Total	4,02,21,070	1,66,08,988

"Note No 10.1 : Balance With Government Authorities includes a. An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has obtained the legal opinion in connection with the Voluntary payment made by it. The Legal council is of the opinion that, if no notice is issued within two years from the date of payment, the Company may file a refund to protect revenue interest and it has given opinion that the amount paid is in the form of pre-deposit pending finalisation of investigation and notice. b. An amount of Rs.22,03,227/- TDS deducted by customers, subject to confirmation and reconciliations with Form 26AS and customer accounts. c. An Amount of Rs.33,80,750/- "Income Tax refunds" pertaining to earlier years are under process of reconciliation with Income tax assessment orders."

"Note No 10.2 : The Company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under reconciliation with accounts and GSTN records from f.y 2019-20 to till date."

**Advance given to vendors are subject to confirmations from the Parties.

*** Deposits includes deposits paid to various parties are subject to confirmations

Note - 11: Share capital	As at 31-03-2021		As at 31-03-2020	
	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, 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
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	1,14,63,312	11,46,33,120

(ii) Rights, preference and restrictions attached to the equity 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. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31-03-2021		As at 31-03-2020	
	Number of shares	Amount %	Number of shares	Amount %
Dr. Manohar Loka Reddy	54,73,920	47.75	54,65,545	47.68
Northeast Broking Services Ltd	7,78,174	6.79	7,87,076	6.87
Saranya Loka Reddy	6,44,186	5.62	6,44,186	5.62

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Notes to the financial statements
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NOTE – 12: Other equity	As at 31-03-2021	As at 31-03-2020
(a) Capital reserve Any profit or loss on purchase, sale, issue or cancellation of the company's own equity instruments is transferred to capital reserve.	5,68,50,926	5,68,50,926
(b) Securities premium This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.	2,45,99,575	2,45,99,575
(c) General reserve This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of other comprehensive income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.	3,19,38,430	1,30,00,000
(d) Retained earnings Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.	10,88,40,553	12,41,01,509
(e) Revaluation reserve * On account of revaluation assessment of buildings forming part of property, plant and equipment.	-	2,41,09,090
(f) Equity instruments through other comprehensive income Change in fair value of equity instruments through other comprehensive income	14,48,465	10,86,242
(g) Other items of other comprehensive income	(64,97,145)	(76,89,785)
Total	21,71,80,805	23,60,57,557

* The Company has sold the Building to Northeast Broking Services Ltd during the year. Hence the revaluation reserve created in respect of the disposed asset transferred to general reserve during the year.

NOTE - 13: Borrowings	As at 31-03-2021	As at 31-03-2020
Non-current		
Secured Term Loans		
-From Banks (Refer Note : 13.1, 13.2 & 13.3)	10,37,63,826	10,87,55,460
-From Others	-	(39,850)
Unwinding of Discount on Decommissioning Liabilities	-	24,34,896
Total	10,37,63,826	11,11,50,506

"Note: 13.1 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, Chairman and Managing Director of the Company. The above balance includes an amount of Rs. 12,63,139 principal due for the month of April and May 2020 postponed due to COVID 19 relaxations. The MCA records with respect to the charge creation for loans obtained is under updation.

Note: 13.2 The Company has obtained working capital term loan from HDFC Bank as GECL (Guaranteed Emergency Credit Limit) of Rs. 2,20,00,000/- at the interest rate of 8.25% with 12 months moratorium period repayable in 36 monthly installments after moratorium for meeting its regular working capital requirements. Further the loan is secured by way of second ranking charge over existing primary and collateral securities including mortgages created in favour of the bank.

Note: 13.3 Term loan received from Bank includes vehicle loan amount of Rs 12,68,032/- out of which an amount of Rs. 6,03,800 is subject to Hypothecation. "

	As at 31-03-2021	As at 31-03-2020
Current		
Secured Loans repayable on demand		
-From banks	-	1,00,83,176
Un Secured Loans repayable on demand		
- From related parties	-	1,84,53,123
Total	-	2,85,36,299

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Notes to the financial statements

All amounts are in Rs. except share data and where otherwise stated

	As at 31-03-2021	As at 31-03-2020
NOTE – 14: Other Financial Liabilities		
Non - Current		
Lease Liability	73,66,343	
Total	73,66,343	-
Current		
Current maturities of long-term debt	1,30,04,487	1,49,18,114
Interest accrued and due on borrowings	16,45,117	-
Outstanding expenses	9,19,575	3,68,614
Employee related expenses	15,08,212	29,53,747
Rental deposit	1,25,080	5,22,391
Total	1,72,02,471	1,87,62,866

NOTE – 15: Provisions**Non - Current**

Employee Benefits		
- Gratuity (Creation of Fund is in process)	9,89,600	26,19,269
Total	9,89,600	26,19,269
Current		
Employee Benefits		
- Gratuity	48,653	-
Total	48,653	-

NOTE – 16 Deferred Tax

Opening Deferred Tax-GAAP	43,60,235	43,64,779
Related to Temporary differences on Depreciation/Amortization	6,20,449	-4544
Deferred Tax Asset	49,80,684	43,60,235
Deferred Tax Liability	(58,65,815)	(52,66,532)
Net Deferred Tax Liability	8,85,131	9,06,297

NOTE – 17: Trade payables

- Total outstanding dues of micro enterprises and small enterprises	-	-
"- Total outstanding dues of creditors other than micro enterprises and small enterprises **"	53,66,756	14,94,92,940
Total	53,66,756	14,94,92,940

*Balance of Trade Payables are subject to confirmations from the Parties. The Balance of Trade payables includes an amount of Rs.2,00,990/- as credit card payables.

NOTE – 18: Other current liabilities**Unsecured**

Advances from customers (Note No .18.1)	12,26,215	91,263
Statutory remittances (Note No .18.2)	30,33,077	34,48,984
Unearned Revenue (Note No. 18.3)	67,15,033	-
Total	1,09,74,325	35,40,247

"Note No .18.1: Advance received from customers are subject to confirmation from the parties.

Note No .18.2: Statutory Remittances includes an amount of Rs.13,79,194/- tax payable to Department of Telecommunications.

Note No 18.3: The amount reflected in unearned revenue is the amount received in respect of invoice raised during the period for the performance obligation not completed till the year end."

NOTE – 19: Current tax liabilities

	As at 31-03-2021	As at 31-03-2020
Provision for income tax	65,15,221	71,90,509
Total	65,15,221	71,90,509

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Notes to the financial statements

All amounts are in Rs. except share data and where otherwise stated

NOTE – 20: Revenue from operations	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Sale of goods	-	75,300
(b) Sale of services (Note No. 20.1)		
(i) From bandwidth services	6,98,36,019	77,228,797
(ii) From web solutions	64,73,373	175,876,466
(iii) From ITES (Export)	-	16,773,725
Total	7,63,09,392	26,99,54,288

Note NO. 20.1: The Purchases were made by the Company for an amount of Rs.57,42,000 on June 2020 from Malvin IT Systems Pvt Ltd and the same was reversed on November 2020 due to some technical issues and corresponding sale is also reversed on December 2020 for an amount of Rs 16,51,700 . Confirmations from parties are in progress.

Note No 20.2: Accounting system is not integrated to location wise equipment wise customer wise data with respect to bandwidth service billing.

Note No 20.3: Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal unwritten. “

NOTE – 21: Other income	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Interest income earned on financial assets that are not designated as at fair value through profit and loss:		
- Bank deposits	1,78,918	1,987
- Other financial assets	2,63,160	-
(b) Other non-operating income		
- Rental income	5,30,000	18,36,277
- Others	-	19,69,597
(c) Other gains and losses		
- Net foreign exchange gains / (losses)	(4,28,984)	5,66,690
- Gain on disposal of property, plant and equipment	-	92,48,555
Total	5,43,094	1,36,23,106

Interest income and Rental Income includes income from related parties amounting to Rs.-NIL- for the year ended March 31, 2021 (For the year ended March 31, 2020: Rs.18,36,277).

