

Date: 22.08.2023

To,  
Listing Manager,  
Listing Compliance,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001.  
Phones: 91 -22-22721233 / 4, Fax: 91 -22-22721919.

To,  
Listing Manager,  
Listing Compliance,  
Metropolitan Stock Exchange of India  
Limited,  
205(A), 2nd Floor, Piramal Agastya Corporate  
Park, Kamani Junction, LBS Road, Kurla,  
(West), Mumbai-400 070

**Sub: Submission of Annual Report pursuant to Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Dear Sir/ Madam,**

In compliance with the provisions of Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report of the Company for the year ended 31<sup>st</sup> March, 2023.

The Annual Report is also uploaded on the Company's website: [www.nettlinx.com](http://www.nettlinx.com)

You are requested to take the same in your record.

Thanking you,

Yours Sincerely,

**For M/s. Nettlinx Limited**



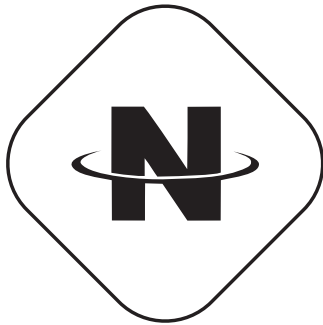
**Sai Ram Gandikota**  
**Company Secretary & Compliance Officer**



Annual Report  
2022 - 2023

**NETTLINX LIMITED**

Your Power to Communicate



**30<sup>th</sup> ANNUAL REPORT**  
**2022-2023**



**CORPORATE INFORMATION**
**BOARD OF DIRECTORS :**

Dr. Manohar Loka Reddy	- Promoter and Managing Director
Mr.Vijaya Bhasker Reddy Maddi	- Independent and Non-Executive Director
Mr. Venkateswara Rao Narepalem	- CFO cum Director
Ms.Radhika Kundur	- Woman and Non-Executive Director
Mr. Erwin Leopold Dieck	- Independent and Non Executive Director
Mr.Jeeten Anil Desai	- Independent and Non-Executive Director
Vijay Kumar Maistry	- Additional, Independent and Non-Executive Director(Appointed as Additional Director with effect from 28.07.2023)

**Chief Financial Officer**

Mr.Venkateswara Rao Narepalem

**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**

M/s NIRANJAN & NARAYAN  
Chartered Accountants  
7-1-28/1A/21, Shyamkaran Road,, 21 Park Avenue CoH.No:1-34,  
Abbapoor, Mulugu, Ameerpet, opposite line to Indo US Hospital,  
Warangal-506343, Telangana. Hyderabad – 500016, Telangana.

**SECRETARIAL AUDITORS**

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

**INTERNAL AUDITORS**

SYB & Co.,  
Chartered Accountants  
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, India.

**REGISTRARS AND SHARE TRANSFER AGENTS**

Venture Capital and Corporate Investments Pvt. Ltd.,  
Regd. Off : Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57,  
Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally - 500032,  
Telangana, India.  
Tel: 91-40-23818475/23818476/2386808023  
Fax: 040 – 23868024 | E – Mail: info@vccilindia.com

**STATUTORY COMMITTEES**
**Audit Committee**

Mr. Vijaya Bhasker Reddy Maddi	- Chairman
Mr. Jeeten Anil Desai	- Member
Dr. Manohar Loka Reddy	- Member

**Nomination and Remuneration Committee**

Mr. Vijaya Bhasker Reddy Maddi	- Chairman
Mr. Jeeten Anil Desai	- Member
Dr. Erwin Leopold Dieck	- Member

**Stakeholders Relationship Committee**

Mr. Vijaya Bhasker Reddy Maddi	- Chairman
Mr. Jeeten Anil Desai	- Member
Dr. Manohar Loka Reddy	- Member

**Risk Management Committee**

Mr.Vijaya Bhasker Reddy Maddi (Appointed w.e.f 11.02.2022)	- Chairman
Mr. Jeeten Anil Desai (Appointed w.e.f 01.10.2021)	- 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 30<sup>th</sup> Annual General Meeting of the Members of Nettlinx Limited will be held at 11.00 A.M. Indian Standard Time (IST) on Wednesday, 20<sup>th</sup> September, 2023 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:

a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and

b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

**Item No. 2 – confirm Interim Dividend:**

To approve and ratify the interim dividend on equity shares @ 0.40 per share already paid for the Financial Year 2022-23.

**Item No. 3 – 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.

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 (Holding DIN:00140229) is one of the longest serving members 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."

**SPECIAL BUSINESS:****Item No. 4. Increase The Remuneration of Managing Director Dr. Manohar Loka Reddy, From The Existing The Salary of Rs.50,000/- P.M. to Salary of Rs. 5,00, 000/- P.M.:**

**To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:**

**"RESOLVED THAT** in partial modification of resolution passed in this regard by the members of the Company at 27th Annual General Meeting held on 30th September, 2020 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Dr. Manohar Loka Reddy (Holding DIN : 00140229), Managing Director, with effect from 01st April, 2023 for the remaining period of his tenure ending on 04th day of June, 2025.

**RESOLVED FURTHER THAT** the remuneration payable to Dr. Manohar Loka Reddy, Managing Director with effect from 01st day of April, 2023 shall be as under:  
Salary: Rs. 5,00,000/- p.m. with effect from 01st day of April, 2023 inclusive of all perquisite.

**RESOLVED FURTHER THAT** the consent and ratification of the Members of the Company be and is hereby accorded that Dr. Manohar Loka Reddy, Managing Director of the Company be paid remuneration by way of Salary, Perquisites and allowances upto a maximum of Rs. 5,00,000/- (Rupees Five Lakhs only) as minimum remuneration for the remaining period in case the Company has no profits or its profit are inadequate.

**RESOLVED FURTHER THAT** the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** where in any financial year, during the currency of the tenure of Dr. Manohar Loka Reddy as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

**RESOLVED FURTHER THAT** except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the resolution passed at the 27th Annual General Meeting of the Company held on 30th September, 2020 shall remain unchanged.

**RESOLVED FURTHER THAT** the Board of Director or the Chief Financial Officer or the Company Secretary thereof be and are hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution."

**Item No. 5. Appointment of Mr. Vijay Kumar Maistry (DIN: 02060345) as an Independent Director of the Company.**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014("Rules") including any statutory modification(s) or re-enactment thereof for the time being in force and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Mr. Vijay Kumar Maistry (DIN: 02060345), who was appointed as an Additional Director in the category of Non-Executive Independent Director of the company w.e.f. 28.07.2023 by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee, pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and being eligible for appointment has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect

of whom the Company has received notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of an Independent Director, be and is hereby appointed as a Non- Executive Independent Director of the Company, to hold office for a term of 5 (five) consecutive years with effect from 28.07.2023 to 27.07.2028 and not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution and matters incidental consequential and connected therewith and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

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

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

**Date : 28.07.2023  
Place : Hyderabad**

**NOTES:**

1. In view of the current extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 (dated April 8, 2020), Circular No.17/2020 (dated April 13, 2020) Circular No. 20/2020 (dated May 5, 2020), Circular No. 02/2021 (dated January 13, 2021), Circular No. 19/2021 (dated December 8, 2021), Circular No. 21/2021 (dated December 14, 2021) and Circular No.2/2022 (dated May 5, 2022) Circular No.10/2022 (dated December 28, 2022) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), issued by the Ministry of Corporate Affairs (MCA) physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and 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 and Members of the Company joining through VC shall be reckoned for the purpose of quorum under Section 103 of the Act. Further, all resolutions in the meeting shall be passed through the facility of e-Voting/electronic system. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the 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 Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the items of Special Business as set out above is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of the person seeking re-appointment as Director under Item No.3 and 5 of the Notice, are also annexed.
4. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUF’s, NRI’s, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to chveeru@gmail.com with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) Institutional shareholders (i.e. other than individuals, HUF’s, NRI’s etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 13th September, 2023 to Wednesday, 20th September, 2023 (both days inclusive) for the purpose of payment of dividend, if any, for the financial year ended 31st March, 2023 and the Annual General Meeting (AGM).
6. Members intending to seek clarification at the Annual General Meeting concerning the accounts and any aspect of operations of the company are requested to send their questions in writing to the Company so as to reach the company at least 7 (seven) days in advance before the date of the Annual General Meeting, specifying the points.

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: Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally-500032, Telangana, India.

- (a) Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
- (b) Changes, if any, in their address at an early date.
- (c) Application for consolidation of folios, if shareholdings are under multiple folios.
- (d) Despatch of share certificates for consolidation.
- (e) Request for nomination forms for making nominations as per the provisions of the Companies Act.

**Dispatch of Annual Report through electronic mode:**

1. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2022-2023 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 2022-2023 will also be available on the Company’s website [www.nettlinx.com](http://www.nettlinx.com), on the website of CDSL ([www.evotingindia.com](http://www.evotingindia.com)) and on the websites of the Stock Exchanges, i.e., BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and MSEI Limited at [www.msei.in](http://www.msei.in).
2. 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, Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally-500032, Telangana, India Tel: 040- 23818475, 8476, Fax: 040-23868024, E-mail ID: [info@vccilindia.com](mailto:info@vccilindia.com) and / [orinvestor.relations@vccipl.com](mailto:orinvestor.relations@vccipl.com).

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

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

4. 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, Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally-500032, Telangana, India Tel: 040-23818475, 8476, Fax: 040-23868024, E-mail ID: info@vccilindia.com.

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

5. 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.

6. 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.

7. 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).

8. 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: Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57, Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally - 500032, Telangana, India.

The Notice of the AGM along with the Annual Report 2022-2023 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2022-2023 will also be available on the Company's website viz. www.Nettlinx.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during the normal business hours on working days. Even after registering for e-communication, members

are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: secretarial@nettlinx.org; info@vccipl.com

9. Members are requested to note that the Company's Equity Shares are compulsorily traded in demat form for the investors, effective from 26<sup>th</sup> 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. Retirement of Directors by rotation: Dr. Manohar Loka Reddy (HoldingDIN:00140229) 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 (HoldingDIN:00140229) as Director the Company whose office is liable to retire by rotation. Brief profiles of Director are provided as an "Annexure" to this Notice.

16. Members may also note that the Notice of the 30<sup>th</sup> 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.

17. 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.



**18. Voting through electronic means:**

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

1. In view of the current extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 (dated April 8, 2020), Circular No.17/2020 (dated April 13, 2020) Circular No. 20/2020 (dated May 5, 2020), Circular No. 02/2021 (dated January 13, 2021), Circular No. 19/2021 (dated December 8, 2021), Circular No. 21/2021 (dated December 14, 2021) and Circular No.2/2022 (dated May 5, 2022) Circular No.10/2022 (dated December 28, 2022) and Circular SEBI/HO/CFD /PoD-2/ P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”), issued by the Ministry of Corporate Affairs (MCA), 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.msei.in respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with Circular No. 14/2020 (dated April 8, 2020), Circular No.17/2020 (dated April 13, 2020) Circular No. 20/2020 (dated May 5, 2020), Circular No. 02/2021 (dated January 13, 2021), Circular No. 19/2021 (dated December 8, 2021), Circular No. 21/2021 (dated December 14, 2021) and Circular No.2/2022 (dated May 5, 2022) Circular No.10/2022 (dated December 28, 2022) and Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by SEBI (hereinafter collectively referred to as “the Circulars”).

**THE INTRUCTIONS FOR SHARE HOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Saturday, September 16, 2023 (9.00 a.m. IST) and ends on Tuesday, September 19, 2023(5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on Wednesday, September 13, 2023 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.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>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.</li> <li>If the user is not registered for Easi/Easiest, option to register is available <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<p><b>A. NSDL IDeAS Facility</b></p> <p><b>If you are already registered for NSDL IDeAS facility :</b></p> <ol style="list-style-type: none"> <li>Please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section.</li> <li>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.</li> <li>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 &amp; e-voting during the meeting.</li> </ol> <p><b>If the user is not registered for IDeAS e-Services, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>.</li> <li>Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>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.</li> <li>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 &amp; voting during the meeting.</li> </ol>

**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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and in Physical form.</b>
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"> <li>• 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.</li> </ul>
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"> <li>• 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).</li> </ul>

- 7) After entering these details appropriately, click on "SUBMIT" tab.
- 8) 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.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant Company NETTLINX LIMITED on which you choose to vote.

- 11) 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.
- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) 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.
- 14) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) 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.
- 17) 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](http://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](mailto: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](mailto: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](mailto:chveeru@gmail.com) and to the Company at the email address [viz;secretarial@nettlinx.org](mailto:viz;secretarial@nettlinx.org), [info@vccipl.com](mailto:info@vccipl.com), [cs@nettlinx.org](mailto: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](mailto: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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING AREAS 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 at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [atsecretarial@nettlinx.org](mailto:atsecretarial@nettlinx.org). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@nettlinx.org](mailto: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 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022 - 23058542/43.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.nettlinx.com](http://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 : 28.07.2023  
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. 4 and 5 of the accompanying Notice:

**ITEM NO. 4**

**INCREASE THE REMUNERATION OF MANAGING DIRECTOR DR. MANOHAR LOKA REDDY, FROM THE EXISTING THE SALARY OF RS.50,000/- P.M. TO SALARY OF RS.5,00,000/- P.M.:**

The Members of the Company at the 27th Annual General Meeting held on September 30, 2020 ("27th AGM") had appointed Dr. Manohar Loka Reddy as the Managing Director of the Company effective from 05.06.2020 for a period of five years up to 04.06.2025.

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate/no profits, may subject to certain conditions including the passing of a Special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

Taking into consideration the increased business activities of the Company coupled with higher responsibilities cast on Dr. Manohar Loka Reddy, the Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on 28th day of July, 2023, has approved the proposal to increase the salary of Dr. Manohar Loka Reddy, Managing Director, subject to the approval of shareholders, as set out in the resolution being item no. 4 of the accompanying notice w.e.f. 01st day of April, 2023 for the remaining period of his tenure i.e. upto 04th day of June, 2025.

Minimum Remuneration: Where in any financial year, during the currency of the tenure of Dr. Manohar Loka Reddy as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to him by way of salary, perquisites and allowances as specified in the resolution being item no. 5 of the accompanying notice as minimum remuneration, subject to the limits and conditions as prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

Out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid by the Company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following:

- (i) The payment of remuneration is approved by a resolution passed by the Board and also by the Nomination and Remuneration Committee of Directors.
- (ii) There is no default in repayment of any of its debts or interest payable thereon.

The Nomination and Remuneration Committee at its meeting held on 28th day of July, 2023 has already approved the above remuneration payable to Dr. Manohar Loka Reddy, Managing Director of the Company.

Further, the Company has not made any default in repayment of any of its debts or interest payable thereon. The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration.

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company as approved by the members of the Company shall remain unchanged.

During the financial year ended March 31, 2023, the profits of the Company may not be adequate and therefore the remuneration payable to the Managing Director would exceed the limits prescribed under the relevant provisions of the Companies Act, 2013.

The details of remuneration payable to Dr. Manohar Loka Reddy, Managing Director despite inadequacy or absence of profits is as under:

Remuneration:

- a) Salary :Rs. 250000/- (Rupees Two lakhs Fifty Thousand only) per month.
- b) HRA :Rs. 100000/- ( Rupees One lakh only) per month.
- c) SPA :Rs. 150000/- (Rupees One lakhs Fifty Thousand only) per month.
- d) Medical Expenses/ Reimbursement: As approved by Board.
- e) Leave Travel Allowance: For self and family once in a year incurred in accordance with the Rules of the Company.
- f) Personal Accident Insurance : As per the rules of the Company.
- i) Gas & Electricity etc. : As per the rules of the Company.
- j) Car : As per the rules of the Company.
- k) Telephone : As per the rules of the Company.

Explanation : For the purpose of this part, 'family' means the spouse.

Other Benefits :

- i) Gratuity : As per the rules of the Company.
- ii) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund : As per the rules of the Company.
- iii) Encashment of leave : As per the rules of the Company.

Apart from the aforesaid remuneration, he will be entitled to reimbursement of all expenses incurred in connection with the business of the Company.

The appointee shall not be entitled to any sitting fees for Board / Committee meetings.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modifications or re-enactment thereof; and in the absence of any such rules, perquisite and allowances shall be evaluated at actual cost. The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.

In the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in this financial year Dr. Manohar Loka Reddy shall be entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed above subject to such revisions as may be approved by the Board.

The terms and conditions of the said appointment and / or agreement are subject to provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and may be altered and varied from time to time by the Board/ Committee as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations. Further, the

remuneration as would be paid to Dr. ManoharLoka Reddy, managing director during his tenure would be the remuneration payable to him even if the said exceeds the stipulated managerial limits in terms of the provisions of Sections 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act and the excess payment of managerial remuneration, if any, during any financial year / period in between will stand waived subject to fulfillment and compliance of other conditions as mentioned under the various provisions of the Act or rules related thereto. Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No.4 is annexed hereto.

Accordingly, the Board recommends the resolution set forth in Item No. 4 relating to increase in the managerial remuneration payable to Dr. ManoharLoka Reddy, Managing Director, by way of Special Resolution.

Except Dr. Manohar Loka Reddy, no other director(s) and Key Managerial Personnel(s) or their relatives, is in any way, concerned or interested, financially or otherwise, in this resolution.

**Statement containing additional information as required in Schedule V of the Companies Act, 2013 – Dr. ManoharLoka Reddy (Item No.4 of Notice)**

1. General Information

1.	Nature of industry	Engaged in ISP segment																
2.	Date or expected date of commencement of commercial production	Existing Company in operation since 1994.																
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																
4.	Financial performance based on given indicators	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Fy 2022-2023(As per audited Financials Report)(Rs.In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Paidup Capital</td> <td>1176.33</td> </tr> <tr> <td>Reserves &amp; Surplus</td> <td>2697.23</td> </tr> <tr> <td>Total Revenue from operations</td> <td>1024.11</td> </tr> <tr> <td>Total Expenses</td> <td>836.58</td> </tr> <tr> <td>Profit Before Tax</td> <td>187.53</td> </tr> <tr> <td>Tax Expenses including Deferred Tax</td> <td>50.81</td> </tr> <tr> <td>Profit After Tax</td> <td>136.72</td> </tr> </tbody> </table>	Particulars	Fy 2022-2023(As per audited Financials Report)(Rs.In Lakhs)	Paidup Capital	1176.33	Reserves & Surplus	2697.23	Total Revenue from operations	1024.11	Total Expenses	836.58	Profit Before Tax	187.53	Tax Expenses including Deferred Tax	50.81	Profit After Tax	136.72
Particulars	Fy 2022-2023(As per audited Financials Report)(Rs.In Lakhs)																	
Paidup Capital	1176.33																	
Reserves & Surplus	2697.23																	
Total Revenue from operations	1024.11																	
Total Expenses	836.58																	
Profit Before Tax	187.53																	
Tax Expenses including Deferred Tax	50.81																	
Profit After Tax	136.72																	
5.	Foreign Investments or collaborations, if any	Not Applicable																

## 2. Information about the appointee:

1	Background details	MBBS degree from Nagarjuna University and a Post Graduation in Internal Medicine from Luthurn Medical Centre Total 25 years experience in ISP Business
2	Past remuneration	Rs.6,00,000/- per annum
3	Recognition or awards	NA
4	Job profile and his suitability	Dr. Manohar Loka Reddy is entrusted with substantial powers of the management and is responsible for the general conduct and management of the business and affairs of the Company, subject to the superintendence, control and supervision of the Board of Directors of the Company. Dr. Manohar Loka Reddy has extensive experience in strategy and initiatives that have global and cross business impact which includes sustainability, diversity, business policies, sales and customer development, marketing, corporate governance, brand equity and talent development.
5	Remuneration proposed	As stated in the Explanatory Statement at Item No.4 of this Notice.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration of Dr. Manohar Loka Reddy is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
7	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Dr. Manohar Loka Reddy is not related to any of the Directors and Key Managerial Personnel of the Company.

## 3 Other Information:

1	Reasons of loss or inadequate profits	During the financial year ended March 31, 2023, the profits of the Company may not be adequate due to COVID impact and therefore the remuneration payable to the Managing Director would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V.
2	Steps taken or proposed to be taken for improvement	Many corrective actions have been taken including cost control, reduction in avoidable manpower etc
3	Expected increase in productivity and profits in measurable terms	During 2023-2024, Q1 results showed considerable recovery in demand and business results. Q2 is expected to show further progressive recovery of demand and underlying business results.

**ITEM NO.5 Appointment of Mr. Vijay Kumar Maistry (DIN: 02060345) as an Independent Director of the company.**

With respect to composition of Board of Directors of the Company, the Board at its Meeting held on 28.07.2023, on the recommendations of the Nomination and Remuneration Committee, inducted Mr. Vijay Kumar Maistry (DIN: 02060345) as an Additional Director in the category of Non- Executive Independent Director of the Company for a term of 5 (five) consecutive years w.e.f. 28.07.2023, subject to the approval of shareholders of the Company. Mr. Vijay Kumar Maistry (DIN: 02060345) has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. The Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Vijay Kumar Maistry (DIN: 02060345) as a Non-Executive Independent Director of the Company.

Mr. Vijay Kumar Maistry is an accomplished professional with a strong background in marketing and real estate. With his extensive experience and expertise in these fields, he has made significant contributions to various organizations throughout his career.

**Qualifications:**

MBA (Master's in Business Administration) - A prestigious degree that reflects his advanced knowledge and skills in business management.

**Professional Experience:**

**Marketing Expertise:** Mr. Maistry has a proven track record in the marketing domain, having held prominent roles in marketing departments of renowned companies. He possesses a deep understanding of market dynamics, consumer behavior, and effective marketing strategies that drive business growth.

**Real Estate Background:** Throughout his career, Mr. Maistry has been actively involved in the real estate sector. His expertise in this industry spans various aspects, such as property development, sales and marketing of real estate projects, market analysis, and investment strategies.

Independent Directorship: With his vast knowledge and experience, Mr. Maistry has taken up the responsibility of an Independent Director in esteemed organizations. As an Independent Director, he provides valuable insights, objective judgment, and impartial guidance to the company's board of directors, contributing to effective corporate governance.

Mr. Maistry's unique blend of marketing acumen and real estate expertise makes him a valuable asset to any organization looking to leverage his skills in driving business growth, enhancing market presence, and making strategic decisions. His qualifications and achievements exemplify his commitment to excellence and continuous professional development.

The brief resume of Mr. Vijay Kumar Maistry (DIN: 02060345) is separately annexed and forming part of this notice.

The Board considers that association of Mr. Vijay Kumar Maistry (DIN: 02060345) as a Non-Executive Independent Director would be of immense benefit to the Company. In the opinion of the Board, Mr. Vijay Kumar Maistry (DIN: 02060345) fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 as amended from time to time.

A copy of the draft letter of appointment of Mr. Vijay Kumar Maistry (DIN: 02060345) has been uploaded on the website of the company at [www.nettlinx.com](http://www.nettlinx.com) and available for inspection.

Save and except the appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval by the shareholders.

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

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

**Date : 28.07.2023  
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	Vijay Kumar Maistry
Category	Executive- Director	Independent Director
DIN	00140229	02060345
Date of Birth and Age	20/11/1962 & 58 years	10/10/1968& 54 years
Qualification	MBBS degree from Nagarjuna University and a Post Graduation in Internal Medicine from Luthurn Medical Centre	MDB (Master's in Business Administration) - A prestigious degree that reflects his advanced knowledge and skills in business management.
Nature of Expertise/Experience	Total 15 years experience in ISP Business	Marketing Expertise: Mr. Maistry has a proven track record in the marketing domain, having held prominent roles in marketing departments of renowned companies. He possesses a deep understanding of market dynamics, consumer behavior, and effective marketing strategies that drive business growth.
First Appointment on the Board	07 <sup>th</sup> November, 2005	27 <sup>th</sup> October 2011
Terms & Conditions of Appointment/ Re-appointment	Appointed as Managing Director	Appointed as Independent Director
Remuneration Details	Rs.60,00,000/- per annum	Nil
No. of shares held in Nettlinx Limited as at March 31, 2023	55,11,156	Nil
Relationship with other Directors/ Manager/KMP	Not Applicable	Not Applicable
No. of Board meetings attended out of 8 meetings held during the year 2022-2023	8(out of 8)	Not Applicable
Other Directorships	Listed Public Companies	Listed Public Companies
	1. Nettlinx Limited	Nil
	Public Companies:	Public Companies:
	Sri Venkateswara Green Power Projects Limited	Nil
	Private Companies:	Private Companies:
	1.Nettlinx Realty Private Limited 2. Nettlinx Technologies Private Limited	1.Indra Minerals Private Limited 2.Shield Insurance Broking SolutionsPrivate Limited
	Foreign Companies	Foreign Companies
	Nil	Nil
	Section 8 Companies	Section 8 Companies
	NIL	NIL
	LLPs:	LLPs:
	NIL	NIL
	Member: 1.Internal Complaints Committee 2.Audit Committee 3.Stakeholders Relationship Committee	NIL
Chairmanships/Memberships of the Committees of other public limited companies as on March 31, 2023	NIL	NIL

## BOARD'S REPORT

To,  
The Members,

Your Directors take pleasure in presenting their thirty(30<sup>th</sup>) Annual Report and the audited Statement of Accounts, highlighting the business operations and financial results for the financial year ended March 31, 2023. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

### 1. FINANCIAL HIGHLIGHTS:

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

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	2022-2023	2021-2022	2022-2023	2021-2022
Revenue from Operations	1017.84	970.96	2166.95	3442.43
Other Income	6.27	8.93	137.06	29.80
Total Income	1024.11	979.89	2304.02	3472.24
Total Expenditure	836.58	843.80	2272.62	3152.33
Profit before Interest and Depreciation	377.88	338.45	229.16	533.66
Finance Cost	97.87	114.22	98.91	118.72
Depreciation	92.47	88.14	98.85	95.03
Profit before exceptional items and Tax	187.53	136.09	31.40	319.91
Exceptional Item	0	0	0	0
Profit/(Loss) Before Tax	187.53	136.09	31.40	319.91
Current Tax	48.77	37.67	51.16	71.52
Prior Period Taxes	0.07	(3.39)	(0.056)	(3.39)
Deferred Tax Asset	1.97	(4.42)	(2.03)	(4.70)
Less: Provision of MAT	0	0	0	0
Net Profit/ (loss) after Tax	136.72	106.23	(21.74)	256.48

### Standalone and Consolidated Financial Statements:

The standalone and consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial highlights and the results of the operations, including major developments have been further discussed in detail in the Management Discussion and Analysis Report.

Further, a statement containing the salient features of the financial statements of our subsidiaries pursuant to sub-section 3 of Section 129 of the Companies Act, 2013 in the prescribed form AOC-1 is appended as Annexure 1 to the Board's Report.

The statement also provides the details of performance and the financial positions of each of the subsidiaries, associates and joint venture.

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

On a standalone basis, the revenue from operations for FY 2023 was 1017.84 Lakhs, higher by 4.82% over the previous year's revenue of 970.96 Lakhs in FY 2022. The profit after tax (PAT) attributable to shareholders for FY2023 and FY 2022 was 136.72 Lakhs and ₹ 106.23 Lakhs, respectively.

On a consolidated basis, your Company's revenues from operation for the FY2023 and FY 2022 was 2166.95 lakhs and 3442.43 lakhs respectively and the profit after tax (PAT) attributable to shareholders for FY2023 and FY 2022 was (21.74) Lakhs and 256.48 Lakhs, respectively.

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

There was no change in nature of business of the Company. Consolidation of Clients, rationalization of market segments & expansion of Sales force will be the Focused approach in Financial Year 2023-2024 to achieve the targeted numbers. During the Financial Year 2023-2024 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 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 have been no material changes and commitments, if any, affecting the financial position of your Company which have occurred between the end of financial year of the Company to which the Financial Statements relate and date of this Report. There were no significant or material orders passed by regulators, courts or tribunals impacting the Company's operations in future.

### 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. 2,000 lakhs, up from the previous year's Rs .1017.84Lakhs, an estimated growth of around 96.49 % 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, serverless, containers, hybrid cloud, AI – require a robust, flexible, secure, self-healing, software & hardware driven high quality equipment & devices that can be integrated, leading to a seamless hyper converged technological advantage to achieve efficient productivity with commercially viable pricing and sustained after sales service extended model. We work 24/7. The support includes:

Servers, Routers & Networks Switches, Cabling, Wireless, equipment & Wi-Fi devices, Firewalls, Projectors - DLP (Digital Light Processing), Projectors - LCD (Liquid Crystal Display) Mobile Jammers, Printers / Photocopiers/ Scanners Internal LAN projects, CCTV and security surveillance Biometric, Technical Manpower Services Web Hosting Services, Co-location Services Managed Data Centre 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 tie up 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. 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 19-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 centre, 22 km from ORR.

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 reaming 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 Financial Assistance has announced a grant of Rs.478 cr. for the renewable energy projects (Waste to Energy/ Bio Mass/ Gasification). SV Green is also eligible for a grant up to Rs.50 cr.. The company has applied for the grant and is one among the short listed 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.,SalionSEand Nettlinx Realty Private Limited, One Subsidiary namely Sri Venkateswara Green Power Projects Limited and one step down subsidiary Nettlinx Technologies Private Limited. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 (“Act”).

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

**7. RESERVES:**

No amount is proposed to be transferred to reserves for the financial year ended March 31, 2023.

**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, 2023 is Rs. 11,76,33,120 divided into 1,17,63,312 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. However, the board of Directors of the company have approved for the issue of bonus shares on 06.03.2023 and completed said Bonus allotment on April 25, 2023 and permitted to trade on the Exchanges with effect from Friday, May 12, 2023.

**D. EMPLOYEES STOCK OPTION PLAN:**

The Company has not provided any Stock Option Scheme to the employees

**9. DIVIDEND:**

The Company recommended / declared dividend as under during the financial year 2022-2023.

Particulars	2022-2023		2021-2022	
	Dividend per share (in Rupees)	Dividend pay-out (in Lakhs)	Dividend per share (in Rupees)	Dividend pay out
Interim dividend	Rs.0.4/- per share	47.05	0	0
Final dividend	0	0	0	0
Total dividend	Rs.0.4/- per share	47.05	0	0

**10. DEPOSITS:**

The Company has not accepted any deposits from the public in terms of Chapter V of the Companies Act, 2013. Hence, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**11. DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

During the Financial Year 2022-23, no company ceased to be subsidiary and associates of the company and your company does not have any joint ventures

**12. DIRECTORS AND KEY MANAGERIAL PERSONNEL: DIRECTORS:**

Mr. Vijay Kumar Maistry was appointed as Additional Director of the company with effect from 28.07.2023 who shall hold office upto to the date of ensuing Annual General Meeting.

The matter of appointing him as regular director appears as an agenda item in the Notice of 30<sup>th</sup> Annual General Meeting. Regularising in the Annual General Meeting to be held on 20.09.2023.

The Board recommends the resolution as set forth in item No.5 of the notice for approval of the members.

**RE-APPOINTMENTS:**

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

**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 each Independent Director under section 149(7) of Companies Act, 2013, that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and Regulation 25 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

**DETAILS OF KEY MANAGERIAL PERSONAL (KMP):**

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are – Dr. Manohar Loka Reddy, Managing Director, Mr. Venkateswara Rao Narepalem, Chief Financial Officer and Mr. Sai Ram Gandikota, Company Secretary as on 31.03.2023.

**NUMBER OF MEETINGS OF THE BOARD:**

Eight (8) 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.

Date of board meeting	Manohar Reddy Loka	Vijaya Bhaskar Reddy Maddi	Venkateswara Rao Narepalem	Radhika Kundur	Jeeten Anil Desai	Dr Dieck Erwin Leopold
30.05.2022	Present	Present	Present	Absent	Present	Present
13.08.2022	Present	Present	Present	Absent	Present	Absent
07.10.2022	Present	Present	Present	Absent	Present	Present
11.11.2022	Present	Present	Present	Present	Present	Present
18.11.2022	Present	Present	Present	Absent	Present	Absent
13.02.2023	Present	Present	Present	Absent	Present	Absent
03.03.2023	Present	Present	Present	Absent	Present	Absent
06.03.2023	Present	Present	Present	Absent	Present	Absent

**Extra Ordinary General Meetings:**

Date of EGM Notice	Resolutions passed	Date of EGM	Scrutinizer	Link for EGM notice and results
07.10.2022	Issue of Up to 6,25,000 Convertible Warrants to the Promoters and Up to 4,50,000 Convertible Warrants to the Non Promoters on Preferential Basis	04.11.2022	VCSR & Associates  Upender Reddy Sama (M No.A17738 CP No:6877) Practicing Company Secretaries	<a href="https://www.nettlinx.com/postal-ballot-egm/">https://www.nettlinx.com/postal-ballot-egm/</a>

Meeting of Independent directors meeting held on 13.02.2023.

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

**Board evaluation:**

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

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

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

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

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

**POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

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

**13. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March 2023 on a going concern basis;
- that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and;
- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**14. COMPOSITION OF THE COMMITTEES AND ITS MEETINGS****Audit Committee**

The Audit Committee working under Chairmanship of Mr. Vijaya Bhasker Reddy Maddi, with Mr. Jeeten Anil Desai and Mr. Manohar Reddy Loka as co-members. During the year, the sub-committee met on seven occasions with full attendance of all the members.

There were seven (7) Audit Committee Meetings held during the year on 30.05.2022, 13.08.2022, 07.10.2022, 11.11.2022, 13.02.2023, 03.03.2023 and 06.03.2023.

The composition of the Audit Committee as at March 31, 2023 and details of the Members participation at the Meetings of the Committee are as under:

Attendance at the Committee Meetings held on	Name of the Director					
	Manohar Reddy Loka		Vijaya Bhasker Reddy Maddi		Jeeten Anil Desai	
	Category	Member	Category	Chairman	Category	Member
30.05.2022	Yes		Yes		Yes	
13.08.2022	Yes		Yes		Yes	
07.10.2022	Yes		Yes		Yes	
11.11.2022	Yes		Yes		Yes	
13.02.2023	Yes		Yes		Yes	
03.03.2023	Yes		Yes		Yes	
06.03.2023	Yes		Yes		Yes	

The composition of the Audit Committee and details of the Members is as follows:

Name of Director	Designation	Category
Sri. Vijaya Bhasker Reddy Maddi	Chairman	NED(I)
Sri. Jeeten Anil Desai	Member	NED(I)
Dr. Manohar Loka Reddy	Member	Managing Director

**STAKEHOLDER'S RELATIONSHIP COMMITTEE**

Name	Designation	Category
Mr. Vijaya Bhasker Reddy Maddi	Chairman	NED(I)
Sri.Jeeten Anil Desai	Member	NED(I)
Dr.Manohar Loka Reddy	Member	MANAGING DIRECTOR

The composition of Stakeholders Relationship Committees as at March 31, 2023 and details of the Members participation at the Meetings of the Committee are as under:

Attendance at the Committee Meetings held on	Name of the Director					
	Manohar Reddy Loka		Vijaya Bhasker Reddy Maddi		Jeeten Anil Desai	
	Category	Member	Category	Chairman	Category	Member
30.05.2023		Yes		Yes		Yes

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination, Remuneration and Compensation Committee comprises of the following Directors

Name	Designation	Category
Mr. Vijaya Bhasker Reddy Maddi	Chairman	NED(I)
Sri. Jeeten Anil Desai	Member	NED(I)
Mr. Erwin Leopold Dieck	Member	NED(I)

The composition of the Nomination, Remuneration and Compensation Committee as at March 31, 2023 and details of the Members participation at the Meetings of the Committee are as under:

Attendance at the Committee Meetings held on	Name of the Director					
	Erwin Leopold Dieck		Vijaya Bhasker Reddy Maddi		Jeeten Anil Desai	
	Category	Member	Category	Chairman	Category	Member
30.05.2022		Yes		Yes		Yes
13.08.2022		Yes		Yes		Yes
07.10.2022		Yes		Yes		Yes
11.11.2022		Yes		Yes		Yes
13.02.2023		Absent		Yes		Yes

**15. MEETING OF INDEPENDENT DIRECTORS**

A separate meeting of the Independent Directors was held on 13<sup>th</sup> February 2023, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non- Executive Directors and the evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

**15. AUDITORS AND AUDITOR'S REPORT:**

M/s. Niranjan & Narayan, Chartered Accountants (Firm Registration No. 005899S) allotted by The Institute of Chartered Accountants of India (ICAI) was appointed as Auditors of the company for a term of consecutive five years at the 29<sup>th</sup> Annual General Meeting held on 04<sup>th</sup> August, 2022.