NOTE – 22: Access charges, license fee and network expenses	For the year ended 31-03-2021	For the year ended 31-03-2020
Bandwidth, web hosting, leased circuit & service charges (Refer Note 20.1)	2,09,71,343	17,98,09,247
Purchase of equipment	-	1,34,01,542
Domain registration expenses	41,153	2,20,439
Annual membership fee	26,157	1,12,101
DOT licence fees	12,45,000	12,45,000
Total	2,22,83,653	19,47,88,329

NOTE – 23: Employee benefits expense	For the year ended 31-03-2021	For the year ended 31-03-2020
Salaries (including managerial remuneration)	1,37,54,826	1,78,21,004
Contribution to provident and other funds	5,52,363	5,57,514
Staff welfare expenses	3,24,353	12,39,664
Defined Benefits Plans	3,71,942	6,79,357
Total	1,50,03,484	2,02,97,539

NETTLINX LIMITED**Notes to the financial statements**

All amounts are in Rs. except share data and where otherwise stated

NOTE – 24: Finance costs	For the year ended 31-03-2021	For the year ended 31-03-2020
(a) Interest costs:		
(i) Interest on term loans	1,14,76,102	1,01,21,177
(ii) Interest on working capital facilities	3,50,833	11,24,133
(b) Other borrowing costs:		
(i) Unwinding of discounts on decommissioning liabilities	-	2,94,517
(ii) Others (on Lease Liability)	8,86,158	-
Total	1,27,13,093	1,15,39,827
NOTE – 25: Depreciation and amortisation expense	For the year ended 31-03-2021	For the year ended 31-03-2020
Depreciation of property, plant and equipment [Refer Note 3]	1,00,56,649	60,97,811
Amortisation of intangible assets [Refer Note 4]	15,88,746	75,711
Total	1,16,45,395	61,73,522
NOTE – 26: Other expenses	For the year ended 31-03-2021	For the year ended 31-03-2020
Computer & network maintainance	49,48,205	40,71,865
Electricity charges	15,98,502	18,39,788
Rent	15,75,880	40,69,073
Vehicle maintainance	4,15,652	12,39,073
Office maintainance	13,02,031	18,35,014
Insurance	2,85,649	2,66,722
Rates and taxes	33,37,815	36,74,043
Communication	4,53,542	4,18,061
Travelling and conveyance (Rs. 3,16,618 Director's Foreign Travel)	10,96,409	26,35,228
Advertisement and sales promotion	6,06,072	8,95,807
Professional charges	6,33,545	3,31,881
Payment to auditor (statutory audit fee)	2,45,000	2,00,000
Bad trade receivables written-off	21,18,711	1,67,922
Provision for doubtful trade receivables (expected credit loss)	-	23,18,818
Security charges	6,51,274	7,76,000
Loss of Sale of assets	1,98,455	-
Printing and stationery	1,30,182	2,71,815
Bank Charges	1,19,027	14,14,069
Miscellaneous expenses	5,08,337	1,10,566
Total	2,02,24,288	2,65,35,745

* Rates and Taxes includes an amount of Rs 18,91,000 towards advance listing fees to Swiss International Finance Group for listing of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. The Company has requested to return the advance amount but the Swiss International Finance Group refused to refund the money. Hence the company has recognised the amount as advance written off in the current accounting period

Payment to Auditor

Particulars	Amount(Rs)
Audit Fees	2,00,000
Certification Fees	45,000
Total	2,45,000

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 TG 500063 IN and its securities listed on the BSE 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 30 June, 2021. 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.

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 counter party, 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 subscribers which entitle 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 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.

Company recognized Right use Asset and Lease Liability value of Rs.88,61,585, 61,585

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 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;

- Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.
- 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:

- 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.

The company dealing in business of Bandwidth & Software services and does not have any Inventory.

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

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

b. Classification and Subsequent measurement

Financial assets

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

- 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 loss.

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

During the year, the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process.

Note 28**CONTINGENT LIABILITIES (IndAS-37)****Contingent liabilities/claims not provided for:**

a) Claims against the Company not acknowledged as Debt:*	2020-2021	2019-2020
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
iv. **GST	308.89	-

**Company has paid Rs.308.89Lakhs under section 74(5) of CGST Act, 2017 as pre deposit, pending finalization of investigation and Notice. If order received against the company, The Company has to adjust the Rs.308.89lakhs pre deposit amount to demand. Penal provisions as per Income Tax Act may apply if the above demand is tenable.

*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/- .

In the light of judgment dated 24.10.2019 of Hon'ble Supreme Court on the dispute between DoT and Telecom Service Providers (TSPs) regarding interpretation of AGR, DoT vide communication dated 05.12.2019 requested submission of a comprehensive representation since all the demands are being re-examined w.r.t. the Hon'ble Supreme Court Judgement. The company has represented to DoT stating inter-alia that the demands raised are not sustainable either in law or on facts as the nature of license in case of telecom service providers is different and distinct from the licenses given to the company

Note 29**A. Auditors Remuneration:**

₹. in Lakhs

Particulars	For the Year 2020-2021	For the Year 2019-2020
a) Statutory Auditor		
Audit Fee	2.00	2.00
Certification & Fees for other Services	0.45	0.35
Total	2.45	2.35

Note 30**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, 2021	As at March 31, 2020
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.	-	-

Note 31**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 –WOS
b)	Nettlinx Realty Private Limited–WOS
c)	Sri Venkateswara Green Power Projects Limited
d)	Sailon SE
e)	Nettlinx Technologies Private Limited (wholly owned subsidiary of Nettlinx Realty Pvt Ltd)
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(Appointed as MD w.e.f 05/06/2020)
b)	Chandra Sekhar Pogula – CEO and Whole time Director (Resigned as WTD w.e.f 05/06/2020)
c)	Shri G. Sai Ram – CS
d)	S.Mahaganesh - CFO (Resigned w.e.f 22/07/2020 ,
e)	Venkateswara Rao Narepalem (Appointed as CFO w.e.f 14/09/2020)
4)	Relative of KMP, having transactions with the Company
a)	Rohith Loka Reddy

Following transactions were carried out with related parties in the ordinary course of business during the year 2020-21

(₹. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	71.60	71.60
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	-	-	-	-
4	Investments	100.00	-	-	100.00
5	Loans (Repaid to parties)	-	237.54	25.55	-
6	Loans (Received from parties)	764.47	-	-	764.47
7	Other Income				
	a. (Sale of property to North East broking services)	-	234.192	-	234.192
	b. Interest received net of TDS (From Nettlinx reality Pvt Ltd)	2.39	-	-	2.39

Following are the transactions carried out with related parties during the previous year 2019-20

(₹. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	50.04	50.04
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	77.82	1.19	-	79.01
4	Loans (Repaid to parties)	29.69		384.21	
5	Loans (Received from parties)	727.16			
6	Investments	1883.45	-	-	1883.45
7	Other (Rental Income)	-	18.36	-	18.36

Balances Outstanding with related parties:

(₹. in Lakhs)

Sno	Parties	Descriptions	As on 31.03.2021	As on 31.03.2020
1.	Sri Venkateshwara Green Power Projects	Investments	0	431.18
2.	Manohar Loka Reddy	Loan (KMP)	0	14.05
3.	Nettlinx Technology Pvt Ltd	Loan (Subsidiary)	0	2.12
4.	Northeast Broking service limited	Loan	0	168.35

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors 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, 2021, 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.

Note 32

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 31-03-2021	As at 31-03-2020
I	Change in Obligation		
	1 Present Value of defined benefit obligation at the beginning of the year	26.19	20.50
	2 Current service cost	19.57	49.36
	3 Interest cost	1.76	1.56
	4 Actuarial (gain) / loss on obligation	(17.91)	0.15
	5 Benefits paid	(1.61)	(0.97)
	6 Present Value of defined benefit obligation at the end of the year	10.38	26.19
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	1.61	0.97
	4 Actuarial gain / (loss) on plan assets	-	-
	5 Benefits paid	(1.61)	(0.97)
	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	1.95	4.93
	2 Interest cost	1.76	1.56
	3 Expected return on plan assets	0	0
	4 Net actuarial loss / (gain) recognized in the current year	(17.91)	0.15
	5 Expenses recognized in the Profit and Loss Account	3.72	6.50
IV	Re-measurements recognized in Other Comprehensive Income (OCI)		
	1 Changes in Financial Assumptions	(0.08)	2.10
	2 Changes in Demographic Assumptions	0	0
	3 Experience Adjustments	(17.83)	(1.94)
	4 Actual return on Plan assets less interest on plan assets		
	5 Amount recognized in Other Comprehensive Income (OCI)	(17.92)	0.15
V	Expenses recognized in the Balance Sheet as at the end of the year		
	1 Present value of defined benefit obligation	10.38	26.19
	2 Fair Value of plan assets at the end of the year	0	0
	3 Funded status [Surplus / (Deficit)]	(10.38)	(26.19)
	4 Net assets / (liability) as at the end of the year	(10.38)	(26.19)
VII	Sensitivity analysis for significant assumptions: *		
	Increase/(Decrease) on present value of defined benefit obligation at the end fo the year Salary escalation-up by 1%	11.97	28.94
	Salary escalation-down by 1%	9.05	23.81
	Discount Rates-up by 1%	9.08	23.87
	Discount Rates-down by 1%	11.96	28.92
	Withdrawal Rates-up by 1%	10.88	26.69
	Withdrawal Rates-down by 1%	9.79	25.56
VIII	The major categories of plan assets as a percentage of total plan		
	1 Qualifying Insurance Policy		
IX	Actuarial Assumptions		
	1 Discount rate	6.79%	6.73%
	2 Withdrawal rate		
	3 Return on plan assets	0	0
	4 Salary Escalation	5%	5%

NETTLINX LIMITED

Note 33 Earnings per Share (EPS) –

(₹. in Lakhs)

S.No	Particulars	As at 31-03-2021	As at 31-03-2020
1	Profit attributable to the Equity Share Holders (Rs in Lakhs)- A	(137.06)	177.68
2	No. of Equity Shares	1,14,63,312	1,14,63,312
3	Nominal Value of the Share (Rs.)	10	10
4	Basic / Weighted average number of Equity Shares – B	1,14,63,312	1,14,63,312
5	Earnings per Share (Rs.) – A/B*	(1.20)	1.55
6	Diluted Earnings Per Share (Rs)- A/(B+E)	(1.20)	1.55

Note 34

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. Refer Note no.3 of the financial statements relating to impairment of the PPE.

Note 35

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 oversees 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, 2021 and March 31, 2020.

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, 2021 and March 31, 2020

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:

Rs. in Lakhs

Particulars	Increase / decrease in interest rate	Effect on profit before tax
March31,2021		
INR	+1%	11.68
INR	-1%	11.68
March31,2020		
INR	+1%	13.37
INR	-1%	13.37

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.

As per the Management estimation, the company is confident of recovering the present Trade Receivables. Hence no ECL (Expected Credit Loss) has created. Further the Company has written off an amount Rs. Opening Balance(34,88,818) + Current Year Loss (21,18,711)/- w.r.t Trade Receivables pending for more than 365 days. Customers accounted for more than 5% of the revenue as of March 31, 2021 is Nil.

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, 2021				
Borrowings (including Current maturities of long term debt)	130.04	788.59	249.05	1167.68
Other noncurrent financial liabilities	16.45	57.21	-	73.66
Trade payables	121.18	-	-	121.18
Other Payables	157.91	-	-	157.91
Interest Accrued but not due	-	-	-	-
Salary and Bonus payable	15.08	-	-	15.08
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

Note 36**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.

The capital structure as follows

(₹. in Lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
Total equity attributable to the equity shareholders of the Company	3456.82	3506.91
As a percentage of total capital	74.31	71.80
Long term borrowings including current maturities	1182.39	1244.63
Short term borrowings	12.70	133.06
Total borrowings	1195.09	1377.69
As a percentage of total capital	25.69	28.20
Total capital (equity and borrowings)	4651.91	4884.60

Note 37**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.

Note 38**Details of foreign exchange Inflow or Out flow during the year.****Foreign exchange inflow****Name of the party Inflow in Rs.**

Nettlinx INC 43,79,544

Friendly Consultants 1,14,10,448

Total 1,57,89,992

Note 39

The spread of COVID 19 pandemic across the globe and the consequent remedial measures against the virus taken by the various countries and the Indian Government are having impact on the operations of the various economies, all of which has led to substantial contraction of demand. In view of the above pandemic, its impact on the company's operations has been considered and a sensitivity analysis based on current estimates in assessing the recoverability of receivables also has been performed. However, the actual impact of COVID19 on the financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

Note 40

The Company is in the process of obtaining confirmations for the Balances of Trade Payables, Trade receivables, Advances from the Customers and other balances.

Note 41**Effective Tax Rate****(₹. in Lakhs)**

Particulars	As at 31-03-2021	As at 31-03-2020
Applicable tax rate	27.82	27.82
Effect of tax-exempt income	0	0
Effect of non-deductible expenses	34.26	1.303
Effect of allowances for tax purposes	(18.59)	(0.608)
Effective tax rate	43.49	28.510

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(Firm Registration Number : 002864S)

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

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN : UDIN:21207133AAAADQ5178

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN : 07254475

Place : Hyderabad
Date : 30, June 2021

Sd/-
G Sai Ram
CS & Compliance Officer

Sd/-
N.Venkateswara Rao
Chief Financial 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, 2021, 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, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date except for the matters described in the Basis for Disclaimer of Opinion section of our report, we are not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The below Matters of **Basis for Disclaimer of Opinion** are relating to the financial statements of Holding Company (i.e. Nettlinx Limited)

1. Property Plant & Equipment includes certain equipment located in temporary premises not having formal lease agreements. Accounting system is not integrated to location wise, equipment wise, customer wise, data with respect to bandwidth service billing, hence unable to comment on the utilization of equipment operations and resulting Impairment of equipment if no operations are existed. Refer Note No.3.1&24.2 of the Consolidated Financial Statements.
2. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten. Considering sales and purchase returns, GST payment under section 74(5), we are unable to form an opinion on revenue recognition and related expenditure Refer Note No.24.1, 24.3, 9.1 of the Consolidated Financial Statements.
3. Balance with Government Authorities includes
 - a. An amount of Rs.22,03,227 /- TDS deducted by customers, subject to confirmation and reconciliations with Form 26AS and customer accounts.
 - b. An amount of Rs.33,80,750/- "Income Tax refunds" pertaining to earlier years are under process of reconciliation with Income tax assessment orders. Refer Note No.9.1 of the Consolidated Financial Statements
4. An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has disclosed the above payment as balance with government authorities under Other Current Assets and the Company has recognised Contingent Liability for the above mentioned payment. Further, the company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under the process of reconciliation with accounts and

pending reconciliations, we are unable to comment on the accounting treatment of the voluntary payment, its impact on other related areas, such as current and non current classification of voluntary payment and resulting going concern issues. Refer Note No. 9.1 and Note No. 32 of the Consolidated financial Statements.

5. The Company is in the process of obtaining confirmations for the Balances of Trade Payables, Trade receivables, Advances from the Customers and other balances. Refer Note No. 46 of the Consolidated financial Statements.

Emphasis of Matter

We draw attention to the following point relating to the financial statements of Holding Company (i.e. Nettlinx Limited)

1. The Purchases were made by the Company for an amount of Rs.57,42,000/- on June 2020 from Malvin IT Systems Pvt Ltd and the same was reversed on November 2020 due to some technical issues and corresponding sale is also reversed on December 2020 for an amount of Rs 16,51,700 . Confirmations from parties are in progress. Refer Note No.24 of Consolidated financial statements
2. During the year, the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process. Refer Note No.31 of Consolidated financial statements
3. During the year, company depreciated/ impaired the value of old Property, Plant and Equipment for which the useful life of assets expired. Because of assets are impaired the depreciation/ impairment in the current year increased when compared to last year. Further the company has also impaired Intangible Asset value of Rs.15,09,023/-. Refer Note No.3&5 of the Consolidated financial statements..
4. The Company had paid an amount of Rs 18,91,000 towards advance listing fees to Swiss International Finance Group for listing of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. The Company has requested to return the advance amount but the Swiss International Finance Group refused to refund the money. Hence the company has recognised the amount as advance written off in the current accounting period. Refer Note No.14 of the Consolidated financial statements.
5. FEMA Compliance with respect to the submission of APR (Annual Performance Report) with respect to FDI made is pending. Refer Note No.6 of the Consolidated Financial Statements.
6. During the year, the Company has written off the balance of Trade Receivable amount of Rs.56,07,529/- which is Rs.21,18,711/- more than ECL (Expected Credit Loss) created in previous financial year. Refer Note No.11 of the Consolidated financial statements.
7. The Company has not obtained insurance in accordance with Section 4A of Payment of Gratuity Act, 1972. Refer Note No.19 of the Consolidated financial statements.
8. We draw your attention to Note No.45 of the Consolidated financial statement, which describes that certain estimates and judgements were made related to the COVID – 19 pandemic, wherein, the eventual outcome of the impact of this global pandemic may be different from those estimated by the management.

Our opinion is not modified in this regard.

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 Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not noticed any findings which are required to be considered in key audit matters of independent auditors report.

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.49.90Crores as at March 31, 2021, total revenues of Rs. 27.70 Crores, total comprehensive loss (comprising of loss and other comprehensive loss) of Rs. -0.48 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 except for the matter specified under para "Basis for Disclaimer of Opinion" above.