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

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

**SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Act and Rules, Regulation 24A of the Listing Regulations and other applicable provisions framed thereunder, your Company had appointed M/s VCSR & Associates, Company Secretaries, to carry out Secretarial Audit for the financial year 2022-2023.

**SECRETARIAL AUDITOR'S 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 2022-2023 does not contain any qualifications, reservations or adverse remarks.

**REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors, Internal Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Directors or Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

**15. ANNUAL RETURN AND EXTRACT OF ANNUAL RETURN:**

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2022-2023 is given in Annexure-D in the prescribed Form No. MGT-9, which is a part of this report. The copy of the Annual Return is available on Company's website <https://www.nettlinx.com/annual-returns/and> in terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the web-link : <https://www.nettlinx.com/annual-returns-2/>

**16. PARTICULARS OF EMPLOYEES:**

- 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.
- 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, 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.

**17. 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.

**18. 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.

**19. SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**20. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

**21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place, an adequate system of internal controls commensurate with its size, requirements and the nature of operations. These systems are designed, keeping in view the nature of activities carried out at each location and the various business operations. The company has documented a robust and comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Auditor monitors and evaluates the efficiency adequacy of internal controls system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit,

process owners undertake corrective action in their respective areas and thereby strengthen the controls. During the year, the Audit Committee met regularly to review reports submitted by the Internal Audit. All significant audit observations and follow-up actions thereon were reported to the Audit Committee. The Audit Committee also met the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company. Your Company also has a Risk Management Framework in place covering all critical areas of operation. This framework is reviewed periodically keeping in mind the business dynamics and external environment and provides the guidelines for managing the various risks across the business.

**22. 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 [https://www.nettlinx.com/company/Nettlinx\\_VIGIL\\_MECHANISM.pdf](https://www.nettlinx.com/company/Nettlinx_VIGIL_MECHANISM.pdf)

**23. 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.

**24. 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.

**25. 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 31<sup>st</sup> March, 2023.

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

- The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Company has not received any complaints during the year.

S.No.	Particulars	Status of the No. of complaints received and disposed off
1.	Number of complaints on Sexual harassment received	Nil
2.	Number of Complaints disposed off during the year	Not Applicable
3.	Number of cases pending for more than ninety days	Not Applicable
4.	Number of workshops or awareness programme against sexual harassment carried out	The Company regularly conducts necessary awareness programs for its employees
5.	Nature of action taken by the employer or district officer	Not Applicable

**27. 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 centres 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. 97.395 /- (Lakhs)  
Foreign Exchange Outflows: Rs. NIL/-

**28. 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.

**29. 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.

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

Sd/-  
Mr. Venkateswara Rao Narepalem  
CFO

Date: 28.07.2023  
Place : Hyderabad

**30. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

All new independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided in the Corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website, at [https://www.nettlinx.com/company/Nettlinx\\_Familiarization\\_Programme.pdf](https://www.nettlinx.com/company/Nettlinx_Familiarization_Programme.pdf)

**31. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2022-2023 to BSE and MSEI where the Company's Shares are listed.

**32. PREVENTION OF INSIDER TRADING:**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, your Company has instituted comprehensive Code titled as "Code of Conduct to regulate, Monitor and Report trading by Insiders" which lays down guide lines and advises the Directors and Employees of the Company on procedures to be followed and disclosures to be made while dealing in securities of the Company.

The policy provides the framework in dealing with securities of the Company. Details of the policy are available on our website at <https://www.nettlinx.com/company/Code%20of%20Conduct%20to%20Regulate-%20Monitor-%20Report%20Trading%20by%20Insiders.pdf> to regulate, Monitor and Report trading by Insiders.

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

**32. ACKNOWLEDGEMENTS:**

Your Directors wish to convey their deep appreciation to all the employees, customers, vendors, investors, Bankers, Financial Institutions for their sincere and dedicated services as well as their collective contribution to the Company's performance.

Your Directors also thank the Government of India, Government of various States in India and concerned Government Departments for their co-operation.

By order of the Board of Directors  
For Nettlinx Limited

Sd/-  
Mr. Vijaya Bhasker Reddy Maddi  
Director  
DIN: 00278842

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



## ANNEXURE INDEX

Annexure	
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

## ANNEXURE A

## 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):

- 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, 2022 to 31st March, 2023
- 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: 15,23,08,806
- Total Assets: 18,48,36,032
- Total Liabilities: 18,48,36,032
- Investments: 13,59,53,899
- Turnover: Nil
- Profit before taxation: -4,57,718.44
- Provision for taxation: -11,594
- Profit after taxation: -446125
- 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, 2022 to 31st March, 2023
- 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: 9,89,045
- Total Assets: 78,07,406
- Total Liabilities: 78,07,406
- Investments: NIL
- Turnover: 2,52,48,758
- Profit before taxation: 7,14,948
- Provision for taxation: 1,92,757
- Profit after taxation: 5,22,192
- 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: Jan 1, 2021 to Dec 31, 2022

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 80.51.
6. Share capital: \$ 381000
7. Reserves & surplus: \$ 294289
8. Total assets: \$ 739004.09
9. Total Liabilities: \$ 739004.09
10. Investments: \$ Nil
11. Turnover: \$ 1113640.40
12. Profit before taxation: \$ -141450.29
13. Provision for taxation: Nil
14. Profit after taxation: \$ -141450.29
15. Proposed Dividend: Nil
16. Extent of shareholding: 100%

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

1. Sl. No.:4.
2. Name of the subsidiary: SALION SE.
3. The date since when subsidiary was acquired: 17.02.2017

4. Reporting period for the subsidiary concerned Jan 1, 2022 to Dec 31, 2022
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: EURO at 89.608
6. Share capital: 6,20,000
7. Reserves & surplus: (157163)
8. Total assets: 497424
9. Total Liabilities: 497424
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:**

**1. Sri Venkateswara Green Power Projects Limited**

- 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 and Amended Regulations 2018;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)"

**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, 2023**

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, 2022 and ended 31st March, 2023, 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:

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, 2023 according to the provisions of:

- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (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 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period); and
- l) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(Not applicable to the Company during the audit period);
- k) Securities and Exchange Board of India(Depositories and Participants) Regulations, 2018;
- 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 ("TRAIAct")
- b) Guidelines and General Information for Grant of License for Operating Internet Services dated August 24, 2007 ("ISP License Guidelines")
- c) Information Technology Act, 2000 and the rules made thereunder;
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.

- (b) 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:-

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

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

We further report that, during the audit report, the following events occurred which had bearing on the company's affairs in pursuance of the above referred laws, rules, regulations and guidelines:

1. Company has allotted 625000 warrants having an option to convert into equity shares to Mr Rohit Loka Reddy by passing special resolution in the EGM held on 04.11.2022,

2. Out of 625000 warrants issued on 04.11.2022, the company has converted 300000 warrants into 300000 equity shares in the board meeting held on 06.03.2023.

We further report that, during the year under review, the Company has received email notice dated 12.01.2023 from BSE Limited for with Regulation 23(9) of the SEBI (LODR) Regulations, 2015 ('Listing Regulations') relating to Non Compliance with disclosure of related party transactions on consolidated basis & Quarter ending September 2022(Q2) within stipulated time. The said non-compliance was since cured w.e.f. 28.12.2022. Further, the Rs 1,77,000/- fine was also duly paid by the company. on 24.01.2023

**For VCSR & Associates  
Company Secretaries**

**Sd/-  
Ch. Veeranjanyulu  
Partner  
FCS : F6121  
C.P.No: 6392  
UDIN:F006121E000695084**

**Place: Hyderabad  
Date: 28.07.2023**

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.

**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. Wherever 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.

**Place: Hyderabad**  
**Date: 28.07.2023**

**For VCSR & Associates**  
**Company Secretaries**

**Sd/-**  
**Ch. Veeranjanyulu**  
**Partner**  
**FCS : F6121**  
**C.P.No: 6392**  
**UDIN:F006121E000695084**

**MR - 3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**M/s. Sri Venkateswara Green Power Projects Limited,**  
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and regulations as mentioned below and the adherence to good corporate practices by SRI VENKATESWARA GREEN POWER PROJECTS LIMITED (herein called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the SRI VENKATESWARA GREEN POWER PROJECTS LIMITED 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SRI VENKATESWARA GREEN POWER PROJECTS LIMITED ('the Company') for the financial year ended on March 31, 2023 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- IV. Employees Provident Fund and Miscellaneous Provisions Act, 1952
- V. Equal Remuneration Act, 1976
- VI. Income Tax Act, 1961 and Indirect Tax Laws
- VII. Indian Contract Act, 1872
- VIII. Minimum Wages Act, 1948
- IX. The Employees Compensation Act, 1923
- X. Payment of Wages Act, 1936 and other applicable labour laws
- XI. The Apprentices Act, 1961
- XII. The Factories Act, 1948
- XIII. The Contract Labour (Regulation & Abolition) Act, 1970
- XIV. The Shop & Establishment Act, 1988
- XV. The Maternity Benefit Act, 1961
- XVI. The Industrial Disputes Act, 1946
- XVII. The Payment of Gratuity Act, 1972
- XVIII. Payment of Bonus Act, 1965

- XIX. Employee State Insurance Act
- XX. The Employees Exchanges (Compulsory notification of vacancies) Act, 1959
- XXI. The other Laws, as informed and certified by the management of the company which are specifically applicable to the company based on their sector/Industry is:
  - a. Air (Prevention and control of pollution) Act, 1981
  - b. Water (Prevention and control of pollution) Act, 1974
  - c. Electricity Act, 2003 & The Electricity Rules, 2005;
  - d. Indian Electricity Rules, 1956;
  - e. Energy Conservation Act, 2011;
  - f. The Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006;
  - g. Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations, 2011;
  - h. Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010.

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

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

**For VCSR & Associates  
Company Secretaries**

**sd/-  
(Upender Reddy Sama)  
Partner**

**Place: Hyderabad  
Date: 19.08.2023**

**M.No:17738 CP No. 6877  
UDIN: A017738E000825457**

Note: This report is to be read with our letter of even date which is annexed as '(Annexure)' and forms an integral part of this report.

**ANNEXURE**

To  
The Members  
M/s. Sri Venkateswara Green Power Projects Limited,  
Hyderabad.

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 contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our 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 the 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 the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For VCSR & Associates  
Company Secretaries**

**sd/-  
(Upender Reddy Sama)  
Partner  
M.No:17738 CP No. 6877  
UDIN: A017738E000825457**

**Place: Hyderabad  
Date: 19.08.2023**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To,  
The Members,  
**NETTLINX REALTY PRIVATE LIMITED**  
5-9-22, 3<sup>rd</sup> Floor, My Home Sarovar Plaza,  
Secretariat Road, Saifabad, Hyderabad,  
Telangana- 500063, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NETTLINX REALTY PRIVATE LIMITED (hereinafter called the company), having its Registered Office at 5-9-22, 3<sup>rd</sup> Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad, Telangana- 500063, India Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the NETTLINX REALTY PRIVATE LIMITED 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 authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NETTLINX REALTY PRIVATE LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- II. The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;

III. Other laws as may be applicable specifically to the company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company has identified the following Industry specific laws which are applicable to the Company:

1. The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
2. Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979.

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

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

**For VCSR & Associates  
Company Secretaries**

sd/-  
**(Upender Reddy Sama)**  
Partner  
M.No:17738 CP No. 6877  
UDIN: A017738E000825468

Place: Hyderabad  
Date: 19.08.2023

Note: This report is to be read with our letter of even date which is annexed as '(Annexure)' and forms an integral part of this report.

**Annexure**

To  
The Members of  
M/s. Nettlinx Realty Private 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. Whereever 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.

**For VCSR & Associates  
Company Secretaries**

**sd/-  
(Upender Reddy Sama)  
Partner  
M.No:17738 CP No. 6877  
UDIN: A017738E000825468**

**Place: Hyderabad  
Date: 19.08.2023**



**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To,

The Members,

**NETTLINX TECHNOLOGIES PRIVATE LIMITED**5-9-22, 3<sup>rd</sup> Floor, My Home Sarovar Plaza,

Secretariat Road, Saifabad, Hyderabad,

Telangana- 500063, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NETTLINX TECHNOLOGIES PRIVATE LIMITED (hereinafter called the company), having its Registered Office at 5-9-22, 3<sup>rd</sup> Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad, Telangana- 500063, India Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the NETTLINX TECHNOLOGIES PRIVATE LIMITED 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 authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NETTLINX TECHNOLOGIES PRIVATE LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- II. The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;

III. Other laws as may be applicable specifically to the company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company has identified the following Industry specific laws which are applicable to the Company:

1. The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
2. Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979.

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

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

**For VCSR & Associates  
Company Secretaries**

sd/-  
**(Upender Reddy Sama)**  
Partner

Place: Hyderabad  
Date: 19.08.2023

M.No:17738 CP No. 6877  
UDIN: A017738E000825479

Note: This report is to be read with our letter of even date which is annexed as '(Annexure)' and forms an integral part of this report.

**Annexure**

To  
The Members of  
M/s. Nettlinx Technologies Private 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. Whereever 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.

**For VCSR & Associates  
Company Secretaries**

**sd/-  
(Upendar Reddy Sama)  
Partner  
M.No:17738 CP No. 6877  
UDIN: A017738E000825479**

**Place: Hyderabad  
Date: 19.08.2023**

**ANNEXURE-C:****PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Nettlinx Limited,

1. We have examined the compliance of the conditions of Corporate Governance by Nettlinx Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.
4. We further state that such compliance 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: F006121E000695161**

**Place: Hyderabad  
Date: 28.07.2023**

**ANNEXURE - D**  
**MGT 9**  
**Extract of Annual Return**  
**As on the Financial Year 31.03.2023**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

<b>I. REGISTRATION AND OTHER DETAILS:</b>		
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 42.20%-Indirectly through Nettlinx Realty Pvt. Ltd., -15.58)	57.78%	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	
<b>A. Promoters</b>	6753537	--	6753537	58.91	7023275	--	7023275	59.70	+0.79
<b>(1) Indian</b>	--	--	--	--	--	--	----	----	--
Individual/ HUF	--	--	--	--	--	--	----	----	--
Central Govt	--	--	--	--	--	--	----	----	--
State Govt (s)	--	--	--	--	--	--	----	----	--
Bodies Corp.	--	--	--	--	--	--	----	----	--
Banks / FI	--	--	--	--	--	--	----	----	--
Any Other....	--	--	--	--	--	--	----	----	--
<b>Sub-total (A) (1) :-</b>	6753537	--	6753537	58.91	7023275	--	7023275	59.70	+0.79
<b>(2) Foreign</b>	--	--	--	--	--	--	----	--	--
a) NRIs - Individuals	--	--	--	--	--	--	----	----	--
b) Others-Individuals	--	--	--	--	--	--	----	----	--
c) Bodies Corp.	--	--	--	--	--	--	----	----	--
d) Banks / FI	--	--	--	--	--	--	----	----	--
e) Any Other.....	--	--	--	--	--	--	----	--	--
<b>Sub-total (A) (2):-</b>									
<b>Totalshareholding of Promoter (A) =(A)(1)+(A)(2)</b>	6753537	--	6753537	58.91	7023275	--	7023275	59.70	+0.79
<b>B. Public Shareholding</b>	--	--	--	--	--	--	----	----	--
<b>1. Institutions</b>	--	--	--	--	--	--	----	----	--
a) Mutual Funds	--	--	--	--	--	--	----	----	--
b) Banks / FI	--	800	800	0.069	--	800	800	0.069	--
e) Venture Capital Funds	--	--	--	--	--	--	----	----	--
f) Insurance Companies	--	--	--	--	--	--	----	----	--
g) FIs	--	--	--	--	--	--	----	----	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	----	----	--
i) Qualified Foreign Investor	--	--	--	--	--	--	----	----	--
j. Any Other (specify)	--	--	--	--	--	--	----	----	--
<b>B1-Sub-Total(B)(1)</b>	--	800	800	0.069	--	800	800	0.069	--
<b>2. Non Institutions</b>									
<b>B2A) Bodies Corp.</b>	798762	4400	803162	7.0063	952552	4400	956952	8.135	+1.128
<b>i) Indian</b>	--	--	--	--	--	--	----	----	--
<b>ii) Overseas</b>	--	--	--	--	--	--	----	----	--
<b>b) Individuals</b>	--	--	--	--	--	--	----	----	--
<b>i) Individual shareholders holding nominal share capital up to Rs. 2 lakh</b>	1401935	382967	1784902	15.57	1282041	380167	1662208	14.13	1.44
<b>ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh</b>	2035201	20111	2055312	17.92	2047066	20111	2067177	17.57	+0.356

B2B-Clearing Member	26883	-	26883	0.23	9103	--	9103	0.077	-0.157
B2C -Non Resident Individuals	33416	5300	38716	0.337	38497	5300	43797	0.372	+0.034
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B2A)+ (B2B)+ (B2C)	4296197	412778	4708975	41.078	4329258	409978	4739237	40.38	-0.79
Total Public Shareholding B = (B)(1)+(B)(2)	4296197	412778	4708975	41.078	4329258	409978	4739237	40.38	-0.79
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	---	-
<b>Grand Total (A+B+C)</b>	<b>11049734</b>	<b>413578</b>	<b>11463312</b>	<b>100</b>	<b>11352534</b>	<b>410778</b>	<b>11763312</b>	<b>100</b>	<b>--</b>

**(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	5496034	--	5496034	47.94	55,11,156	--	5511156	46.85	-1.09
2. Saranya Loka Reddy	644186	--	644186	5.62	644186	--	644186	5.48	-0.14
3. P Kalpana Reddy	238100	--	238100	2.08	238100	--	238100	2.02	-0.06
4. Shiipa Loka Reddy	98200	--	98200	0.86	98200	--	98200	0.83	-0.03
5. Nithya Loka Reddy	58819	--	58819	0.51	58819	--	58819	0.50	-0.01
6. Jaya Reddy	25000	--	25000	0.22	25000	--	25000	0.21	-0.01
7. Dr Manohar Loka Reddy (HUF)	147814	--	147814	1.29	147814	--	147814	1.26	-0.03
8. Rohith Loka Reddy	--	--	--	--	300000	--	300000	2.55	+2.55
<b>Total</b>	<b>6708153</b>	<b>--</b>	<b>6708153</b>	<b>58.52</b>	<b>7023275</b>	<b>--</b>	<b>7023275</b>	<b>59.7</b>	<b>1.18</b>

(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**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Rs. In Lakhs

SI.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	Dr. Manohar Loka Reddy Managing Director	
		6	6
2	Stock Option	-	
3	Sweat Equity	-	
4	Commission - as % of profit - Others, specify...	- - -	
5	Others, please specify	-	
6	Total (A)	6	6
7	Ceiling as per the Act	Within the limits of yearly remuneration payable, as per section II-remuneration payable by companies having no profit or inadequate profit without central government approval, part II, Schedule V of the Companies Act, 2013.	