(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, 2021 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, 2021 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. Refer Note No.32 of the Consolidated Financial Statements
- 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

Place: Hyderabad
Date: 30-06-2021

M.No: 207133
UDIN:21207133AAAADQ5178

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, 2021, 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.

Qualified Opinion :

According to the Information and given to us and based on our audit, the following material weakness has been identified has been identified as March 31st, 2021 in the financial statements of Holding Company (Nettlinx Limited).

- a. The Company did not have an appropriate internal control system for customer acceptance, credit evaluation and establishing customer credit limit for sales, which could affect the company in recognizing revenue without establishing reasonable certainty of ultimate collection.
- b. Accounting system is not integrated to location wise equipment wise customer wise data with respect to bandwidth service billing.
- c. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten.
- d. Property Plant & Equipment includes certain equipments located in temporary premises not having formal lease agreements. Absent or inadequate controls over the safeguarding of assets.
- e. The absence of an internal process to report deficiencies in internal control to management on a timely basis.
- f. Absent or inadequate segregation of duties within a significant account or process.
- g. Internal control on vendor evaluations with respect to supply of quality of services.

A 'material weakness' is a deficiency, or a combination of deficiencies in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Disclaimer of Opinion :

During the year, the Holding company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process. Due to the above reasons, we are unable to comment on the effectiveness of Internal Financial Controls over the above mentioned areas. Refer Note No.31 read with clause no .2 of Emphasis of Matter Paragraph of the Independent Audit Report.

Opinion

In our opinion, except for the possible effects of the matters mentioned in Qualified and Disclaimer of Opinion paragraphs, 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, 2021, 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.

Place: Hyderabad
Date: 30-06-2021

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

Sd/-
Premnath Degala
Partner
M.No: 207133
UDIN:21207133AAAADQ5178

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
A. Assets			
Non-current assets			
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	8,51,54,200	11,57,94,104
(b) Capital work-in-progress	3	18,49,48,078	18,49,48,078
(c) Right to use Assets	3	70,89,268	-
(d) Goodwill	4	19,56,344	19,56,344
(e) Other intangible assets	5	6,10,949	18,99,695
(f) Financial assets			
(i) Investments	6	27,44,842	37,32,326
(ii) Other financial assets	7	1,07,228	2,000
(g) Deferred tax assets (net)	8	1,09,83,694	1,06,30,224
(h) Other non-current assets	9	2,36,96,480	25,00,000
Total non-current assets		31,72,91,083	32,14,62,771
Current assets			
(a) Inventories	10	7,64,69,937	12,45,87,838
(b) Financial assets			
(i) Trade receivables	11	3,94,45,892	22,83,82,018
(ii) Cash and cash equivalents	12	8,26,04,568	5,39,06,920
(iii) Other bank balances	13	14,00,000	14,00,000
(iv) Loans	14	49,805	5,75,85,597
(v) Other financial assets	7	11,25,621	25,11,682
(c) Current Tax Assets		1,05,15,929	21,878
(d) Other current assets	9	7,76,37,875	3,98,19,527
Total current assets		28,92,49,627	50,82,15,460
Total assets		60,65,40,710	82,96,78,231
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	11,46,33,120	11,46,33,120
(b) Other equity	16	18,76,82,876	20,44,28,263
Equity attributable to owners of the Company		30,23,15,996	31,90,61,383
Non-controlling interests	17	7,84,15,424	6,98,62,766
Total equity		38,07,31,420	38,89,24,149
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	12,28,27,926	14,20,64,275
(ii) Other Financial Liability	18	73,66,343	-
(b) Provisions	19	9,89,600	26,19,269
(c) Deferred Tax liabilities	8	8,85,131	9,06,297
Total non-current liabilities		13,20,69,000	14,55,89,841
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	27,27,702	3,95,12,524
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises"		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises"	20	71,26,066	16,39,03,668
(iii) Other financial liabilities	21	3,40,04,158	2,44,53,884
(b) Other current liabilities	22	3,36,49,735	5,89,26,881
(c) Provisions	19	20,90,147	2,49,150
(d) Current tax liabilities (net)	23	1,41,42,482	81,18,134
Total current liabilities		9,37,40,290	29,51,64,241
Total equity and liabilities		60,65,40,710	82,96,78,231
Corporate information and Significant accounting policies	1,2		
See accompanying notes to the financial statements	3 to		
Previous period / year figures have been regrouped / Reclassified Wherever necessary			

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(Firm Registration Number : 002864S)

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

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN:21207133AAAADQ5178

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

Place : Hyderabad
Date : June 30, 2021

Sd/-
N.Venkateswara Rao
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	24	35,33,54,184	46,80,22,721
II Other income	25	7,24,125	1,37,14,833
III Total Income (I + II)		35,40,78,309	48,17,37,554
IV Expenses			
(a) Access charges, license fee and network expenses, Inventory Cost	26	7,77,44,805	30,66,90,161
(b) Employee benefits expense	27	9,03,92,450	9,16,46,066
(c) Finance costs	28	1,30,14,788	1,16,17,912
(d) Depreciation and amortization expense	29	1,20,71,225	65,93,261
(e) Other expenses	30	15,23,23,533	4,27,78,149
Total Expenses`		34,55,46,801	45,93,25,550
V Profit before tax (III - IV)		85,31,508	2,24,12,004
VI Tax expense			
(a) Current tax		1,42,16,684	71,90,509
(b) Prior period Taxes		43,48,756	-
(b) Deferred tax expense /(credit)		(6,22,971)	(2,55,334)
Total tax expense		1,79,42,469	69,35,175
VII Profit after tax (V - VI)		(94,10,962)	1,54,76,829
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		17,91,924	(15,732)
(b) Net (loss)/gain on fair value through OCI (FVTOCI)		(9,87,584)	2,47,244
(ii) Income tax on items that may not be reclassified to profit or loss		(2,48,334)	(71,522)
Total other comprehensive income		5,56,006	1,59,990
IX Total comprehensive income for the year (VII + VIII)		(88,54,956)	1,56,36,818
X Profit for the year attributable to			
Shareholders		(68,71,870)	1,73,05,945
Non Controlling Interest		(25,39,091)	(18,29,116)
XI Other Comprehensive Income attributable to			
Shareholders		5,56,006	1,59,990
Non Controlling Interest		-	-
XII Total Comprehensive Income attributable to			
Shareholders		(63,15,864)	1,74,65,934
Non Controlling Interest		(25,39,091)	(18,29,116)
XIII Earnings Per Share of Rs.10 each fully paid up			
(i) Basic		(0.55)	1.52
(ii) Diluted		(0.55)	1.52
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 3 to

Previous period / year figure have been regrouped / Reclassified Wherever necessary.

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(Firm Registration Number : 002864S)

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

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN:21207133AAAADQ5178

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

Place : Hyderabad
Date : June 30, 2021

Sd/-
N.Venkateswara Rao
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

CONSOLIDATED STATEMENT OF CASH FLOWS FRO THE YEAR ENDED MARCH 31, 2021

₹ In Lakhs

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Cash Flows From Operating Activities				
Profit Before Tax for the year		85.32		224.12
Adjustments for:				
Depreciation and amortization expense	120.71		65.93	
Profit on sale of property, plant and equipment (net)	1.98		(92.49)	
Finance costs	127.13		116.18	
Interest income	(4.42)		(0.94)	
Bad trade receivable written off	-		1.68	
		245.41		90.37
Operating Cash Flows Before Working Capital Changes				
Movements in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	1,889.61		(1,236.70)	
Inventories	487.74		(181.86)	
Other current assets	(303.28)		305.52	
Proceeds from Loans and advances	698.41		990.51	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(1,553.97)		1,538.46	
Other current liabilities	229.97		(559.12)	
Other Liabilities & Provisions	3.23		(17.02)	
Movements in working capital- Total		1451.71		839.79
Cash Flows From Operating Activities		1782.43		1154.28
Net Tax Paid		175.38		126.06
Net Cash Generated From Operating Activities (A)		1607.05		1028.22
B. Cash Flows From Investing Activities				
Purchase of Fixed Assets	(78.34)		(249.29)	
Disposals of Fixed Assets	240.94		60.32	
Long Term Loans & Advances	(146.18)		(129.68)	
Investments	(450.50)		(1,891.20)	
Interest Income received	4.42		0.94	
Sale of Property, Plant and Equipment	-		169.21	
Foreign change effect	(87.01)			
Net Cash Generated/ Used in Investing Activities (B)		(516.66)		(2,039.70)
C. Cash Flows From Financing Activities				
Change in Equity Share capital	582.23		129.52	
Increase in Share premium	14.11		2,084.48	
increase/ (Decrease) in Revaluation Reserve	-		-	
increase/ (Decrease) in General Reserve	-		-	
Proceeds from Long Term borrowings	(898.43)		(330.07)	
Proceeds from Short Term borrowings	-		(312.61)	
increase/ (Decrease) in Non-Current Liabilities	(97.68)		(108.50)	
Repayments from ShortTerm borrowings	(285.36)		(179.83)	
Finance Costs Paid	(118.27)		(113.23)	
Net Cash Generated From/ (Used in) Financing Activities ©		(803.40)		1,169.75
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)		286.98		158.28
Cash and Cash Equivalents at the Beginning of the year		553.06		394.78
Cash and Cash Equivalents at the End of the year		840.04		553.06