## B. Remuneration to other directors:

SI. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors	Jeeten Anil Desai	Dr. Erwin Leopold Dieck	Vijaya Bhasker Reddy Maddi	
1	• Fee for attending board / committee meetings	40000	--	40000	80000
2	Commission • Others, please specify	NA	NA	NA	NA
3	Total (1)	40000	--	40000	80000
4	Other Non-Executive Directors	-	-	Radhika Kundur	-
5	• Fee for attending board / committee meetings	NA	NA	5000	5000
6	Commission	NA	NA	NA	-
7	Others, please specify	NA	NA	NA	-
8	Total (2)	-	-	-	-
9	Total (B)=(1+2)	NA	NA	5000	5000
10	Total Managerial Remuneration	40000	--	45000	85000
11	Overall Ceiling as per the Act	Rs.1,00,000 per meeting	Rs.1,00,000 per meeting	Rs.1,00,000 per meeting	-

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			TOTAL
		Managing Director	Company Secretary & Compliance Officer	Chief Financial Officer	
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	6,00,000 PA	804000 PA	16,08,000 PA	30,12,000
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	6,00,000 PA	804000 PA	16,08,000 PA	30,12,000

**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. Vijaya Bhasker Reddy Maddi  
Director  
DIN: 00278842

Date: 28-07-2023  
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 01-04-21 to 31-03-23)	
		No. of shares at the beginning (01-04-22)/ end of the year (31- 03-23)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	Dr Manohar Lokareddy	5541418	48.34					
				08.04.2022	45384	Decrease/sold	5496034	47.94
				24.06.2022	11332	Decrease/sold	5484702	47.84
				26.08.2022	26454	increase/Bought	5511156	48.07
		5511156	46.85	31-03-2023				
2.	Saranya Loka Reddy	644186	5.62	01-04-2022				
		644186	5.47	31-03-2023				
3.	P Kalpana Reddy	238100	2.08	01-04-2022				
		238100	2.02	31-03-2023				
4.	Shilpa Loka Reddy	98200	0.86	01-04-2022				
		98200	0.83	31-03-2023				
5.	Nithya Loka Reddy	58819	0.51	01-04-2022				
		58819	0.50	31-03-2023				
6.	Jaya Reddy	25000	0.22	01-04-2022				
		25000	0.21	31-03-2023				
7.	Dr Manohar Loka Reddy (HUF)	147814	1.29	01-04-2022				
		147814	1.26	31-03-2023				
8.	Rohith Loka Reddy	0	0	01-04-2022				
				06-03-2023	Increase	Allotment of Equity shares pursuant to conversion of warrants into equity shares	300000	+2.55
		300000	2.55	31-03-2023				

**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 01-04-22 to 31-03-23)	
		No. of shares at the beginning (01-04-22) /end of the year (31- 03-23)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	NORTHEAST BROKING SERVICES LIMITED	778174	6.79%	01-04-2022				
		778174	6.61%	31-03-2023				
2.	Veena Reddy Alluri	46983	0.41%	01-04-2022				
		46983	0.40%	31-03-2023				
3.	Sudhir Kumar Reddy Kalakata	36016	0.31%	01-04-2022				
				24-6-2022	879	Increase/Bought	36895	0.32%
				30-6-2022	700	Increase/Bought	37595	0.33%
				10-2-2023	19390	Increase/Bought	56985	0.50%
				17-2-2023	12283	Increase/Bought	69268	0.60%
				24-2-2023	6005	Increase/Bought	75273	0.66%
				17-3-2023	5000	Increase/Bought	80273	0.68%
				24-3-2023	7204	Increase/Bought	87477	0.74%
				31-3-2023	3000	Increase/Bought	90477	0.77%
		90477	0.77%	31-3-2023				
4.	Gunjan Gupta	0	0	01-04-2022				
				4-11-2022	25000	Increase/Bought	25000	0.22%
				25-11-2022	4000	Increase/Bought	29000	0.25%
				09-12-2022	5982	Increase/Bought	34982	0.31%
				16-12-2022	9782	Increase/Bought	44764	0.39%
				23-12-2022	8236	Increase/Bought	53000	0.46%
				31-3-2023	1215	Increase/Bought	54215	0.46%
		54215	0.46%	31-3-2023				
5.	Sasidhar Posim Reddy	117622	1.03%	01-04-2022				
				08-04-2022	-135	Decrease/sold	117487	1.02%
				15-04-2022	-135	Decrease/sold	117352	1.02%
				22-04-2022	-42	Decrease/sold	117310	1.02%
				24-02-2023	-6775	Decrease/sold	110535	0.96%
		110535	0.93%	31-3-2023				
6.	P Prameela Reddy	251024	2.19%	01-04-2022				
				7-10-2022	-1500	Decrease/sold	249524	2.18%
				14-10-2022	-1701	Decrease/sold	247823	2.16%
				21-10-2022	-1040	Decrease/sold	246783	2.15%
				11-11-2022	-207	Decrease/sold	246576	2.15%
				18-11-2022	-445	Decrease/sold	246131	2.15%
				9-12-2022	-1235	Decrease/sold	244896	2.14%
				16-12-2022	-3871	Decrease/sold	241025	2.10%
				23-12-2022	-5500	Decrease/sold	235525	2.05%
				24-2-2023	-5540	Decrease/sold	229985	2.01%
		229985	1.96%	31-3-2023				
7.	Padmaja Juvvadi	50499	0.44	01-04-2022				
		50499	0.429	31-3-2023				
8.	Kuninte Manimala	309914	2.70%	01-04-2022				

9.	Dr. Sarat Surapaneni	262099	2.28%	01-04-2022				
		262099	2.22%	31-3-2023				
10.	Vijaya Lakshmi Pogula	92098	0.80%	01-04-2022				
				30-6-2022	-20201	Decrease/sold	71897	0.63%
				29-7-2022	-13478	Decrease/sold	58419	0.51%
				5-8-2022	-12731	Decrease/sold	45688	0.40%
				12-8-2022	3000	Increase/Bought	48688	0.42%
				16-9-2022	-15000	Decrease/sold	33688	0.29%
		33688	0.28%	31-3-2023				
11.	P Parashuram Reddy	64800	0.56%	01-04-2022				
		64800	0.55%	31-3-2023				
12.	B Ranjith Rao	73503	0.64%	01-04-2022				
					-2500	Decrease/sold	71003	0.60%
		71003	0.60%	31-03-2023				
13.	ACME Capital Market Private Limited	0	0	01-04-2022				
				2-12-2022	69759	Increase/Bought	69759	0.61%
				6-1-2023	-59	Decrease/sold	69700	0.61%
				27-1-2023	-6564	Decrease/sold	63136	0.55%
				10-3-2023	-70	Decrease/sold	63066	0.55%
		63066	0.54%	31-03-2023				
14.	Challa Ashwani Kumar Reddy	53000	0.46%	01-04-2022				
		53000	0.45%	31-3-2023				
15.	Sreekanth Reddy Puthalapat	66590	0.58%	01-04-2022				
					-500	Decrease/sold	66090	0.57%
		66090	0.56%	31-3-2023				
				8-4-2022	17593	Increase/Bought	59367	0.52%
				22-4-2022	822	Increase/Bought	60189	0.53%
				29-4-2022	223	Increase/Bought	60412	0.53%
				13-5-2022	4438	Increase/Bought	64850	0.57%
				20-5-2022	-7463	Decrease/sold	57387	0.50%
				27-5-2022	36000	Increase/Bought	93387	0.81%
				3-6-2022	-29310	Decrease/sold	64077	0.56%
				10-6-2022	-7650	Decrease/sold	56427	0.49%
				24-6-2022	21438	Increase/Bought	77865	0.68%
				9-9-2022	-16	Decrease/sold	77849	0.68%
				16-9-2022	-1780	Decrease/sold	76069	0.66%
				23-9-2022	-18264	Decrease/sold	57805	0.50%
				7-10-2022	10000	Increase/Bought	67805	0.59%
				14-10-2022	-2598	Decrease/sold	65207	0.57%
				21-10-2022	-21	Decrease/sold	65186	0.57%
				25-11-2022	-186	Decrease/sold	65000	0.57%
				16-12-2022	-1500	Decrease/sold	63500	0.55%
				23-12-2022	-7500	Decrease/sold	56000	0.49%
				30-12-2022	373	Increase/Bought	56373	0.49%
				6-1-2023	1367	Increase/Bought	57740	0.50%
				31-3-2023	-5	Decrease/sold	57735	0.49%
		57735	0.49%	31-3-2023				

## 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 01-04-2022 to 31-03-2023)	
		No. of shares at the beginning (01-04-22)/end of the year (31- 03-23)	% of total shares of the Company				No. of shares	%of total shares of the company
1.	DR MANOHAR LOKAREDDY	5541418	48.34	01-04-2022				
				08-04-2022	45384	Decrease/sold	5496034	47.94
				24.06.2022	11332	Decrease/sold	5484702	47.84
				26.08.2022	26454	Increase/Bought	5511156	48.07
		5511156	46.85	31-03-2023				
2.	Maddi Vijaya Bhasker Reddy	34820	0.30	01-04-2022				
		34820	0.29	31-3-2023				
3.	Radhika Kundur	Nil	Nil	01-04-2022				
		Nil	Nil	31-3-2023				
4.	Jeeten Anil Desai	Nil	Nil	01-04-2022				
		Nil	Nil	31-3-2023				
5.	Erwin Leopold Dieck	Nil	Nil	01-04-2022				
		Nil	Nil	31-3-2023				
6.	Sai Ram Gandikota	Nil	Nil	01-04-2022				
		Nil	Nil	31-3-2023				
7.	Venkateswara Rao Narepalem	Nil	Nil	01-04-2022				
		Nil	Nil	31-3-2023				

**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:

Name	Designation	Ratio
Dr. Manohar Loka Reddy	Managing Director	2.65
Mr. Venkateswara Rao Narepalem	CFO cum Director	6.38
Ms.Radhika Kundur	Woman and Non-Executive Director	0
Mr. Erwin Leopold Dieck	Independent and Non Executive Director	0
Mr. Jeeten Anil Desai	Independent and Non Executive Director	0
Mr. Vijaya Bhasker Reddy Maddi	Independent and Non Executive Director	0
Mr. Sai Ram Gandikota	Company Secretary & Compliance Officer	3.19

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
Dr.Manohar Loka Reddy	Not Applicable
Mr.Narepalem Venkateswara Rao	Not Applicable
Mr. Sai Ram Gandikota, Company Secretary	Not Applicable

There was no increment in salary during FY23.

~ Information pertains to the period from April 1, 2022 to March 31, 2023.

iii) the percentage increase in the median remuneration of employees in the financial year: 12.6

iv) the number of permanent employees on the rolls of company: 38

(v) Average percentile increases 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 eventbased compensation revisions, increase in the managerial remuneration for the year was NIL.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company:  
It is hereby affirmed that the remuneration paid is as per the Nomination & 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 31<sup>st</sup> MARCH, 2023:**

**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:**

As on March 31, 2023, the Company has six Directors out of which 4 (i.e.66.67 percent) are Non-Executive Directors out of which 3 (i.e. 75 percent) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and 152 of the Act.

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as independent directors in more than seven listed entities; and
- who are the Executive Directors serves as independent directors in more than three listed entities.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023 have been made by the Directors.

None of the Directors is related to each other

ii Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

iv. 8 Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.

The said meetings were held on:

30.05.2022, 13.08.2022, 07.10.2022, 11.11.2022, 18.11.2022, 13.02.2023, 03.03.2023 and 06.03.2023

The names and categories of the directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2023 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public limited companies in which he/she is a director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name	Category	No. of Board Meetings		Attendance at the Last AGM (04.08.2022)	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	8	8	Yes	2	1	0	0	-
Mr. Venkateswara Rao Narepalem	Executive Director	8	8	Yes	1	0	0	0	-
Mr. Vijaya Bhasker Reddy Maddi	Independent	8	8	Yes	0	0	0	0	-
Dr. Erwin Leopold Dieck	Independent	8	3	No	0	0	0	0	-
Ms. Radhika Kundur	Non-Executive	8	1	Yes	0	0	0	0	-
Mr. Jeeten Anil Desai	Independent	8	8	Yes	2	0	0	0	-

\*Does not include directorships in Nettlinx Limited, foreign bodies corporate and companies incorporated under Section 8 of the Act / Section 25 of the Companies Act, 1956.

\*\*Promoter

There is no inter-se relationship between the Directors.

A brief resume of the Directors, nature of their expertise in specific functional areas, etc. are available on website of the Company <https://www.nettlinx.com/director-1/>

The Board meets at least once in every quarter and / or whenever necessary for an update and to review the business performance and financial results. The Board / its Committee review the Company's annual financial plan. On an ongoing basis during the year, the Board monitors the performance of the Company as against its annual financial plan as well as resource allocation decisions made during the period. The Board also evaluates the Company's strategy and assesses progress against agreed milestones.

Independent Directors of your Company are independent of the Management and have complied with the applicable conditions of the Listing Regulations.

The Company Secretary in consultation with the Chairman and Managing Director & CFO drafts the agenda for each meeting, along with notes and circulate the same in advance to the Board / Committee members. All material information is incorporated in the agenda facilitating meaningful and focused discussions during the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled at the meeting. Every Board member is free to suggest items for inclusion in the agenda. The Directors are provided uninterrupted access to office and employees of the Company. Management is encouraged to invite the Company personnel to any Board / Committee meeting at which their presence and expertise would help the Board to have a full understanding of the matters being considered.

Details of equity shares of the Company held by the Directors as on March 31, 2023 are given below:

Name	Category	Number of Equity Shares
Dr. Manohar Loka Reddy	Promoter & Managing Director	55,11,156
Mr. Vijaya Bhasker Reddy Maddi	Independent Director	34820

Shareholding of Non-Executive Directors:

The details of Company's shares held by Non – Executive Directors as on March 31, 2023 are as below:

Directors	No. of shares held as on March 31, 2023
Mr. Vijaya Bhasker Reddy Maddi	34820
Mr. Subramanyeswara Rao Kakarala	NIL
Dr. Erwin Leopold Dieck	Nil
Ms. Radhika Kundur	Nil
Mr. Jeeten Anil Desai	Nil

#### Meeting of Independent Director (IDs):

Independent Directors met on 13<sup>th</sup> February, 2023 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.

#### 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](http://nettlinx.com/company/Policies/Nettlinx_Familiarization_Programme.pdf).

#### 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.com](http://www.Nettlinx.com.com) and on the weblink [http://nettlinx.com/investor\\_relations\\_2\\_Code of conduct of board of directors and senior management personnel. pdf](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 2022-23.

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 fulfill 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 fulfill 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.

(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	Mr. Vijaya Bhasker Reddy Maddi, Dr. Dieck Erwin Leopold, Dr. Manohar Reddy Loka, Mr. Jeeten Anil Desai, Mr. Venkateswara Rao Narepalem
Technical knowledge on operations, Production	Dr. Manohar Reddy Loka, Mrs Radhika Kundur, Mr. Jeeten Anil Desai
Corporate Governance, Strategic Management	Dr. Manohar Reddy Loka, Mr. Vijaya Bhasker Reddy Maddi
Marketing and Sales	Dr. Manohar Reddy Loka, Mr. Vijaya Bhasker Reddy Maddi

**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 working under Chairmanship of Mr. Vijaya Bhasker Reddy Maddi, with Mr. Jeeten Anil Desai and Mr. Manohar Reddy Loka as co-members. During the year, the sub-committee met on five occasions with full attendance of all the members.

There were seven (7) Audit Committee Meetings held during the year on 30.05.2022, 13.08.2022, 07.10.2022, 11.11.2022, 13.02.2023, 03.03.2023 and 06.03.2023.

The composition of the Audit Committee as at March 31, 2023 and details of the Members participation at the Meetings of the Committee are as under:

Attendance at the Committee Meetings held on	Name of the Director					
	Manohar Reddy Loka		Vijaya Bhasker Reddy Maddi		Jeeten Anil Desai	
	Category	Member	Category	Chairman	Category	Member
30.05.2022	Yes		Yes		Yes	
13.08.2022	Yes		Yes		Yes	
07.10.2022	Yes		Yes		Yes	
11.11.2022	Yes		Yes		Yes	
13.02.2023	Yes		Yes		Yes	
03.03.2023	Yes		Yes		Yes	
06.03.2023	Yes		Yes		Yes	

The composition of the Audit Committee and details of the Members is as follows:

Name	Designation	Category
Sri. Vijaya Bhasker Reddy Maddi	Chairman	NED(I)
Sri. Jeeten Anil Desai	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:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**B) COMPOSITION:**

The Details of composition of the Committee as on 31<sup>st</sup> March, 2023 are given below:

Name	Designation	Category
Mr. Vijaya Bhasker Reddy Maddi	Chairman	NED(I)
Sri. Jeeten Anil Desai	Member	NED(I)
Dr. Manohar Loka Reddy	Member	MANAGING DIRECTOR

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

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

**D) DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2022-23:**

**B) COMPOSITION:**

The Details of composition of the Committee as on 31<sup>st</sup> March, 2023 are given below:

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2023
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:
- to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- 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 ATTENDANCE DURING THE YEAR:**

The Details of composition of the Committee as on 31<sup>st</sup> March, 2023 are given below:

Name	Designation	Category
Mr. Vijaya Bhasker Reddy Maddi	Chairman	NED(I)
Sri. Jeeten Anil Desai	Member	NED(I)
Mr. Erwin Leopold Dieck	Member	NED(I)

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

The committee met five times during the previous year on 30.05.2022, 13.08.2022, 07.10.2022, 11.11.2022 and 13.02.2023.