In terms of our report attached
For C. Ramachandram & Co
Chartered Accountants
(Firm Registration Number : 002864S)

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

Sd/-
Premnath Degala
Partner
Membership No. 207133
UDIN:21207133AAAADQ5178

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

Place : Hyderabad
Date : June 30, 2021

Sd/-
N.Venkateswara Rao
Chief Financial Officer

Sd/-
G Sai Ram
Company Secretary and Compliance Officer

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, 2021	As at March 31, 2020
Carrying amounts of:		
Freehold land	4,61,97,871	4,61,97,871
Buildings	11,10,164	3,03,78,939
Plant & equipment	2,29,23,387	2,10,85,184
Furniture & fixtures	4,16,283	5,94,475
Vehicles	95,82,070	1,03,00,522
Office equipment	18,33,321	43,76,898
Computers	30,91,105	28,60,215
Total	8,51,54,200	11,57,94,104
Capital work-in-progress	18,49,48,078	18,49,48,078
Total	18,49,48,078	18,49,48,078

Particulars	Freehold land	Buildings	Plant & equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	TOTAL	Right to Use Asset	TOTAL
A. Cost or deemed cost										
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	-	-
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	-	-
Additions	-	-	52,65,040	-	6,45,864	39,067	15,83,604	75,33,575	88,61,585	88,61,585
Disposals	-	3,26,83,595	3,08,11,390	-	20,86,544	-	-	6,55,81,529	-	-
Balance as at March 31, 2021	4,61,97,871	15,88,405	9,11,72,325	58,04,858	2,81,92,865	1,07,36,690	58,41,277	18,95,34,291	88,61,585	88,61,585
B. Accumulated depreciation										
Balance as at March 31, 2019	-	32,01,401	9,65,73,002	76,07,244	1,60,80,313	51,75,951	9,16,978	12,95,54,889	-	-
Depreciation expense	-	6,91,660	16,12,355	62,897	32,52,710	11,44,775	4,80,480	72,44,877	-	-
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	1,93,33,023	63,20,725	13,97,458	13,17,88,139	-	-
Depreciation expense	-	6,78,916	25,53,382	72,978	21,03,215	13,33,527	15,00,791	82,42,808	17,72,317	17,72,317
Depreciation adjustment	-	-	-	1,05,214	(7,38,899)	12,49,117	(1,48,077)	4,67,355	-	-
Eliminated on disposal of assets	-	40,93,735	2,99,37,932	-	20,86,544	-	-	3,61,18,211	-	-
Balance as at March 31, 2021	-	4,78,241	6,82,48,939	53,88,575	1,86,10,795	89,03,368	27,50,172	10,43,80,091	17,72,317	17,72,317
C. Carrying amount										
Balance as at March 31, 2021	4,61,97,871	11,10,164	2,29,23,387	4,16,283	95,82,070	18,33,321	30,91,105	8,51,54,200	70,89,268	70,89,268
Balance as at March 31, 2020	4,61,97,871	3,03,78,939	2,10,85,184	5,94,475	1,03,00,522	43,76,898	28,60,215	11,57,94,104	-	-

“Note 3.1: Property Plant& Equipment includes certain equipments located in temporary premises not having formal lease agreements.# During the year, Holding company(NETTLINX LIMITED) depreciated/ impaired the value of old Property, Plant and Equipment for which the useful life of assets expired. Because of assets are impaired the depreciation/ impairment in the current year increased when compared to last year. ”

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

	As at 31-03-2021	As at 31-03-2020
Note - 4: Goodwill		
Cost or deemed cost	19,56,344	19,56,344
Total	<u>19,56,344</u>	<u>19,56,344</u>

Note - 5: Intangible Assets	As at March 31, 2021	
Particulars	Software	TOTAL
A. Cost or deemed cost		
Balance as at March 31, 2019	20,48,153	20,48,153
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	20,48,153	20,48,153
Additions	3,00,000	3,00,000
Disposals	15,09,023	15,09,023
Balance as at March 31, 2021	8,39,130	8,39,130
B. Accumulated depreciation		
Balance as at March 31, 2019	72,747	72,747
Depreciation expense	75,711	75,711
Eliminated on disposal of assets	-	-
Balance as at March 31, 2020	1,48,458	1,48,458
Depreciation expense	15,88,746	15,88,746
Eliminated on disposal of assets	15,09,023	15,09,023
Balance as at March 31, 2021	2,28,181	2,28,181
C. Carrying amount		
Balance as at March 31, 2021	6,10,949	6,10,949
Balance as at March 31, 2020	18,99,695	18,99,695

	As at 31-03-2021	As at 31-03-2020
NOTE – 6: Non-current investments		
Investments in equity instruments		
Unquoted investments (fully paid)		
(a) Investments in others (at cost)		
(i) "Northeast Broking Services Ltd (NBSL) *	27,64,465	13,16,000
69,531 (March 31, 2020: 69531) equity shares of Rs. 10 each"		
(ii) "Brightcom Group Ltd	3,43,71,861	3,43,71,861
414,000 equity shares of Rs. 10 each"		
(b) Investments in others (at FVTOCI)	(3,43,91,484)	(3,19,55,536)
Total	<u>27,44,842</u>	<u>37,32,325</u>

"* 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."

NETTLINX LIMITED

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

	As at 31-03-2021	As at 31-03-2020
NOTE – 7: Other financial assets		
Unsecured, considered good		
Non-Current		
- Security Deposits *	1,07,228	2,000
Total	1,07,228	2,000
Current		
- Interest Accrued but not due on FDRs	68,771	2,83,042
- Rental/Security Deposits	10,56,850	10,66,850
- MAT credit entitlement	-	11,61,790
Total	11,25,621	25,11,682

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

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	29,615	24,063
Deferred tax liabilities	1,09,54,079	1,06,06,161
Total	1,09,83,694	1,06,30,224

Deferred tax liabilities

The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet:

Deferred tax assets	49,80,684	43,60,235
Deferred tax liabilities	(58,65,815)	(52,66,532)
Total	8,85,131	9,06,297

NOTE – 9: Other assets

Unsecured, considered good

Non-Current

- Advance for land	2,36,96,480	25,00,000
Total	2,36,96,480	25,00,000

Current

Current Tax Assets	1,05,15,929	21,878
- Prepaid expenses	1,32,578	2,28,375
- # Balances with government authorities (Refer Note 9.1 & 9.2)	3,81,05,856	1,81,01,779
- Deposits***	6,85,689	2,14,89,713
- Advance to Vendors **	28,29,363	-
- Others	3,58,84,389	(340)
Total	7,76,37,875	3,98,19,527

"Note No 9.1 : Balance with Government authorities includes

a. An Amount of Rs. 3.09 Crores paid by the Holding company (NETTLINX LIMITED) as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Holding company (NETTLINX LIMITED) has obtained the legal opinion in connection with the Voluntary payment made by it. The Legal council is of the opinion that, if no notice is issued within two years from the date of payment, the Holding company (NETTLINX LIMITED) may file a refund to protect revenue interest and it has given opinion that the amount paid is in the form of pre-deposit pending finalisation of investigation and notice.

b. An amount of Rs.22,03,227 /- TDS deducted by customers, subject to confirmation and reconciliations with Form 26AS and customer accounts.

c. An Amount of Rs.33,80,750/- ""Income Tax refunds"" pertaining to earlier years are under process of reconciliation with Income tax assessment orders."

"Note 9.2 :

The Company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under reconciliation with accounts and GSTN records from f.y 2019-20 to till date."

**Advance given to vendors are pending for confirmation

***Deposits includes deposits made with various parties which are subject to confirmation

NETTLINX LIMITED

	As at 31-03-2021	As at 31-03-2020
NOTE – 10: Inventories		
Land	7,49,56,639	12,37,31,089
Others	15,13,298	8,56,749
Total	7,64,69,937	12,45,87,838
NOTE – 11: Trade receivables		
Unsecured, considered good	3,94,45,892	22,83,82,018
Trade Receivables - credit impaired	-	34,88,818
	3,94,45,892	22,48,93,200
Less: Written off/ Loss allowance	-	(34,88,818)
Total	3,94,45,892	22,83,82,018
<p>Note : During the year the Holding company's (NETTLINX LIMITED) certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of Trade Receivables is under process and reconciliations are pending. Information system control audit is under process. As per the Management estimation, the company is confident of recovering the present Trade Receivables. Hence no ECL (Expected Credit Loss) has created. Further the Holding company (NETTLINX LIMITED) has written off an amount Rs.34,88,818/- Opening Balance + Current Year Loss Rs.21,18,711- w.r.t Trade Receivables pending for more than 365 days.</p>		
NOTE – 12: Cash and cash equivalents		
Balance with banks		
- In current accounts	8,19,20,314	5,21,56,498
Cash on hand	6,84,254	17,50,422
Total	8,26,04,568	5,39,06,920
NOTE – 13: Other bank balances		
In deposit accounts with maturity less than 12 months	14,00,000	14,00,000
Total	14,00,000	14,00,000
NOTE – 14: Loans		
Advances to related parties	-	14,61,778
Others*	49,805	5,61,23,819
Total	49,805	5,75,85,597

*The Holding company (NETTLINX LIMITED) had paid an amount of Rs. 18,91,000 towards advance listing fees of Swiss International finance group for listing of GDRs during the financial year 2016-17. However the Holding company (NETTLINX LIMITED) has not issued the GDRs due to technical issues. The Holding company (NETTLINX LIMITED) has requested to return the advance amount but the Swiss International Finance Group refused to refund the money. Hence the Holding company (NETTLINX LIMITED) has recognised the amount as advance written off in the current accounting period.

NETTLINX LIMITED
Consolidated Statement of changes in equity for the year ended March 31, 2021
All amounts are in Rs. except share data and where otherwise stated

NOTE: 15 Equity share capital		As at March 31, 2021	As at March 31, 2020
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
Changes in equity share capital during the year		-	-
Balance as at March 31, 2021		11,46,33,120	11,46,33,120

NOTE: 16 Other Equity - Consolidated

Other Equity	Reserves and surplus				Items of other comprehensive income		Attributable to owners of the Company	Non-controlling interests	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, 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)	7,16,91,882	15,83,49,906
Profit / (loss) for the Year	-	-	-	1,73,05,945	-	-	-	(18,29,115)	1,54,76,830
Other comprehensive income for the year	-	-	-	-	-	2,47,224	(6,83,836)	-	1,59,990
Others	-	-	-	-	-	-	-	-	2,07,42,790
Capital profit	-	-	-	-	-	-	-	-	18,76,44,964
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	(10,84,014)	(75,53,792)	6,98,62,767	38,23,74,480
Profit / (loss) for the Year	-	-	1,89,38,430	(68,71,870)	(2,41,09,090)	-	-	(25,39,091)	(1,45,81,624)
Other Adjustments	-	-	-	-	-	-	-	(24,89,416)	-
Other comprehensive income for the year	-	-	-	-	-	(6,36,634)	11,92,640	-	5,56,006
Others	-	-	-	(28,22,707)	-	-	-	(57,06,888)	(52,99,204)
Increase in investment by Minority interest	-	-	-	-	-	-	-	-	(1,31,73,480)
Balance as at March 31, 2021	7,87,70,360	2,45,99,575	3,19,38,430	4,21,49,676	-	(17,20,648)	(63,61,152)	7,84,15,424	34,98,76,178

NETTLINX LIMITED

NETTLINX LIMITED

Notes to the consolidated financial statements

All amounts are in Rs. except share data and where otherwise stated

Note - 15: Share capital	As at 31-03-2021		As at 31-03-2020	
	Number of shares	%	Number of shares	%
(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, 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
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	1,14,63,312	11,46,33,120

(ii) Rights, preference and restrictions attached to the equity shares:

The Holding company (NETTLINX LIMITED) 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. The Holding company (NETTLINX LIMITED) declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Holding company (NETTLINX LIMITED) after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31-03-2021		As at 31-03-2020	
	Number of shares	%	Number of shares	%
Dr. Manohar Loka Reddy	54,73,920	47.75	54,65,545	47.68
Northeast Broking Services Ltd	7,78,174	6.79	7,87,076	6.87
Saranya Loka Reddy	6,44,186	5.62	6,44,186	5.62

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

	As at 31-03-2021	As at 31-03-2020
NOTE – 17: Non-controlling interest		
Balance at beginning of year	6,98,62,767	7,16,91,882
Share of profit / (loss) for the year	(25,39,088)	(18,29,116)
Increase in investment by Minority interest - adjustment	1,10,91,745	-
Total	7,84,15,424	6,98,62,767
NOTE - 18: Financial Liabilities		
Non-current		
(i) Borrowings		
Secured term loans		
- From banks (Refer Note 18.1,18.2,18.3)	10,37,63,826	10,95,45,106
- From others	1,90,64,100	3,25,19,169
Total	12,28,27,926	14,20,64,275
(ii) Other Financial Liability		
Lease Liability	73,66,343	-
Total	73,66,343	-
<p>"Note 18.1: 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 Holding company's (NETTLINX LIMITED) Immovable Assets, both present and future, in favour of Holding company's (NETTLINX LIMITED) lenders/trustees. Further, they are secured by way of personal guarantee of Shri Manohar Loka Reddy, Chairman and Managing Director of the Holding company (NETTLINX LIMITED). The above balance includes an amount of Rs. 12,63,139 principal due for the month of April and May 2020 postponed due to COVID 19 relaxations.</p> <p>Note 18.2: 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.</p> <p>Note 18.3: Term loan received from Bank includes vehicle loan amount of Rs 12,68,032/- out of which an amount of Rs. 6,03,800 is subject to Hypothecation. "</p>		
Note -18		
Current (at amortised cost)		
Unsecured loans repayable on demand		
- From banks	-	1,22,96,645
- From related parties	-	1,84,53,123
- From others	27,27,702	87,62,756
Total	27,27,702	3,95,12,524
NOTE – 19: Provisions		
Non - Current		
Employee Benefits		
- Gratuity	9,89,600	26,19,269
Total	9,89,600	26,19,269
Current-Provisions		
Employee Benefits		
- Gratuity	48,653	-
- Others	20,41,494	2,49,150
Total	20,90,147	2,49,150
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"	71,26,066	16,39,03,668
Total	71,26,066	16,39,03,668

*Balance of Trade payables are subject to confirmations from the Parties. The Balance of Trade payables includes an amount of Rs.2,00,990/- as credit card payables.

Notes to the consolidated financial statements

All amounts are in Rs. except share data and where otherwise stated

NOTE – 21: Other financial liabilities	As at 31-03-2021	As at 31-03-2020
Current maturities of long-term debt	1,30,04,487	1,49,18,114
Interest accrued and due on borrowings	16,45,117	-
Outstanding expenses	9,19,575	5,55,164
Employee related expenses	15,08,212	84,58,215
Rental deposit	1,25,080	5,22,391
Others	1,68,01,686	-
Total	3,40,04,158	2,44,53,884

NOTE – 22: Other current liabilities

Unsecured		
Advances from customers (Note:22.1)	12,26,215	5,40,90,751
Statutory remittances (Note: 22.2)	63,38,973	45,98,356
Unearned Revenue (Note:22.3)	67,15,033	-
Others	1,93,69,514	2,37,774
Total	3,36,49,735	5,89,26,881

"Note No:22.1: Advance received from customers are subject to confirmation from the parties.

Note No: 22.2 : Statutory Remittances includes an amount of Rs.26,24,194/- tax payable to Department of Telecommunications of which an amount of Rs.13,79,194/- is pending for more than one year.

Note No: 22.3 : The amount reflected in unearned revenue is the amount received in respect of invoice raised during the period for the performance obligation not completed till the year end."