**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:**

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

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

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

**5. Other directorships/ committee memberships:**

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

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

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

5.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships. For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

**4. RISK MANAGEMENT COMMITTEE:**

**A. COMPOSITION:**

The Details of composition of the Committee as on 31st March, 2022 are given below:

Name	Designation	Category
Name of Director	Designation	Category
Sri. Vijaya Bhasker Reddy Maddi	Chairman	NED(I)
Sri. Jeeten Anil Desai	Member	NED(I)
Dr. Manohar Reddy Loka	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	Designation	Category
Ms. Radhika Kundur	Chairperson	NED
Dr.Manohar Loka Reddy	Member	Managing Director
Ms.P.Sarita	Member	External member-NGO

**6. Senior management:**

Particulars of senior management including the changes therein since the close of the previous financial year

**7. REMUNERATION OF DIRECTORS:**

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

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

**Policy:**

1. Remuneration to Executive Director and key managerial personnel
  - 1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
  - 1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
  - 1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
    - (i) Basic pay
    - (ii) Perquisites and Allowances
    - (iii) Stock Options
    - (iv) Commission (Applicable in case of Executive Directors)
    - (v) Retrial benefits
    - (vi) Annual performance Bonus
  - 1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
2. **Remuneration to Non – Executive Directors**
  - 2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.
  - 2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

**3. Remuneration to other employees**

- 3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization.

Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**C. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2022-2023 AND OTHER DISCLOSURES:**

Name of the Director	Salary	Perks & other Benefits	Performance Bonus/ Commission	Sitting Fee/ Each Meeting	Total
Dr. Manohar Reddy Loka	6,00,000	Nil	Nil	Nil	Rs. 6,00,000/-
Mr. Vijaya Bhasker Reddy Maddi	Nil	Nil	Nil	40,000	Rs. 40,000/-
Ms. Radhika Kundur	Nil	Nil	Nil	5,000	Rs. 5,000/-
Dr. Erwin Leopold Dieck	Nil	Nil	Nil	0	0
Mr. Jeeten Anil Desai	Nil	Nil	Nil	40,000	Rs. 40,000/-
Mr. Venkateswara Rao Narepalem	Nil	Nil	Nil	Nil	Nil

- 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.

**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:**

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.**

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 13.02.2023, 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 13.02.2023 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

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

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

- i) Mr. Manohar LokaReddy –Managing Director
- ii.) Ms.Radhika Kundur
- iii.) Mr. Venkateswara Rao Narepalem

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.

**8. GENERAL BODY MEETINGS:****1. Annual General Meetings:**

a. 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
2021-2022	04-08-2022	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)	<ol style="list-style-type: none"> <li>1. Adoption Of Financial Statements for the financial year ended 31 March, 2023.</li> <li>2. Appointment of Director: To appoint a director in place of Ms. Radhika Kundur (Holding DIN: 07135444) who retires by rotation and, being eligible, seeks reappointment.</li> <li>3. Re-Appointment of Auditors: the appointment of M/s. Niranjan &amp; Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S) as Statutory Auditors of the Company.</li> </ol>
2020-2021	24.09.2021	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)	<ol style="list-style-type: none"> <li>1. Adoption Of Financial Statements for the financial year ended 31 March, 2021.</li> <li>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.</li> <li>3. Appointment of Auditors: the appointment of M/s. Niranjan &amp; Narayan, Chartered Accountants (ICAI Firm Registration No. 005899S) as Statutory Auditors of the Company.</li> <li>4. Re-Appointment of Mr. Kakarla Kiran Venkatasiva (DIN: 07592337) as an Independent Director:</li> <li>5. Re-Appointment of Mr. Subramanyeswara Rao Kakarala (DIN: 07587769) as an Independent Director:</li> <li>6. Re-Appointment of Dr. Erwin Leopold Dieck (DIN: 07614028) as an Independent Director:</li> <li>7. To appoint Mr. Jeeten Anil Desai (DIN: 07254475) as an Independent Director</li> </ol>
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)	<ol style="list-style-type: none"> <li>1. Adoption Of Financial Statements for the financial year ended 31 March, 2020</li> <li>2. Appointment Of Director of Ms. Radhika Kundur (Holding DIN: 07135444)</li> <li>3. Appointment of Dr. Manohar loka reddy (holding din: 00140229) as managing director of the company</li> </ol>

b. Extraordinary General Meeting:

Date of EGM Notice	Resolutions passed	Scrutinizer	Link for EGM notice and results
07.10.2022	Issue of Up to 6,25,000 Convertible Warrants to the Promoters and Up to 4,50,000 Convertible Warrants to the Non Promoters on Preferential Basis	VCSR & Associates  Upender Reddy Sama (M No.A17738 CP No:6877) Practicing Company Secretaries	<a href="https://www.nettlinx.com/postal-ballot-egm/">https://www.nettlinx.com/postal-ballot-egm/</a>

Description of the Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid votes	
	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
Issue of Up to 6,25,000 Convertible Warrants to the Promoters and Up to 4,50,000 Convertible Warrants to the Non Promoters on Preferential Basis	09	99322	100%	0	0	0	2	5011156

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.]

- b. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot: There are no postal ballot held during the financial year 2022-2023.

#### Disclosures with respect to demat suspense account/ unclaimed suspense account

- (1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:
- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year;
- (c) number of shareholders to whom shares were transferred from suspense account during the year;
- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

## 9. 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)	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 Private Limited)
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
b)	Shri G. Sai Ram – CS
c)	Venkateswara Rao Narepalem
4)	Relative of KMP, having transactions with the Group
a)	Saranya Loka Reddy

Transactions During the year and outstanding at the end of Financial Year with Related parties.

Rs. In Lakhs

S.No.	Nature of Transactions	Subsidiaries	KMP	Relatives of KMP	Entities over which KMP have significant influence	Total
1.	Loans Taken	16.95	133.79	0	0	150.74
2.	Loans Repaid	16.95	133.79	0	0	150.74
3.	Other Income					
	a. Interest received net of TDS (From Nettlinx Reality Private Limited)	0	0	0	0	0
	b. Rental Income (From Sri Venkateswara Green Power Projects Limited)	1.75	0	0	0	1.75
4.	Managerial Remuneration Paid	0	30.12	0	0	3.12
5.	Outstanding Loans & Receivables	0	0	0	0	0
6.	Investments during the year	0	0	0	0	0
7.	Managerial Remuneration during the year	0	0	0	0	0

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

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, and strictures imposed on the company:

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](http://www.Nettlinx.com).



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

Sr. No.	Compliance Requirement (Regulations/guidelines including specific clause)	Regulation/CircularNo.	Deviations	Action Takenby	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Financial Year
1.	The Company was required to submit the Audited Financials within 60 days from the end of Financial year.	Regulation 33 of SEBI (LODR) Regulations, 2015 for the Quarter and year Ended 31.03.2021	Delay in submission of Audited financials by one day	BSE and MSEI	Notice of non-compliance was served, requiring the company to pay a fine of Rs. 5,900/- (including GST)	Delay in submission of financials by one day	Rs. 5,900/- (including GST)	The company has paid fine and the said non compliance has not repeated during the year	The prescribed fee was paid to BSE and MSEI on -03.08.2021	2021-22
2.	The Company was required to submit half-yearly disclosures of related party transactions within 15 days from the date of publication of its standalone and consolidated financial results in XBRL mode.	Regulation 23 (9)- Non-compliance with disclosure of related party transactions on consolidated basis & Quarter ending September-2022(Q2)	Delay in filing of disclosure of related party transactions for the half year ended 30th September, 2022	BSE	BSE vide its Notice action under SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 has imposed fine on the company for an amount of Rs. 1,77,000/- for non-compliance of Regulation 23(9) of SEBI LODR	Dealy in filing of disclosure of related party transactions for the half year ending 30th September 2022 in XBRL Mode. The due date of filing was 25.11.2022 but the same was submitted 28.12.2022	Rs. 1,77,000/- (including GST)	The Company was required to submit half-yearly Disclosure of related party transactions within 15 days from the date of publication of its standalone and consolidated financial results in XBRL Mode. The due date of filing was 25.11.2022 but the same was submitted 28.12.2022	The company has submitted reply to BSE that disclosure has been made in PDF submissions rather than XBRL mode. Accordingly non compliance has made good and paid the penalty	2022-2023

**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](http://www.nettlinx.com) and on the web link [http://nettlinx.com/company/Policies/Nettlinx\\_VIGIL\\_MECHANISM.pdf](http://nettlinx.com/company/Policies/Nettlinx_VIGIL_MECHANISM.pdf).

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

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

**E. Reconciliation of Share Capital Audit:**

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

of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL

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

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to the Stock Exchanges which is effective from December 1, 2015 and same is available on the company's website [www.nettlinx.com](http://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](http://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 placement as specified under Regulation 32 (7A)- **Not Applicable**

disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Sl.No.	Name of Subsidiary	Date and Place of Incorporation	Name of Statutory Auditors	Date of Appointment
1.	Nettlinx Realty Private Limited	16th September 2006 Hyderabad, India	Niranjan & Narayan Chartered Accountants (FRN:005899S)	30th September, 2020
2.	Sri Venkateswara Green Power Projects Limited	07th September 2009 Hyderabad, India	M/s. DEVA & Co, Chartered Accountants (FRN: 000722S)	29th September, 2018
3.	Nettlinx Technologies Private Limited	22nd November 2019 Hyderabad, India	M/s. DEVA & Co, Chartered Accountants (FRN: 000722S)	30th September, 2020

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. 6.79 (Lakhs)

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:

\*Compliance Requirement (Regulations / circulars/ guide- lines including specific clause):The Company was required to submit half-yearly disclosures of related party transactions within 15 days from the date of publication of its standalone and consolidated financial results in XBRL mode.

\*Regulation/ Circular No.:Regulation 23 (9)- Non-compliance with disclosure of related party transactions on consolidated basis & Quarter ending September-2022(Q2).

\*Deviations:Delay in filing of disclosure of related party transactions for the half year ended 30thSeptember, 2022.

\*Action Taken by: BSE

\*Type of Action: BSE vide its Notice action under SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 has imposed fine on the company for an amount of Rs. 1,77,000/- for non-compliance of Regulation 23(9) of SEBI LODR.

\*Details of Violation: Dealy in filing of disclosure of related party transactions for the half year ending 30thSeptember 2022 in XBRL Mode. The due date of filing was 25.11.2022 but the same was submitted 28.12.2022

\*Fine Amount: Rs. 1,77,000/-(including GST)

\*Reply from the Company to the BSE notice: The company has submitted reply to BSE that disclosure has been made in PDF submissions rather than XBRL mode. Accordingly non compliance has made good and paid the penalty.

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](http://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 31st March 2023.
  - v. Reporting of internal auditor:  
The Internal auditor reports to the Chairman of the Audit Committee directly.

The Company has separate posts of Chairman and CEO as on 31st March 2023.

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 (i) of sub-regulation (2) of Regulation 46 are as follows:**

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

#### H. Prohibition of insider trading:-

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has adopted a Code of Conduct for regulating, monitoring and reporting of Trading by Insider with a view to regulate trading in securities by the Directors and designated employees of the Company. This policy also provides for periodical disclosures from designated employees as well as pre clearance 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](http://www.nettlinx.com) and on the weblink <http://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 web sites.

As the company does not have any institutional investors and angel investors, so no presentation made to institutional investors or to the analysts.

**K.GENERAL INFORMATION FOR SHAREHOLDERS AND INVESTORS:**

<b>Registered Office Address of the company</b>	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	20 <sup>th</sup> September, 2023, 11.00 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 2023-24	First Quarter- August, 2023 Second Quarter- November,2023 Third Quarter- February, 2024 Financial Year- May 2024
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 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
Registrars & Share Transfer Agent	Venture Capital and Corporate Investments Pvt. Ltd., Regd. Off: Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57,Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally - 500032, Telangana, India Tel: 91-40-23818475 / 23818476 / 2386808023 Fax: 040 – 23868024 E – Mail: info@vccilindia.com
Book Closure for AGM	Wednesday, 13 <sup>th</sup> September, 2023 to Wednesday, 20 <sup>th</sup> September, 2023 (both days inclusive)
Stock Code	511658
Listing on Stock Exchange of	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 & Metropolitan Stock Exchange of India Limited, 205(A), 2nd Floor, Piramal Agastya Corporate Park, Kamani Junction, LBS Road, Kurla, (West), Mumbai-400 070 Equity Shares are traded through a. National Securities Depository Ltd (NSDL) and b. Central Depository Services Ltd (CDSL) : INE027D01019
Trading of Equity Shares	Equity Shares are traded through a. National Securities Depository Ltd (NSDL) and b. Central Depository Services Ltd (CDSL)
ISIN	: INE027D01019
<b>ADDRESS FOR CORRESPONDENCE</b>	
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: Door No. 4-50/P-II/57/4 & 5th Floors, Plot No. 57,Jayabheri Enclave, Phase II, Gachibowli, Seri Lingampally-500032, Telangana, India 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

performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc

Custodial fees to Depositories: The custodial fee has been paid to NSDL and CDSL up-to 31st March, 2023.

The Listing Fees has been paid to BSE Ltd and MSEI Ltd. up-to 31st March, 2023.

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

Month	BSE LIMITED		
	High Price	Low Price	Close Price
April 2022	87.00	73.30	77.55
May 2022	81.95	63.00	70.70
June 2022	80.00	53.50	65.20
July 2022	87.00	61.25	79.70
August 2022	85.00	65.55	80.95
September 2022	96.50	76.00	87.70
October 2022	98.00	71.05	83.20
November 2022	87.95	77.90	80.40
December 2022	109.50	77.60	107.70
January 2023	109.95	98.05	103.50
February 2023	271.55	94.05	263.50
March 2023	272.00	180.35	200.15

**I) Distribution of shareholding as on March 31, 2023:**

Range (Nominal value)	Holders		Amount	
	Number	% To Total Share-holders	In Rs	% To Total share-holding
Upto - 5000	2671	83.03	2534270	2.21
5001 - 10000	209	6.5	1787470	1.56
10001 - 20000	97	3.02	1548260	1.35
20001 - 30000	62	1.93	1586440	1.38
30001 - 40000	28	0.87	997970	0.87
40001 - 50000	24	0.75	1135290	0.99
50001 - 100000	46	1.43	3370170	2.94
100001 and above	80	2.49	101673250	88.69
Total	3217	100	114633120	100

**J) Shareholding pattern as on March 31, 2023:**

Particulars	No. of shares held	%to Total issued Shares
Promoters, Directors and relatives	70,23,275	59.70
Bank, Financial Institutions, Insurance Companies & Mutual Funds	800	0.01
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	43,797	0.37
I.Public and Others	4671059	39.91
<b>Total</b>	<b>1,17,63,312</b>	<b>100.00</b>

**O) Dematerialisation of shares and liquidity as on March 31, 2023:**

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2023, as given below:

Particulars	No. of shares	Percentage
Demat Segment		
NSDL	9283028	78.91%
CDSL	2072106	17.61%
Sub-total	11355134	96.53%
Physical Segment	408178	3.47%
Total	1,17,63,312	100

Securities suspended from trading: Not applicable

**P) Commodity price risk or foreign exchange risk and hedging activities:**

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

**Q) 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.

**R) 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, 2022	Received during the year	Redressed during the year	Pending as on March 31, 2023
1	Transfer	0	0	0	0
2	Transmission	0	0	0	0
3	Duplicate Share Certificate	0	0	0	0
4	Non-receipt of Dividend	0	0	0	0
5	Dematerialisation/	0	0	0	0
6	Rematerialisation of Shares	0	0	0	0
7	Complaints received from:	0	0	0	0
	SEBI	0	0	0	0
	Stock Exchanges/NSDL/CDSL	0	0	0	0
	ROC/MCA/Others	0	0	0	0
	Advocates	0	0	0	0
	Consumer Forum/Court Case	0	0	0	0
8	Others	0	0	0	0
	Grand Total	0	0	0	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, 2023:**

Sl.No.	Name of the shareholders	No. of shares	% of Capital
1	Northeast Broking Services Limited	1556348	6.44
2	Kuninte Manimala	619828	2.56
3	Dr Sarat Surapaneni	535046	2.21
4	P Prameela Reddy	445970	1.84
	Total	3157192	13.06

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

Quarter	Date of Board Meeting
1st Quarter	13.08.2022
2nd Quarter	11.11.2022
3rd Quarter	13.02.2023
4th Quarter	30.05.2023

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

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

**Sd/-  
Mr.Vijaya Bhasker Reddy Maddi  
Director  
DIN: 00278842**

**Date: 28-07-2023  
Place : Hyderabad**

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

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

## ANNEXURE-G

## MANAGEMENT DISCUSSION &amp; 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 &amp; DEVELOPMENTS:

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

## 3. OPPORTUNITIES &amp; 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 2022-23 are as under:

(Rs. In Lakhs)

Sales for the year 2022-23	1017.84
Current tax	50.80
Profit after tax	136.72
Paid up equity share capital as on 31st March, 2023	1176.33

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2022-23 appearing separately.

## 8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

SI No	Particulars	Ratio
1.	Debtors Turnover	4.46
2.	Inventory Turnover	0
3.	Interest Coverage Ratio	0.82
4.	Current Ratio	3.18
5.	Debt Equity Ratio	0.22
6.	Operating Profit Margin (%)	36.90
7.	Net Profit Margin (%)	11.6

## 9. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

At standalone level, Return on Net Worth decreased from 33.44% in FY 2021-22 to 30.69% in FY 2022-23. This is primarily on account of the following reasons:

- Rise in disbursements supported by launch of new products.
- Significant reduction in Cost of Borrowing and improved Credit Rating resulting in healthy NIM; and
- Better collection performance resulting in lower Credit Cost



**10. 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.

**11. 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/-  
Dr. Manohar Loka Reddy  
Managing Director  
DIN: 00140229

Sd/-  
Mr.Vijaya Bhasker Reddy Maddi  
Director  
DIN: 00278842

Date: 28-07-2023  
Place : Hyderabad

Sd/-  
Mr. Venkateswara Rao Narepalem  
CFO

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

**Code of Conduct Declaration**

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31<sup>st</sup> March 2023.