NOTE – 23: Current tax liabilities (net)

Provision for income tax (net)	1,41,42,483	81,18,134
Total	1,41,42,483	81,18,134

NOTE – 24: Revenue from operations	For the Year End 31-03-2021	For the Year End 31-03-2020
(a) Sale of goods	11,12,09,322	1,13,15,786
(b) Sale of services (Note 24.1)		-
(i) From bandwidth services	6,98,36,019	24,97,07,077
(ii) From web solutions	95,04,024	19,02,26,133
(iii) From ITES	16,28,04,819	1,67,73,725
Total	35,33,54,184	46,80,22,721

"Note 24.1 : The Purchases were made by the Company for an amount of Rs.57,42,000 on June 2020 from Malvin IT Systems Pvt Ltd and the same was reversed on November 2020 due to some technical issues and corresponding sale is also reversed on December 2020 for an amount of Rs 16,51,700 . Confirmations from parties are in progress.

Note No 24.2: Accounting system is not integrated to location wise equipment wise customer wise data with respect to bandwidth service billing.

Note No 24.3 : Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal unwritten."

NOTE – 25: Other income	For the Year End 31-03-2021	For the Year End 31-03-2020
(a) Interest income earned on financial assets that are not designated as at fair value through profit and loss:		
- Bank deposits	2,71,969	93,714
- Other financial assets	2,63,160	-
(b) Other non-operating income		
- Rental income	5,30,000	18,36,277
- Others	87,980	19,69,597
(c) Other gains and losses		
- Net foreign exchange gains / (losses)	(4,28,984)	5,66,690
- Gain on disposal of property, plant and equipment	-	92,48,555
Total	7,24,125	1,37,14,833

Interest income and Rental Income includes income from related parties amounting to Rs.-NIL- for the year ended March 31, 2021 (For the year ended March 31, 2020: Rs.18,36,277).

NETTLINX LIMITED

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

	For the Year End 31-03-2021	For the Year End 31-03-2020
NOTE – 26: Access charges, license fee and network expenses		
Bandwidth, web hosting, leased circuit & service charges	2,09,71,343	29,03,98,394
Purchase cost of sales/services	64,56,702	1,47,14,227
Domain registration expenses	41,153	2,20,439
Annual membership fee	26,157	1,12,101
DOT licence fees	12,45,000	12,45,000
Cost of Inventory land sold	4,90,04,450	-
Total	7,77,44,805	30,66,90,161
NOTE – 27: Employee benefits expense		
Salaries (including managerial remuneration)	8,90,26,940	8,87,68,762
Contribution to provident and other funds	6,63,837	7,12,089
Gratuity	3,71,942	6,79,357
Staff welfare expenses	3,29,731	14,85,858
Total	9,03,92,450	9,16,46,066
NOTE – 28: Finance costs		
(a) Interest costs:		
(i) Interest on term loans	1,14,76,102	1,01,21,177
(ii) Interest on working capital facilities	3,50,833	11,24,133
(iii) Others	11,87,853	78,085
(b) Other borrowing costs:		
(i) Unwinding of discounts on decommissioning liabilities	-	2,94,517
Total	1,30,14,788	1,16,17,912
NOTE – 29: Depreciation and amortisation expense		
Depreciation of property, plant and equipment [Refer Note 3]	1,04,82,480	65,17,550
Amortisation of intangible assets [Refer Note 5]	15,88,746	75,711
Total	1,20,71,225	65,93,261
NOTE – 30: Other expenses		
Computer & network maintainance	78,06,030	43,42,070
Electricity charges	15,98,502	18,39,788
Rent	15,75,880	40,69,073
Vehicle maintainance	6,29,147	13,78,390
Office maintenance	55,16,966	18,53,918
Insurance	8,13,603	7,72,266
Rates and taxes*	73,16,130	81,61,014
Communication	4,80,602	4,36,012
Travelling and conveyance	16,59,659	29,97,649
Advertisement and sales promotion	10,20,735	9,01,807
Professional	9,69,79,031	64,59,807
Payment to auditors	3,84,500	3,50,300
Bad trade receivables written-off	21,18,711	1,67,922
Provision for doubtful trade receivables (expected credit loss)	2,03,72,178	23,18,818
Security charges	6,51,274	7,76,000
Loss of Sale of vehicle	1,98,455	-
Printing and stationery	1,46,570	2,86,847
Bank Charges	5,07,492	55,38,302
Miscellaneous expenses	6,91,385	1,28,166
Total	15,23,23,533	4,27,78,149

* Rates and Taxes includes an amount of Rs 18,91,000 towards advance listing fees to Swiss International Finance Group for listing of GDRs during the financial year 2016-17. However the Holding company (NETTLINX LIMITED) has not issued the GDRs due to technical issues. The Holding company (NETTLINX LIMITED) has requested to return the advance amount but the Swiss International Finance Group refused to refund the money. Hence the Holding company (NETTLINX LIMITED) has recognised the amount as advance written off in the current accounting period

Notes of Account on consolidated financial Statements

Group overview & significant policy

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, 2021, 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 Consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on 30 June, 2021.

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 Group'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 Group'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 Group'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 Group 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 counter party, 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 by 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 group 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 group 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 Group's lease asset classes primarily consist of leases for Land, buildings and colocations spaces. The group 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Group recognized Right use Asset and Lease Liability value of Rs.88,61,585

1.3 Foreign currency Transactions. Functional currency

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

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 Group, 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 Group 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 Group 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.

1.7 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.

1.8 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 Group 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.

1.9 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

1.10 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 Group.

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.

1.11 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.

1.12 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 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.

1.14 Employee benefits

1. Provident Fund: Employees of the Group 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 Group 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 Group 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 Group. 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 Group 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.

1.15 Investments in Subsidiaries and Associates

The Group's investment in its Subsidiaries and Associates are carried at cost.

1.16 Provisions

1. A provision is recognized if, as a result of a past event, the Group 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.

1.17 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 loss.

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

During the year, the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process.

NOTE 32

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.

Rs. In Lakhs

Particulars	2020-21	2019-20
i) Unexpired Bank Guarantees	0.00	0.00
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	0.00	4.68
iv) **GST	308.89	-
v)*** There is a dispute in City Civil Court, Hyderabad against P. Ravinder Reddy and E. Laxman Reddy, Hyderabad, for an amount of 18,00,000 (Approx.) in respect of Long Term Loans and Advances given- Advance for which the group is expecting a favourable order and hence no provision was created in the books.	18.00	18.00
vi)***The group has not made any provision towards interest and penalty for late payment of TDS on the ground that they are going to appeal before appropriate authorities relating to financial years 2018-19 & 2017-18	0.03	3.53

**Holding Company has paid Rs.308.89 Lakhs under section 74(5) of CGST Act, 2017 as pre deposit, pending finalization of investigation and Notice. If order received against the Holding Company, The Holding Company has to adjust the Rs.308.89 lakhs pre deposit amount to demand. Penal provisions as per Income Tax Act may apply if the above demand is tenable.

*Holding 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/- .

In the light of judgment dated 24.10.2019 of Hon'ble Supreme Court on the dispute between DoT and Telecom Service Providers (TSPs) regarding interpretation of AGR, DoT vide communication dated 05.12.2019 requested submission of a comprehensive representation since all the demands are being re-examined w.r.t. the Hon'ble Supreme Court Judgement. The Holding Company has represented to DoT stating inter-alia that the demands raised are not sustainable either in law or on facts as the nature of license in case of telecom service providers is different and distinct from the licenses given to the Holding Company.

*** Contingent Liabilities of Sri Venkateswara Green Power Projects Limited.

NOTE 33

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 upto the same reporting date i.e. March 31, 2021.

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.

The Consolidated Financial Statements are comprised of the financial statements of the members of the Group as under:

Name of the Company	% of Share holding and voting power	
	Year Ended 31-03-2020	Year Ended 31-03-2019
Subsidiaries:		
1. Nettlinx Realty Private Limited	100%	100%
2. Nettlinx Inc	100%	100%
3. Sailon SE	95%	95%
4. Sri Venkateswara Green Power Projects Limited	59.96%	53.56%
5. Nettlinx Technologies private limited (Subsidiary of Nettlinx Realty pvt Limited)	100%	100%

NOTE 34

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 35

Auditors Remuneration:

Particulars	For the Year 2019–20 Rs. In Lakhs	For the Year 2018–19 Rs. In Lakhs
a) Statutory Auditor		
Audit Fee	4.69	3.09
Certification & Fees for other Services	0.45	0.35
Total	5.14	3.44

NOTE 36

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.

S.NO. Particulars	As at March 31, 2021	As at March 31, 2020
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.	-	-

NOTE 37
Related Party disclosures under IND AS – 24.