By order of the Board of Directors  
For Nettlinx Limited

Date: 28-07-2023  
Place : Hyderabad

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

**ANNEXURE-H  
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Nettlinx Limited, having CIN: L67120TG1994PLC016930 and having registered office at 5-9-22, Flat No.303, 3rd Floor, Myhome Sarovar Plaza, Secretariat, Saifabad Hyderabad, Telangana-500063, India (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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, 2023, 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  
CP No:6121  
UDIN:F006121E000695095

Place: Hyderabad  
Date: 28-07-2023

**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, 2023, 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, 2023.

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

**Date: 28-07-2023  
Place : Hyderabad**

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

**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, Executive Director CUM 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, 2023 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**

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

**Date: 28-07-2023  
Place : Hyderabad**

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

## INDEPENDENT AUDITOR'S REPORT

To  
The Board of Directors of M/s NETTLINX LIMITED  
**Report on the audit of the IND AS Standalone financial statements**

### Opinion

1. We have audited the accompanying standalone financial statements of NETTLINX LIMITED ("the Company"), which comprise the standalone balance sheet as at March 31, 2023, and the standalone statement of Profit and Loss (including Other Comprehensive Income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations 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 Company (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS) and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the profit and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, 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 auditor's report.

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the standalone financial statements

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

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

### Auditor's responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(f) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  - We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  - From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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**
10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows 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.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) 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 (as amended), 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 27 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 30 to the standalone financial statements);
    - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 30 to the standalone financial statements); and
    - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The Company has declared an interim dividend of Rs.0.40 per equity share during the year.
- vi. The Company is in the process of implementing the Audit Trail feature as per the statutory requirements.
12. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Niranjana and Narayan  
Chartered Accountants  
Firm Registration Number:005899S**

**Sd/-  
P. Venumadhava Rao  
Partner  
Membership Number: 202785  
UDIN: 23202785BGXYSR8035**

**Place: Hyderabad  
Date: 30-05-2023**

#### Annexure – ‘A’ to the Independent Auditor’s Report

Referred to in paragraph 11(f) of the Independent Auditor’s Report of even date to the members of Nettlinx Limited on the Standalone financial statements for the year ended March 31, 2023

#### Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Nettlinx Limited (“the Company”) as of March 31, 2023 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

2. 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 (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor’s Responsibility

3. Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company’s internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by ICAI.

For Niranjana and Narayan  
Chartered Accountants  
Firm Registration Number:005899S

Sd/-  
P. Venumadhava Rao  
Partner

Membership Number: 202785

Place: Hyderabad  
Date: 30-05-2023

**Annexure – ‘B’ to Independent Auditors’ Report**

**Referred to in paragraph 10 of the Independent Auditors’ Report of even date to the members of Nettlinx Limited on the Standalone financial statements as of and for the year ended March 31, 2023)**

- I (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties, as disclosed in Note 3 to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder.
- ii. (a) The Company is service oriented and does not have any inventory during the year under review. Accordingly, the reporting of the clause (ii)(a) is not applicable to the company for the current year
- (b) During the year, the Company does not taken working capital limits from any banks or financial institutions. Consequently, the question of our commenting on whether working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company does not arise.
- iii. (a) The Company has made investments in five companies The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such investments, loans or advances and guarantees or security to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

	Investments	Security	Loans	Advances in nature of loans
Aggregate amount invested during the year				
-Subsidiaries	-	-	-	-
-Joint Ventures	-	-	-	-
-Associates	-	-	-	-
-Others	-	-	-	-
Balance outstanding as a balance sheet date in respect of the above case				
-Subsidiaries	3443.87	-	-	-
-Joint Ventures	-	-	-	-
-Associates	-	-	-	-
-Others	13.16	-	-	-

(Also refer Note 5 to the financial statements)

- (b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company’s interest.
- (c) The company does not granted any loans/advances in nature of loans during the year under review. Accordingly, the reporting of the clause (iii)(B)(c) to (iii)(B) (f) are not applicable to the company for the current year under review.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees and security to the parties covered under Sections 185 and 186 of the Companies Act, 2013.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted by the Company or amounts which are deemed to be deposits. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits, and therefore, the question of our commenting on whether the same has been complied with or not does not arise.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its supply of goods/services.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, entry tax and other material statutory dues, as applicable, with the appropriate authorities.

There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs and other material statutory dues as at 31st March 2023 for a period of more than six months from the date they became payable except DoT Tax amount of Rs. 15.24 Lakhs is pending for more than one accounting year. Refer Note No 27 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 statutory dues of goods and services tax, provident fund, employees' state insurance, income tax, cess, which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been previously recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the company does not take any term loans during the year under review.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) to 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us by the management, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The Report of the internal auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.



xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 41 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the provisions of sec 135 of the companies Act 2013 is not applicable to the company. Accordingly, reporting under clause 3(xx)(a) to 3(xx)(b) of the Order is not applicable to the company

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For Niranjana and Narayan  
Chartered Accountants  
Firm Registration Number:005899S**

**Sd/-  
P. Venumadhava Rao  
Partner**

**Place: Hyderabad  
Date: 30-05-2023**

**Membership Number: 202785**

NETTLINX LIMITED  
CIN:L67120TG1994PLC016930  
Standalone Balance Sheet as at March 31, 2023  
All amounts are in Rs. Lakhs except share data and where otherwise stated

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>A. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	733.34	697.45
(b) Capital work-in-progress		-	-
(c) Right to use Assets	3	35.45	53.17
(d) Intangible assets	4	4.30	5.13
(e) Financial assets			
(i) Investments	5	3,492.06	3,474.27
(ii) Other financial assets	6	45.95	11.18
<b>Total non-current assets</b>		<b>4,311.10</b>	<b>4,241.20</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	7	228.27	152.82
(ii) Cash and cash equivalents	8	46.38	50.38
(iii) Loans			
(iv) Other financial assets	9	11.50	11.11
(b) Other current assets	10	421.95	376.78
<b>Total current assets</b>		<b>708.10</b>	<b>591.09</b>
<b>Total assets</b>		<b>5,019.19</b>	<b>4,832.30</b>
<b>A. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	1,176.33	1,146.33
(b) Other equity	12	2,697.23	2,281.60
<b>Total equity</b>		<b>3,873.56</b>	<b>3,427.93</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	721.35	996.57
(ii) Other Financial Liabilities	14	38.23	57.22
(b) Provisions	15	18.44	9.06
(c) Deferred tax liabilities (net)	16	12.73	5.81
<b>Total non-current liabilities</b>		<b>790.76</b>	<b>1,068.65</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	132.01	179.30
(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	78.80	21.94
(iii) Other financial liabilities	14	46.55	36.62
(b) Other current liabilities	18	47.86	59.72
(c) Provisions	15	0.89	0.47
(d) Current tax liabilities (net)	19	48.77	37.67
<b>Total current liabilities</b>		<b>354.87</b>	<b>335.71</b>
<b>Total equity and liabilities</b>		<b>5,019.19</b>	<b>4,832.30</b>

**Corporate information and Significant accounting policies** 1,2

**See accompanying notes are an integral part of the standalone financial statements** 3 to

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

As per our report of even date.  
For M/s. NIRANJAN & NARAYAN  
Chartered Accountants  
(Firm Registration Number : 005899S)

Sd/-  
P.VENUMADHAV RAO  
Partner  
Membership No.202785  
UDIN:23202785BGXYSR8035  
Place: Hyderabad  
Date: 30-May-2023

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

Sd/-  
Manohar Loka Reddy  
Managing Director  
DIN : 00140229  
Sd/-  
N.Venkateswara Rao  
Chief Financial Officer

Sd/-  
Vijaya Bhasker Reddy Maddi  
Director  
DIN:00278842  
Sd/-  
G Sai Ram  
Company Secretary and Compliance Officer

**NETTLINX LIMITED**  
**CIN:L67120TG1994PLC016930**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2023**

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	20	1,017.84	970.96
II Other income	21	6.27	8.93
<b>III Total Income (I + II)</b>		<b>1,024.11</b>	<b>979.89</b>
IV			
(a) Access charges, license fee and network expenses	22	276.02	282.05
(b) Employee benefits expense	23	207.02	191.19
(c) Finance costs	24	97.88	114.22
(d) Depreciation and amortization expense	25	92.48	88.14
(e) Other expenses	26	163.18	168.21
<b>Total Expenses</b>		<b>836.58</b>	<b>843.80</b>
<b>V Profit before tax (III - IV)</b>		<b>187.53</b>	<b>136.09</b>
VI Tax expense			
(a) Current tax		48.77	37.67
(b) Prior Period Taxes		0.07	(3.39)
(c) Deferred tax expense /(credit)		1.97	(4.42)
Total tax expense		50.81	29.86
VII Profit after tax (V - VI)		136.72	106.23
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		-	2.18
(b) Net (loss)/gain on fair value through OCI (FVTOCI)		17.79	2.75
(ii) Income tax on items that may not be reclassified to profit or loss		(4.95)	(1.37)
<b>Total other comprehensive income</b>		<b>12.84</b>	<b>3.56</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>149.56</b>	<b>109.79</b>
<b>Earnings Per Share (Face value of Rs.10 each)</b>			
Basic (Rs.)		1.16	0.93
Diluted (Rs.)		1.13	0.93
Corporate information and Significant accounting policies	1,2		
See accompanying notes are an integral part of the standalone financial statements	3 to		
Previous period / year figure have been regrouped / Reclassified Wherever necessary.			

As per our report of even date.  
For M/s. NIRANJAN & NARAYAN  
Chartered Accountants  
(Firm Registration Number : 005899S)

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

Sd/-  
P.VENUMADHAVA RAO  
Partner  
Membership No.202785  
UDIN:23202785BGXYSR8035

Sd/-  
Manohar Loka Reddy  
Managing Director  
DIN : 00140229

Sd/-  
Vijaya Bhasker Reddy Maddi  
Director  
DIN:00278842

Place: Hyderabad  
Date: 30-May-2023

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, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit /Loss before tax and extra-ordinary items	187.53	136.09
Adjustments For :		
Depreciation	92.48	88.14
Finance costs	92.16	106.85
Interest - Income	(1.86)	(3.28)
<b>Operating Profit /Loss Before working Capital Charges</b>	<b>370.30</b>	<b>327.80</b>
Adjustments For :		
(increase)/ Decrease in Trade receivables	(75.77)	(2.59)
(increase)/ Decrease in Loans and advances	(0.38)	(0.54)
(increase)/ Decrease in Other Current Assets	(44.85)	25.43
increase/(Decrease) in Trade payables	56.86	(31.72)
increase/ (Decrease) in Other Current Liabilities	9.18	(55.39)
Increase/ (Decrease) in Provisions	9.80	1.32
<b>Movements in working capital- Total</b>	<b>(45.16)</b>	<b>(63.49)</b>
Cash Flows From Operating Activities	325.14	264.31
Direct Taxes	48.83	61.76
<b>Net Cash Flow from operating Activities</b>	<b>276.31</b>	<b>202.55</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(109.81)	(199.76)
Disposal of Fixed Assets	-	51.45
Decrease/ (Increase) in Investment	-	-
increase/ Decrease in Other Non-Current Assets	(34.77)	(11.01)
Interest Received	1.86	3.28
<b>Net Cash Flow From Investing Activities</b>	<b>(142.72)</b>	<b>(156.04)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Money received against share warrants	313.13	-
increase/ (Decrease) in Equity Share Capital	30.00	-
increase/ (Decrease) in Non-Current Liabilities	(294.20)	(57.52)
increase/ (Decrease) in Short Tem Borrowings	(47.30)	49.26
Dividend paid to company's shareholders	(47.05)	-
Finance costs Paid	(92.16)	(106.85)
<b>Net Cash Flows from Financing Activities</b>	<b>(137.59)</b>	<b>(115.11)</b>
<b>Net Increase / Decrease in Cash + Cash equivalents</b>	<b>(4.00)</b>	<b>(68.60)</b>
<b>Opening Balance</b>	<b>50.38</b>	<b>118.98</b>
<b>Closing Balance</b>	<b>46.38</b>	<b>50.38</b>

Statement of Cash flow has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013

As per our report of even date.  
For M/s. NIRANJAN & NARAYAN  
Chartered Accountants  
(Firm Registration Number : 005899S)

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

Sd/-  
P.VENUMADHAVIA RAO  
Partner  
Membership No.202785  
UDIN: 23202785BGXYSR8035

Sd/-  
Manohar Loka Reddy  
Managing Director  
DIN : 00140229

Sd/-  
Vijaya Bhasker Reddy Maddi  
Director  
DIN:00278842

Place: Hyderabad  
Date: 30-May-2023

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, 2023

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

	Amount
Equity share capital	
<b>Balance as at March 31, 2021</b>	<b>1,146.33</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2022</b>	<b>1,146.33</b>
Changes in equity share capital during the year	30.00
<b>Balance as at March 31, 2023</b>	<b>1,176.33</b>

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		
<b>Balance as at March 31, 2021</b>	<b>568.51</b>	<b>246.00</b>	<b>319.38</b>	<b>1,088.41</b>	-	<b>14.48</b>	<b>(64.97)</b>	-	<b>2,171.81</b>
Profit for the Year	-	-	-	106.23	-	-	-	-	106.23
Other comprehensive income for the year	-	-	-	-	-	2.75	0.80	-	3.56
Money received against share warrants	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>568.51</b>	<b>246.00</b>	<b>319.38</b>	<b>1,194.64</b>	-	<b>17.24</b>	<b>(64.17)</b>	-	<b>2,281.60</b>
Profit for the Year	-	-	-	136.72	-	-	-	-	136.72
Other comprehensive income for the year	-	-	-	-	-	17.79	(4.95)	-	12.84
Changes in equity share capital during the year	-	240.00	-	-	-	-	-	73.13	313.13
Less: Dividend Payment	-	-	-	(47.05)	-	-	-	-	(47.05)
<b>Balance as at March 31, 2023</b>	<b>568.51</b>	<b>486.00</b>	<b>319.38</b>	<b>1,284.31</b>	-	<b>35.03</b>	<b>(69.12)</b>	<b>73.13</b>	<b>2,697.23</b>

As per our report of even date.  
For M/s. NIRANJAN & NARAYAN  
Chartered Accountants  
(Firm Registration Number : 0056899S)

Sd/-  
**P.VENUMADHAVIA RAO**  
Partner  
Membership No.202785

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

Sd/-  
**Vijaya Bhasker Reddy Maddi**  
Director  
DIN:00278842

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

Place: Hyderabad  
Date: 30-May-2023

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.Lakhs except share data and where otherwise stated

NOTE – 3: Property, plant and equipment and capital work-in-progress	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Carrying amounts of:				
Freehold land	239.56	239.56	239.56	239.56
Buildings	10.56	10.83	10.56	10.83
Plant & equipment	320.06	243.09	320.06	243.09
Furniture & fixtures	3.30	3.46	3.30	3.46
Vehicles	146.90	169.99	146.90	169.99
Office equipment	8.00	10.86	8.00	10.86
Computers	4.97	19.65	4.97	19.65
	733.34	697.45	733.34	697.45

NOTE – 4: Intangible Assets		As at	
		March 31, 2023	March 31, 2022
Carrying amounts of:			
Software		4.30	5.13
		4.30	5.13

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
<b>A. Cost or deemed cost</b>												
Balance as at March 31, 2021	239.56	15.88	911.72	58.05	222.03	93.98	58.41	1,599.64	88.62	88.62	8.39	8.39
Additions	-	-	41.76	-	152.24	1.38	4.37	199.76	-	-	-	-
Eliminated on disposal of assets	-	-	-	-	100.94	-	-	100.94	-	-	-	-
Balance as at March 31, 2022	239.56	15.88	953.49	58.05	273.33	95.36	62.79	1,698.46	88.62	88.62	8.39	8.39
Additions	-	-	105.35	0.53	-	2.52	1.26	109.66	-	-	0.15	0.15
Eliminated on disposal of assets	-	-	-	-	18.36	-	-	18.36	-	-	-	-
Balance as at March 31, 2023	239.56	15.88	1,058.84	58.58	254.97	97.88	64.05	1,789.76	88.62	88.62	8.54	8.54
<b>B. Accumulated depreciation</b>												
Balance as at March 31, 2021	-	4.78	682.49	53.89	133.90	78.50	27.50	981.06	-	-	2.28	2.28
Depreciation expense	-	0.27	27.91	0.70	18.93	6.00	15.64	69.44	-	-	0.98	0.98
Eliminated on disposal of assets	-	-	-	-	49.49	-	-	49.49	-	-	-	-
Balance as at March 31, 2022	-	5.05	710.39	54.58	103.34	84.50	43.14	1,001.01	35.45	35.45	3.26	3.26
Depreciation expense	-	0.27	28.39	0.70	23.09	5.38	15.94	73.77	17.72	17.72	0.98	0.98
Eliminated on disposal of assets	-	-	-	-	18.36	-	-	18.36	-	-	-	-
Balance as at March 31, 2023	-	5.32	738.78	55.28	108.07	89.89	59.08	1,056.42	53.17	53.17	4.24	4.24
<b>C. Carrying amount</b>												
Balance as at March 31, 2023	239.56	10.56	320.06	3.30	146.90	8.00	4.97	733.34	35.45	35.45	4.30	4.30
Balance as at March 31, 2022	239.56	10.83	243.09	3.46	169.99	10.86	19.65	697.45	53.17	53.17	5.13	5.13

**NETTLINX LIMITED**

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

NOTE – 5: Non-current investments	As at 31-03-2023	As at 31-03-2022
-----------------------------------	---------------------	---------------------

**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, 2022: 24,663) equity shares of \$15 each"	217.09	217.09
(ii) "Nettlinx Realty Private Limited 379,969 (March 31, 2022:379,969) equity shares of Rs.10 each"	1,914.45	1,914.45
(iii) "Sri Venkateswara Green Power limited 9,494,923 (March 31, 2022: 9,494,923) equity shares of Rs.10 each"	949.49	949.49
(iv) "Sailon Se 589,000 (March 31, 2022: 589,000) equity shares of EUR 01 each"	362.84	362.84

**(b) Investments in others (at Cost)**

(i) "Northeast Broking Services Ltd 69,531 (March 31, 2022: 69, 531) equity shares of Rs. 10 each"	13.16	13.16
(C) Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)	35.03	17.24

<b>Total</b>	<b>3,492.06</b>	<b>3,474.27</b>
--------------	-----------------	-----------------

**NOTE – 6: Other financial assets**
**Unsecured, considered good**
**Non-Current**

Security Deposits*	45.95	11.18
<b>Total</b>	<b>45.95</b>	<b>11.18</b>

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

**NOTE – 8: Cash and cash equivalents**

Balance with banks		
- In current accounts	46.12	49.40
Cash on hand	0.26	0.98
<b>Total</b>	<b>46.38</b>	<b>50.38</b>

**NOTE – 9: Other financial assets**

Interest Accrued but not due on FDRs	0.63	0.40
Rental Deposits	10.87	10.72
<b>Total</b>	<b>11.50</b>	<b>11.11</b>

**NOTE – 10: Other current assets**
**Unsecured, considered good**

Prepaid expenses	4.31	2.92
Balances with government authorities	368.61	351.90
Advance to Vendors	22.04	-
Advances to Others	0.37	0.40
Deposits	26.61	21.55
<b>Total</b>	<b>421.95</b>	<b>376.78</b>

<b>Note: 7 Trade receivables</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Trade receivables - Billed (unsecured) consist of the following		
Trade receivables - Billed – current	228.27	152.82
Trade receivables - Billed		
Less: Allowance for doubtful trade receivables- Billed	<u>-</u>	<u>-</u>
Considered good	<u>228.27</u>	<u>152.82</u>

**Ageing for trade receivables – outstanding as at March 31, 2023 is as follows**

	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	1-3 years	More than 3 years	
<b>Trade receivables - Billed</b>							
Undisputed trade receivables-Considered good	-	165.39	7.09	5.23	2.96	47.60	228.27
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-Considered good	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	-	165.39	7.09	5.23	2.96	47.60	228.27
Less: Allowance for doubtful trade receivables - Billed	-	-	-	-	-	-	-
Trade receivables - Unbilled	-	-	-	-	-	-	-
	-	165.39	7.09	5.23	2.96	47.60	228.27

**Ageing for trade receivables – outstanding as at March 31, 2022 is as follows**

	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	1-3 years	More than 3 years	
<b>Trade receivables - Billed</b>							
Undisputed trade receivables-Considered good	-	92.30	12.73	28.66	16.19	2.94	152.82
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-Considered good	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	-	92.30	12.73	28.66	16.19	2.94	152.82
Less: Allowance for doubtful trade receivables - Billed	-	-	-	-	-	-	-
Trade receivables - Unbilled	-	-	-	-	-	-	-
	-	92.30	12.73	28.66	16.19	2.94	152.82



## NETTLINX LIMITED

## Notes to the financial statements

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

Note - 11: Share capital	As at 31-03-2023		As at 31-03-2022	
	Number of shares	Amount	Number of shares	Amount
<b>(a) Authorised</b>				
Equity shares of Rs. 10 each	345.00	3,450.00	345.00	3,450.00
<b>(b) Issues, subscribed and fully paid-up</b>				
Equity shares of Rs. 10 each	117.63	1,176.33	114.63	1,146.33
<b>Total</b>	<b>117.63</b>	<b>1,176.33</b>	<b>114.63</b>	<b>1,146.33</b>

## 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(Lakhs)	Amount (Rs. Lakhs)
<b>Balance as at March 31, 2021</b>	<b>114.63</b>	<b>1,146.33</b>
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>114.63</b>	<b>1,146.33</b>
Changes in equity share capital during the year	3.00	30.00
<b>Balance as at March 31, 2023</b>	<b>117.63</b>	<b>1,176.33</b>

## (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 31-03-2023		As at 31-03-2022	
	Number of shares(Lakhs)	%	Number of shares(Lakhs)	%
Dr. Manohar Loka Reddy	55.11	46.85	54.96	46.72
Northeast Broking Services Ltd	7.78	6.62	7.78	6.62
Saranya Loka Reddy	6.44	5.48	6.44	5.48

## (iv) Disclosure of Shareholding of Promoter

	As at 31-03-2023		As at 31-03-2022		
	Number of shares(Lakhs)	%	Number of shares(Lakhs)	%	Charge
Dr. MANOHAR LOKAREDDY	55.11	46.85	54.96	46.72	0.13
MANOHAR LOKAREDDY HUF	1.48	1.26	1.48	1.26	0.00
P KALPANA REDDY	2.38	2.02	2.38	2.02	0.00
SARANYA LOKA REDDY	6.44	5.48	6.44	5.48	0.00
ROHITH LOKA REDDY	3.00	2.55	-	0.00	2.55
JAYA REDDY	0.25	0.21	0.25	0.21	0.00
NITHYA LOKA REDDY	0.59	0.50	0.59	0.50	0.00
SHILPA LOKA REDDY	0.98	0.83	0.98	0.83	0.00
	70.23	59.70	67.08	57.03	2.68

**NETTLINX LIMITED**
**NETTLINX LIMITED**
**Notes to the financial statements**

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

<b>NOTE – 12: Other equity</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
<b>(a) Capital reserve</b>	<b>568.51</b>	<b>568.51</b>
Any profit or loss on purchase, sale, issue or cancellation of the company's own equity instruments is transferred to capital reserve.		
<b>(b) Securities premium</b>	<b>486.00</b>	<b>246.00</b>
This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.		
<b>(c) General reserve</b>	<b>319.38</b>	<b>319.38</b>
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.		
<b>(d) Retained earnings</b>	<b>1,284.31</b>	<b>1,194.64</b>
Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.		
<b>(e) Equity instruments through other comprehensive income</b>	<b>35.03</b>	<b>17.24</b>
Change in fair value of equity instruments through other comprehensive income		
<b>(f) Other items of other comprehensive income</b>	<b>(69.12)</b>	<b>(64.17)</b>
<b>(g) Money received against share warrants</b>	<b>73.13</b>	<b>-</b>
<b>Total</b>	<b><u>2,697.23</u></b>	<b><u>2,281.60</u></b>

**NOTE - 13: Borrowings**
**Non-current**
**Secured Term Loans**

-From Banks (Refer Note : 13.1,13.2 )

-From Others

	721.35	996.57
	-	-
<b>Total</b>	<b><u>721.35</u></b>	<b><u>996.57</u></b>

**Current**
**Secured Term Loans**

Current maturities of long-term debt

-From Others

	132.01	179.30
	-	-
<b>Total</b>	<b><u>132.01</u></b>	<b><u>179.30</u></b>

"Note:13.1 Loans are obtained from HDFC Ltd. at the interest rate of 9.60% are secured by way of first charge, having pari passu rights, on the Company's Immovable Assets, both present and future, in favour of Company's lenders/trustees. Further, they are secured by way of personal guarantee of Shri Manohar Loka Reddy Managing Director of the Company.

Note:13.2 Loan received from Bank includes vehicle loan outstanding amount of Rs 126.23 lakhs with Motor Vehicle (Hypothecation) of Rs.1.31Lakhs"

**NOTE – 14: Other Financial Liabilities**

<b>NOTE – 14: Other Financial Liabilities</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
<b>Non - Current</b>		
Lease Liability	38.23	57.22
<b>Total</b>	<b><u>38.23</u></b>	<b><u>57.22</u></b>
<b>Current</b>		
Interest accrued but not due on borrowings	5.27	5.88
Outstanding expenses	12.65	15.59
Provision for Salaries	27.42	13.94
Rental deposit	1.21	1.21
Dividend Payable	-	-
<b>Total</b>	<b><u>46.55</u></b>	<b><u>36.62</u></b>

**NETTLINX LIMITED**

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

NOTE – 15: Provisions	As at 31-03-2023	As at 31-03-2022
<b>Non - Current</b>		
Employee Benefits		
- Gratuity (Gratuity Fund created )	18.44	9.06
<b>Total</b>	<b>18.44</b>	<b>9.06</b>
<b>Current</b>		
<b>Employee Benefits</b>		
- Gratuity	0.89	0.47
<b>Total</b>	<b>0.89</b>	<b>0.47</b>

**NOTE –16 Deferred Tax**

Opening Deferred Tax-GAAP	54.22	49.81
Related to Temporary differences on Depreciation/Amortization	(1.97)	4.42
<b>Deferred Tax Asset</b>	<b>52.25</b>	<b>54.22</b>
Deffered Tax Liability	(64.98)	(60.03)
<b>Net Deferred Tax Liability</b>	<b>12.73</b>	<b>5.81</b>

**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 *	78.80	21.94
	<b>78.80</b>	<b>21.94</b>

Ageing for trade payables outstanding as at March 31, 2023 is as follows:  
Outstanding for following periods from due date of payment

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	1-3 years	More than 3 years	
Trade payables						
MSME*	0	-	-	-	-	-
Others	0	59.65	2.20	6.43	10.52	78.80
Disputed dues - MSME*	0	-	-	-	-	-
Disputed dues - Others	0	-	-	-	-	-
	0	59.65	2.20	6.43	10.52	78.80
Accrued expenses						
	0	59.65	2.20	6.43	10.52	78.80

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:  
Outstanding for following periods from due date of payment

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	1-3 years	More than 3 years	
MSME*	0	0	0	0	0	0
Others	0	9.31	1.24	4.77	6.62	21.94
Disputed dues - MSME*	0	0	0	0	0	0
Disputed dues - Others	0	0	0	0	0	0
	0	9.31	1.24	4.77	6.62	21.94
Accrued expenses						0
	0	9.31	1.24	4.77	6.62	21.94

**NETTLINX LIMITED**

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

<b>NOTE – 18: Other current liabilities</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
<b>Unsecured</b>		
Advances from customers	16.32	0.16
Statutory remittances	<u>31.54</u>	<u>59.56</u>
<b>Total</b>	<b><u>47.86</u></b>	<b><u>59.72</u></b>

**NOTE – 19: Current tax liabilities**

Provision for income tax	<u>48.77</u>	<u>37.67</u>
<b>Total</b>	<b><u>48.77</u></b>	<b><u>37.67</u></b>

<b>NOTE – 20: Revenue from operations</b>	<b>For the Year ended March 31, 2023</b>	<b>For the Year ended March 31, 2022</b>
(a) Sale of goods	11.62	2.62
(b) Sale of services		
(i) From Internet Bandwidth services	765.22	842.22
(ii) From Network Maintenance Services IT	59.01	73.03
(iii) From One Time Installation Charges	82.88	50.50
(iv) From Web Design & Development	1.71	2.60
(v) From Export services - ITES	97.40	-
<b>Total</b>	<b>1,017.84</b>	<b>970.96</b>

<b>NOTE – 21: Other income</b>	<b>For the Year ended March 31, 2023</b>	<b>For the Year ended March 31, 2022</b>
<b>(a) Interest income earned on financial assets that are not designated as at fair value through profit and loss:</b>		
- Bank deposits	0.78	0.80
- Other financial assets	1.07	0.16
<b>(b) Other non-operating income</b>		
- Rental income	1.75	5.65
- Others	-	2.32
<b>(c) Other gains and losses</b>		
- Net foreign exchange gains / (losses)	0.12	-
- Gain on disposal of property, plant and equipment	2.54	-
<b>Total</b>	<b>6.27</b>	<b>8.93</b>

<b>NOTE – 22: Access charges, license fee and network expenses</b>	<b>For the Year ended March 31, 2023</b>	<b>For the Year ended March 31, 2022</b>
Bandwidth, web hosting, leased circuit & service charges	206.86	201.95
Domain registration expenses	0.15	0.19
Annual membership fee	1.16	1.77
DOT licence fee	67.85	78.14
<b>Total</b>	<b>276.02</b>	<b>282.05</b>

<b>NOTE – 23: Employee benefits expense</b>	<b>For the Year ended March 31, 2023</b>	<b>For the Year ended March 31, 2022</b>
Salaries (including managerial remuneration)	185.67	178.35
Contribution to provident and other funds	6.56	6.09
Staff welfare expenses	4.98	4.30
Defined Benefits Plans	9.80	2.45
<b>Total</b>	<b>207.02</b>	<b>191.19</b>

<b>NOTE – 24: Finance costs</b>	<b>For the Year ended March 31, 2023</b>	<b>For the Year ended March 31, 2022</b>
(a) Interest costs:		
(i) Interest on term loans	92.16	106.85
(ii) Interest on working capital facilities	-	-
(b) Other borrowing costs:		
(i) Others (on Lease Liability)	5.72	7.37
<b>Total</b>	<b>97.88</b>	<b>114.22</b>

<b>NOTE – 25: Depreciation and amortisation expense</b>	<b>For the Year ended March 31, 2023</b>	<b>For the Year ended March 31, 2022</b>
Depreciation of property, plant and equipment	91.49	87.16
Amortisation of intangible assets	0.98	0.98
<b>Total</b>	<b>92.48</b>	<b>88.14</b>

<b>NOTE – 26: Other expenses</b>	<b>For the Year ended March 31, 2023</b>	<b>For the Year ended March 31, 2022</b>
Computer & network maintainance	39.99	55.18
Electricity charges	17.32	16.03
Rent	15.61	13.29
Vehicle maintainance	3.05	4.58
Office maintenance	13.98	16.15
Insurance	3.32	2.54
Rates and taxes	2.85	5.67
Communication	3.89	4.04
Travelling and conveyance	20.53	11.96
Advertisement and sales promotion	11.57	9.99
Professional charges	5.91	6.72
Audit Fees	2.00	2.55
Security charges	7.28	6.16
Stock Exchange Listing Fee & Demat Charges	10.18	5.34
Printing and stationery	1.39	1.46
Bank Charges	2.08	2.15
Miscellaneous expenses	1.71	2.47
Interest on Late Payment	0.53	1.92
<b>Total</b>	<b>163.18</b>	<b>168.21</b>

## Notes to the financial Statements

### A. Corporate 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 Road, Saifabad, Hyderabad, Telangana, India - 500063 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 30May 2023, .

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;

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 counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

#### B.5 Critical accounting judgements and key sources of estimation uncertainty.

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

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

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

#### Provision and contingent liability

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

**Useful lives of depreciable assets**

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

**Investment in equity instruments of subsidiary and associate companies**

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

**B.6. Fair value measurement and valuation process:**

The company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

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

**1. Significant accounting Policies**
**1.1 Revenue recognition**

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

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

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

Company provided specialised features to the subscribers which 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 in the year 2020-2021

**1.3 Foreign currency Transactions. Functional currency**

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

**Transactions and translations**

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

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

Exchange difference on monetary items is recognised in the Statement of Profit and Loss in the period in which it arises except for;

- (a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.
- (b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

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

- (a) Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- (b) income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) All resulting exchange differences are recognised in other comprehensive income.

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

#### 1.4 Borrowing costs

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

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

#### 1.5 Taxes on Income Tax and Deferred Tax

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

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

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

Deferred tax assets/ liabilities are not recognised for initial recognition of Goodwill or on an asset or liability in a transaction that is not a business combination and at the time of transaction

affects neither the accounting profit nor taxable profit or loss. MAT credit is recognised as an asset, only if it is probable that the Company will pay normal income tax during the Specified period.

#### 1.6 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company and includes post tax effect of any exceptional item by the weighted average number of equity shares outstanding during the period excluding the shares owned by the Trust, outstanding during the period

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

#### 1.7 Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Cost of an item of PPE comprises of its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred. Gains or losses arising from de recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

#### 1.8 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life as per Ind AS 16 and is provided on a Reduced Balance Method basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.



The management's estimates of the useful lives of various assets for computing depreciation are as follows:

Particulars	Useful life (in yrs)
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.

Particulars	Useful life
3. There are no intangible assets assessed with indefinite useful life. The life of amortisation of the intangible assets is as follows. Particulars	
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

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

a) Claims against the Company not acknowledged as Debt:	2022-23	2021-22
	43.30	43.30
ii) Licence fee assessment notice-outstanding with interest and penalty	911.67	911.67
iii. **GST	308.89	308.89

\*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 Lakhs.

Company has received a license fee assessment notice from Department of Telecommunications-AP circle for the years 2011-12 to 2017-18 w.r.t ISP(IT) License for Rs.911.67 Lakhs

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

\*\*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 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.