The List of Related Parties as identified by the management is as under:

1) Subsidiaries of the Group having significant Influence
a) NettlinxInc, USA –WOS
b) Nettlinx Realty Private Limited –WOS
c) Sri Venkateswara Green Power Projects Limited
d) Sailon SE
e) Nettlinx Technologies Private Limited (wholly owned subsidiary of Nettlinx Realty Pvt Ltd)
2) Companies in which directors are interested
a) North East Broking Services Limited
3) Key Management Personnel (KMP) of the Group
a) Shri Manohar Loka Reddy – Chairman and Managing Director (Appointed as MD w.e.f 05/06/2020)
b) Chandra Sekhar Pogula – CEO and Whole time Director (Resigned as WTD w.e.f 05/06/2020)
c) Shri G. Sai Ram – CS
d) S.Mahaganesh - CFO (Resigned w.e.f 22/07/2020 ,
e) Venkateswara Rao Narepalem (Appointed as CFO w.e.f 14/09/2020)
4) Relative of KMP, having transactions with the Group
a) Rohith Loka Reddy

Following transactions were carried out with related parties in the ordinary course of business during the year 2020-21

(₹. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	71.60	71.60
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	-	-	-	-
4	Investments	100.00	-	-	100.00
5	Loans (Repaid to parties)	-	237.54	25.55	-
6	Loans (Received from parties)	764.47	-	-	764.47
7	Other Income	-	234.192	-	234.192
	a. (Sale of property to North East broking services)				
	b. Interest received net of TDS (From Nettlinx reality Pvt Ltd)	2.39	-	-	2.39

Following are the transactions carried out with related parties during the previous year 2019-20

(₹. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	50.04	50.04
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	77.82	1.19	-	79.01
4	Loans (Repaid to parties)	29.69		384.21	
5	Loans (Received from parties)	727.16			
6	Investments	1883.45	-	-	1883.45
7	Other (Rental Income)	-	18.36	-	18.36

Balances Outstanding with related parties:

(₹. in Lakhs)

S.No	Parties	Description	As on 31.03.2021	As on 31.03.2020
1.	Sri Venkateshwara Green Power Projects	Investments	0	431.18
2.	Manohar Loka Reddy	Loan (KMP)	0	14.05
3.	Nettlinx Technology Pvt Ltd	Loan (Subsidiary)	0	2.12
4.	Northeast Broking service limited	Loan	0	168.35

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors 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, 2021, 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.

NOTE 38

Defined Benefit Plan

The Group 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 31-03-2021	As at 31-03-2020
I	Change in Obligation		
	1 Present Value of defined benefit obligation at the beginning of the year	26.19	20.50
	2 Current service cost	19.57	49.36
	3 Interest cost	1.76	1.56
	4 Actuarial (gain) / loss on obligation	(17.91)	0.15
	5 Benefits paid	(1.61)	(0.97)
	6 Present Value of defined benefit obligation at the end of the year	10.38	26.19
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	1.61	0.97
	4 Actuarial gain / (loss) on plan assets	-	-
	5 Benefits paid	(1.61)	(0.97)
	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	1.95	4.93
	2 Interest cost	1.76	1.56
	3 Expected return on plan assets	0	0
	4 Net actuarial loss / (gain) recognized in the current year	(17.91)	0.15
	5 Expenses recognized in the Profit and Loss Account	3.72	6.50
IV	Re-measurements recognized in Other Comprehensive Income (OCI)		
	1 Changes in Financial Assumptions	(0.08)	2.10
	2 Changes in Demographic Assumptions	0	0
	3 Experience Adjustments	(17.83)	(1.94)
	4 Actual return on Plan assets less interest on plan assets		
	5 Amount recognized in Other Comprehensive Income (OCI)	(17.92)	0.15
V	Expenses recognized in the Balance Sheet as at the end of the year		
	1 Present value of defined benefit obligation	10.38	26.19
	2 Fair Value of plan assets at the end of the year	0	0
	3 Funded status [Surplus / (Deficit)]	(10.38)	(26.19)
	4 Net assets / (liability) as at the end of the year	(10.38)	(26.19)
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%	11.97	28.94
	Salary escalation-down by 1%	9.05	23.81
	Discount Rates-up by 1%	9.08	23.87
	Discount Rates-down by 1%	11.96	28.92
	Withdrawal Rates-up by 1%	10.88	26.69
	Withdrawal Rates-down by 1%	9.79	25.56
VIII	The major categories of plan assets as a percentage of total plan		
	1 Qualifying Insurance Policy		
IX	Actuarial Assumptions		
	1 Discount rate	6.79%	6.73%
	2 Withdrawal rate		
	3 Return on plan assets	0	0
	4 Salary Escalation	5%	5%

NOTE 39
Earnings per Share (EPS)

(₹. in Lakhs)

S.No.	Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
1	Profit attributable to the Equity Share Holders (Rs in Lakhs)- A	(63.16)	174.65
2	No. of Equity Shares	1,14,63,312	1,14,63,312
3	Nominal Value of the Share (Rs.)	10	10
4	Basic / Weighted average number of Equity Shares – B	1,14,63,312	1,14,63,312
5	Earnings per Share (Rs.) – A/B*	(0.55)	1.52
6	Diluted Earnings Per Share (Rs)- A/(B+E)	(0.55)	1.52

NOTE 40

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. Refer Note no.3 of the financial statements relating to impairment of the PPE.

NOTE 41**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 oversees 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, 2021 and March 31, 2020. 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, 2021 and March 31, 2020.

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

Particulars	Increase / decrease in interest rate	Effect on profit before tax
March31,2021INR		
INR	+1%	11.68
INR	-1%	11.68
March31,2020		
INR	+1%	13.37
INR	-1%	13.37

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.

As per the Management estimation, the company is confident of recovering the present Trade Receivables . Hence no ECL (Expected Credit Loss) has created .Further the Company has written of an amount Rs. Opening Balance(34,88,818)+ Current Year Loss (21,18,711)/- w.r.t Trade Receivables pending for more than 365 days Customers accounted for more than 5% of the revenue as of March 31, 2021 is Nil.

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, 2021				
Borrowings (including Current maturities of long term debt)	130.04	788.59	249.05	1167.68
Other noncurrent financial liabilities	16.45	57.21	-	73.66
Trade payables	121.18	-	-	121.18
Other Payables	157.91	-	-	157.91
Interest Accrued but not due	-	-	-	-
Salary and Bonus payable	15.08	-	-	15.08
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

NOTE 42**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 follows

(₹. in Lakhs)

Particulars	As at 31-Mar-21	As at 31-Mar-20
Total equity attributable to the equity shareholders of the Group	3807.31	3889.24
As a percentage of total capital	73.32	66.44
Long term borrowings including current maturities	1358.32	1569.82
Short term borrowings	57.96	395.12
Total borrowings	1385.60	1964.95
As a percentage of total capital	26.68	33.56
Total capital (equity and borrowings)	5192.91	5854.19

NOTE 43**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.

NOTE 44

Details of foreign exchange Inflow or Out flow during the year.

Foreign exchange inflow**Name of the party Inflow in Rs.**

Nettlinx INC 43,79,544

Friendly Consultants 1,14,10,448

Total 1,57,89,992

NOTE 45**Covid-19**

The spread of COVID 19 pandemic across the globe and the consequent remedial measures against the virus taken by the various countries and the Indian Government are having impact on the operations of the various economies, all of which has led to substantial contraction of demand. In view of the above pandemic, its impact on the Group's operations has been considered and a sensitivity analysis based on current estimates in assessing the recoverability of receivables also has been performed. However, the actual impact of COVID 19 on the financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

NOTE 46

The Company is in the process of obtaining confirmations for the Balances of Trade Payables, Trade receivables, Advances from the Customers and other balances.

In terms of our report attached
C. Ramachandram & Co.,
Chartered Accountants,
Firm Registration No. 002864S

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

Sd/-
Premnath Degala
Partner
M.No:207133
UDIN:21207133AAAADQ5178

Sd/-
Manohar Loka Reddy
Managing Director
DIN : 00140229

Sd/-
Jeeten Anil Desai
Director
DIN:07254475

Place: Hyderabad
Date: 30-06-2021

Sd/-
G Sai Ram
CS & Compliance Officer

Sd/-
N.Venkateswara Rao
Chief Financial Officer

BOOK-POST

TO

If Undelivered please return to :

NETTLINX LIMITED

5-9-22, Flat No. 303
3rd Floor, My Home Sarovar Plaza,
Secretariat Road, Saifabad,
Hyderabad, Telangana - 500 063.
Ph : 91-040-23232200/23231621
Fax : 23231610 E-mail : secretarial@nettlinx.org
Website : www.nettlinx.com