**NOTE 28**
**Auditors Remuneration:**

Particulars	For the Year 2022-23 Rs. In Lakhs	For the Year 2021-22 Rs. In Lakhs
a) Statutory Auditor		
Audit Fee	2.00	2.00
Certification & Fees for other Services	0.96	0.55
<b>Total</b>	<b>2.96</b>	<b>2.55</b>

**Note 29**
**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.

(Rs. in Lakhs)

S.NO.	Particulars	As at March 31, 2023	As at March 31, 2022
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 30**
**Related Party disclosures under IND AS - 24.**

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

<b>1) Subsidiaries of the Company having significant Influence</b>
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)
<b>2) Companies in which directors are interested</b>
a) North East Broking Services Limited
<b>3) Key Management Personnel (KMP) of the Company</b>
a) Shri Manohar Loka Reddy – Chairman and Managing Director (Appointed as MD w.e.f 05/06/2020)
b) Venkateswara Rao Narepalem (Appointed as CFO w.e.f 14/09/2020)
4) Relative of KMP, having transactions with the Company -NIL

Following transactions were carried out with related parties in the ordinary course of business during the year 2022-23

(Rs. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	30.12	30.12
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	-	-	-	-
4	Investments	-	-	-	-
5	Loans (Repaid to parties)	-	-	-	-
6	Loans (Received from parties)	-	-	-	-
7	Other Income a.Rental Income (From Sri Venkateswara Green Power Projects Ltd)	1.75	-	-	1.75

Following are the transactions carried out with related parties during the previous year 2021-2022

(Rs. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	-	-	27.60	27.60
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	-	-	-	-
4	Loans (Repaid to parties)	-	-	-	-
5	Loans (Received from parties)	25.00	-	-	25.00
6	Investments	25.00	-	-	25.00
7	Other Income				
	a. Interest received net of TDS (From Nettlinx realty Pvt Ltd)	0.30	-	-	0.30
	b. Rental Income (From Sri Venkateswara Green Power Projects Ltd)	3.00	-	-	3.00

**Balances Outstanding with related parties: NIL**

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

Terms and Conditions of transactions with Related Parties:

The sale to related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

For the year ended March 31, 2023, 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 31

##### 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:

(Rs. in Lakhs)

S.No	Parties	Gratuity (Funded Plan)	
		As on 31.03.2023	As on 31.03.2022
I	Change in Obligation		
	1 Present Value of defined benefit obligation at the beginning of the year	9.53	10.38
	2 Current service cost	2.25	1.80
	3 Interest cost	0.68	0.65
	4 Actuarial (gain) / loss on obligation	6.87	(2.18)
	5 Benefits paid	0	(1.12)
	6 Present Value of defined benefit obligation at the end of the year	19.33	9.53
II	Change in the Fair Value of Plan Assets		
	1 Fair Value of Plan assets at the beginning of the year	14.09	0
	2 Expected return on plan assets	1.15	0
	3 Contributions by employer	4.03	15.12
	4 Actuarial gain / (loss) on plan assets	(0.11)	0.09
	5 Benefits paid	0	(1.12)
	6 Fair Value of Plan assets at the end of the year	19.16	14.09
III	Expenses recognized in the Profit and Loss Account		
	1 Current service cost	2.25	1.80
	2 Interest cost	0.68	0.65
	3 Expected return on plan assets	(1.15)	0
	4 Net actuarial loss / (gain) recognized in the current year	6.87	(2.18)
	5 Expenses recognized in the Profit and Loss Account	1.78	2.45
IV	Re-measurements recognized in Other Comprehensive Income (OCI)		
	1 Changes in Financial Assumptions	0	0
	2 Changes in Demographic Assumptions	0	0
	3 Experience Adjustments	6.87	(2.18)
	4 Actual return on Plan assets less interest on plan assets		
	5 Amount recognized in Other Comprehensive Income (OCI)	6.87	(2.18)
V	Expenses recognized in the Balance Sheet as at the end of the year		
	1 Present value of defined benefit obligation		9.53
	2 Fair Value of plan assets at the end of the year	19.16	14.09
	3 Funded status [Surplus / (Deficit)]	(0.17)	4.57
	4 Net assets / (liability) as at the end of the year	(0.17)	4.57
VII	Sensitivity analysis for significant assumptions: *		
	Increase/(Decrease) on present value of defined benefit obligation at the end of the year		
	Salary escalation-up by 1%	23.95	10.93
	Salary escalation-down by 1%	15.62	8.35
	Discount Rates-up by 1%	17.57	8.38
	Discount Rates-down by 1%	21.41	10.91
	Withdrawal Rates-up by 1%	22.42	10.10
	Withdrawal Rates-down by 1%	15.84	8.86
VIII	The major categories of plan assets as a percentage of total plan		
	1 Qualifying Insurance Policy		
IX	Actuarial Assumptions		
	1 Discount rate	7.40%	7.16%
	2 Withdrawal rate		
	3 Return on plan assets	0	0
	4 Salary Escalation	5%	5%

**Note 32****Earnings per Share (EPS) –****(Rs. in Lakhs)**

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
1	Profit attributable to the Equity Share Holders (Rs in Lakhs)- A	136.72	106.23
2	No. of Equity Shares B	1,17,63,312	1,14,63,312
3	Nominal Value of the Share (Rs.)	10	10
4	Basic / Weighted average number of Equity Shares – B	1,20,88,312	1,14,63,312
5	Earnings per Share (Rs.) – A/B*	1.16	0.93
6	Diluted Earnings Per Share (Rs)- A/(B+E)	1.13	0.93

**Note 33**

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.

**Note 34****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, 2023 and March 31, 2022.

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, 2023 and March 31, 2022

**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.

**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 is 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 .

Customers accounted for more than 5% of the revenue as of March 31, 2023 is The Principal Secretary, ITE&C Department Hyderabad, Telangana for Rs.70.00 Lakhs

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:

(Rs. in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years.	Total
<b>Year ended March 31, 2023</b>				
Borrowings (including Current maturities of long term debt)	132.00	721.36	-	853.36
Other noncurrent financial liabilities	21.18	17.05	-	38.23
Trade payables	59.60	19.20	-	78.80
Other Payables	61.72	-	-	61.72
Interest Accrued but not due	527	-	-	527
Salary and Bonus payable	27.42	-	-	27.42
<b>Year ended March 31, 2022</b>				
Borrowings (including Current maturities of long term debt)	179.30	780.47	216.10	1175.87
Other noncurrent financial liabilities	18.98	38.23	-	57.21
Trade payables	9.31	12.63	-	21.94
Other Payables	76.52	-	-	76.52
Interest Accrued but not due	5.87	-	-	5.87
Salary and Bonus payable	13.94	-	-	13.94

**Note 35****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**

(Rs. in Lakhs)

Particulars	31-Mar-23	31-Mar-22
Total equity attributable to the equity shareholders of the Company	3873.56	3427.93
As a percentage of total capital	81.95	74.46
Long term borrowings including current maturities	853.36	1175.82
Short term borrowings	0	0
Total borrowings	853.36	1175.82
As a percentage of total capital	18.05	25.54
Total capital (equity and borrowings)	4726.92	4603.75

**Note 36****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 37****Details of foreign exchange Inflow or Out flow during the year:**

Name of the Party	Inflow in (Rs. Lakhs)
Friendly Consultants Inc	Rs.97.395 Lakhs

**Note 38**

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.



(Rs. in Lakhs)

**Note 39**

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

(Rs. in Lakhs)

**Note 40****Effective Tax Rate (in Percentage)**

Particulars	31-Mar-23	31-Mar-22
Applicable tax rate	27.82	27.82
Effect of tax-other head of Income/exempt income	0	0.81
Effect of non-deductible expenses	14.65	20.04
Effect of allowances for tax purposes	(16.46)	(20.99)
Effective tax rate	26.00	27.68

**NOTE 41****Financial Ratios**

Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022	Variance	Reasons for variance of above 25%
(a) Current Ratio (Current Assets / Current Liabilities)	3.18	3.78	-16%	
(b) Debt-Equity Ratio, (Non- Current Borrowings+ Current Borrowings)/Total Equity	0.22	0.34	-36%	
(c) Debt Service Coverage Ratio [Profit after Tax + Finance Cost in P&L + Depreciation]/[FinanceCost (P&L+Capitalised)+Lease& Principal Repayment(Long Term)]	0.82	1.28	-36%	
(d) Return on Equity Ratio ROE = (Net Earnings / Shareholders' Equity) x 100	11.6%	9.3%	25%	
(e) Inventory turnover ratio (Sales(net of discounts) / Average Inventory)	0	0		
(f) Trade Receivables turnover ratio (Sales(net of discounts) / Average Trade Receivables)	4.46	6.35	-30%	
(g) Trade payables turnover ratio (Cost of Bandwidth, license fee and network expenses)/ Average Trade payables)	3.5	12.85	-73%	
(h) Net capital turnover ratio (Net annual sales / Working capital) the working capital is calculated by subtracting a company's current liabilities from its current assets	2.88	3.80	-24%	
(i) Net profit ratio Net profit after Tax / Net sales) x 100	13%	11%	23%	
(j) Return on Capital employed, (earnings before interest and taxes (EBIT), by capital employed) "Capital Employed = Total Assets - Current Liabilities	6%	6%		

**42. Title deeds of immovable properties**

The title deeds of all the immovable properties, as disclosed in note 4.1 to the financial statements, are held in the name of the company.

**43. Valuation of Property Plant & Equipment, intangible asset**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

**44. Loans or advances to specified persons**

No loans or advances in the nature of loans are granted to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

**45. Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

**46. Borrowing secured against current assets**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

**47. Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

**48. Relationship with struck off companies**

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

**49. Registration of charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

**50. Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

**51. Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**52. Utilisation of borrowed funds and share premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**53. Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

**54. Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**55. Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date.

For M/s. NIRANJAN & NARAYAN  
Chartered Accountants,  
Firm Registration No. 005899S

For and on behalf of the Board of Directors

Sd/-  
P.VENUMADHAV RAO  
Partner  
Membership No.202785  
UDIN: 23202785BGXYSR8035

Sd/-  
Manohar Loka Reddy  
Managing Director  
DIN : 00140229

Sd/-  
Vijaya Bhasker Reddy Maddi  
Director  
DIN:00278842

Place: Hyderabad  
Date: 30-05-2023

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, 2023, 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, 2023, 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 Opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 auditor's report.

### 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

### 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)(f) 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 / financial information of three subsidiaries included in the consolidated financial results, whose financial statements / financial information reflect total assets of Rs. 2699.94 Lakhs as at 31st March, 2023, total revenues of Rs.252.48 Lakhs, total net loss after tax of Rs. 40.12 Lakhs, total comprehensive loss of Rs.40.12 Lakhs and cash flows (net) of Rs. -453.90 Lakhs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss after tax of Rs.20.97 Lakhs and total comprehensive loss after tax of Rs.20.97 Lakhs for the year ended 31st March, 2023, as considered in the consolidated financial results, whose financial statements / financial information have not been audited by us. This financial statements / financial information has been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, the consolidated financial results includes the unaudited financial statements/ financial information of one subsidiary, whose financial statements/ financial information reflect total assets of Rs.607.58 Lakhs as at 31st March, 2023, total revenue of Rs.896.63 Lakhs, total net loss after tax of Rs. -113.88 Lakhs, total comprehensive income after tax of Rs. -113.88 Lakhs and cash flows (net) of Rs. -25.55 Lakhs for the year ended on that date, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit after tax of Rs. -113.88 Lakhs and total comprehensive income after tax of Rs. -113.88 Lakhs for the year ended 31st March, 2023, as considered in the consolidated financial results, whose financial statements / financial information have not been audited by us. This financial statement/ financial information is unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management.

- 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, 2023 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, 2023 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 Niranjana and Narayan  
Chartered Accountants  
Firm Registration Number:005899S**

**Sd/-  
P. Venumadhava Rao  
Partner**

**Place: Hyderabad  
Date: 30-05-2023**

**Membership Number: 202785  
UDIN:23202785BGXYSS1239**

**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, 2023, we have audited the internal financial controls over financial reporting of NETTLINX LIMITED, (hereinafter referred to as “Company”), and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by ICAI.

**For Niranjana and Narayana  
Chartered Accountants  
Firm Registration Number:005899S**

**Sd/-  
P. Venumadhava Rao  
Partner**

**Place: Hyderabad  
Date: 30-05-2023**

**Membership Number: 202785  
UDIN:23202785BGXYSS1239**

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023**

₹ In Lakhs

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>A. Assets</b>			
<b>Non-current assets</b>			
A. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	980.04	947.64
(b) Capital work-in-progress	3	1,870.29	1,870.29
(c) Right to use Assets	3	35.45	53.17
(d) Goodwill	4	-	-
(e) Other intangible assets	5	4.30	5.13
(f) Financial assets	-	-	-
(i) Investments	6	1,423.33	1,315.54
(ii) Other financial assets	7	46.85	12.08
(g) Deferred tax assets (net)	8	-	-
(h) Other non-current assets	9	111.00	75.00
<b>Total non-current assets</b>		<b>4,471.26</b>	<b>4,278.85</b>
<b>Current assets</b>			
(a) Inventories	10	284.97	275.02
(b) Financial assets	-	-	-
(i) Trade receivables	11	386.76	477.24
(ii) Cash and cash equivalents	12	153.75	600.05
(iii) Other bank balances	13	12.44	54.44
(iv) Loans	14	-	-
(v) Other financial assets	7	449.84	12.91
(c) Other current assets	9	892.00	836.09
<b>Total current assets</b>		<b>2,179.76</b>	<b>2,255.75</b>
<b>Total assets</b>		<b>6,651.02</b>	<b>6,534.60</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	1,176.33	1,146.33
(b) Other equity	16	2,810.94	2,472.77
<b>Equity attributable to owners of the Company</b>		<b>3,987.27</b>	<b>3,619.11</b>
Non-controlling interests	17	831.51	839.70
<b>Total equity</b>		<b>4,818.79</b>	<b>4,458.80</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	933.80	1,213.20
(ii) Other Financial Liability	19	38.23	57.22
(b) Provisions	20	18.44	9.06
(c) Deferred Tax liabilities	8	14.36	7.37
<b>Total non-current liabilities</b>		<b>1,004.83</b>	<b>1,286.85</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	135.37	182.42
(ii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises			-
-Total outstanding dues of creditors other than micro enterprises and small enterprises"	21	114.78	28.41
(iii) Other financial liabilities	22	163.52	170.95
(b) Other current liabilities	23	362.28	337.26
(c) Provisions	20	0.89	0.86
(d) Current tax liabilities (net)	24	50.56	69.05
<b>Total current liabilities</b>		<b>827.40</b>	<b>788.95</b>
<b>Total equity and liabilities</b>		<b>6,651.02</b>	<b>6,534.60</b>
<b>Corporate information and Significant accounting policies</b>	1,2		
<b>See accompanying notes are an integral part of the Consolidated financial statements</b>	3 to		
<b>Previous period / year figures have been regrouped / Reclassified Wherever necessary</b>			

 For M/s. NIRANJAN & NARAYAN  
 Chartered Accountants  
 (Firm Registration Number : 005899S)

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

 Sd/-  
 P.VENUMADHAV RAO  
 Partner  
 Membership No.202785  
 UDIN:23202785BGXYSS1239

 Sd/-  
 Manohar Loka Reddy  
 Managing Director  
 DIN : 00140229

 Sd/-  
 Vijaya Bhasker Reddy Maddi  
 Director  
 DIN:0000278842

 Place : Hyderabad  
 Date : May 30, 2023

 Sd/-  
 N.Venkateswara Rao  
 Chief Financial Officer

 Sd/-  
 G Sai Ram  
 Company Secretary and Compliance Officer

₹ In Lakhs

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I Revenue from operations	25	2,166.96	3,442.43
II Other income	26	137.06	29.80
<b>III Total Income (I + II)</b>		<b><u>2,304.02</u></b>	<b><u>3,472.24</u></b>
IV Expenses			
(a) Access charges, license fee and network expenses, Inventory Cost	27	463.50	992.24
(b) Employee benefits expense	28	970.81	1,081.53
(c) Finance costs	29	98.91	118.72
(d) Depreciation and amortization expense	30	98.85	95.03
(e) Other expenses	31	640.55	864.81
<b>Total Expenses</b>		<b><u>2,272.62</u></b>	<b><u>3,152.33</u></b>
V Profit before tax (III - IV)		31.40	319.91
VI Tax expense			
(a) Current tax		51.17	71.52
(b) Prior period Taxes		(0.06)	(3.39)
(b) Deferred tax expense /(credit)		2.04	(4.70)
<b>Total tax expense</b>		<b><u>53.14</u></b>	<b><u>63.43</u></b>
VII Profit after tax (V - VI)		(21.74)	256.48
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		-	2.18
(b) Net (loss)/gain on fair value through OCI (FVTOCI)		17.79	432.31
(ii) Income tax on items that may not be reclassified to profit or loss		(4.95)	(113.06)
<b>Total other comprehensive income</b>		<b><u>12.84</u></b>	<b><u>321.43</u></b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b><u>(8.90)</u></b>	<b><u>577.91</u></b>
X Profit for the year attributable to			
Shareholders		(2.60)	278.27
Non Controlling Interest		(19.14)	(21.79)
XI Other Comprehensive Income attributable to			
Shareholders		12.84	321.43
Non Controlling Interest		-	-
XII Total Comprehensive Income attributable to			
Shareholders		10.24	599.70
Non Controlling Interest		(19.14)	(21.79)
XIII Earnings Per Share of Rs.10 each fully paid up			
(i) Basic		(0.02)	2.43
(ii) Diluted		(0.02)	2.43
XIV Weighted Average Equity Shares used in Computing Earnings per Equity Share			
(i) Basic		11,763,312	11,463,312
(ii) Diluted		12,088,312	11,463,312

Corporate information and Significant accounting policies 1,2  
See accompanying notes are an integral part of the  
Consolidated financial statements 3 to  
Previous period / year figure have been regrouped / Reclassified Wherever necessary.

For M/s. NIRANJAN & NARAYAN  
Chartered Accountants  
(Firm Registration Number : 005899S)

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

Sd/-  
P.VENUMADHAVA RAO  
Partner  
Membership No.202785  
UDIN:23202785BGXYSS1239

Sd/-  
Manohar Loka Reddy  
Managing Director  
DIN : 00140229

Sd/-  
Vijaya Bhasker Reddy Maddi  
Director  
DIN:00278842

Place : Hyderabad  
Date : May 30, 2023

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, 2023**

₹ In Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash Flows From Operating Activities</b>		
<b>Profit Before Tax for the year</b>	<b>31.40</b>	<b>319.89</b>
Adjustments for:	-	
Depreciation and amortization expense	98.85	95.05
Profit on sale of property, plant and equipment (net)	-	-
Finance costs	92.16	106.85
Interest income	(1.86)	(3.28)
	<u><b>220.55</b></u>	<u><b>518.51</b></u>
<b>Operating Cash Flows Before Working Capital Changes</b>		
<b>Movements in working capital</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
(increase)/ Decrease in Trade receivables	91.24	(91.06)
Inventories	-	474.54
(increase)/ Decrease in Loans and advances	39.13	(0.54)
(increase)/ Decrease in Other Current Assets	(524.65)	36.24
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
increase/(Decrease) in Trade payables	86.37	(42.81)
increase/ (Decrease) in Other Current Liabilities	11.69	(75.01)
Increase/ (Decrease) in Provisions	6.09	(10.54)
<b>Movements in working capital- Total</b>	<u><b>(290.11)</b></u>	<u><b>290.83</b></u>
<b>Cash Flows From Operating Activities</b>	<u><b>(69.56)</b></u>	<u><b>809.35</b></u>
Net Tax Paid	80.70	89.70
<b>Net Cash Generated From Operating Activities (A)</b>	<u><b>(150.26)</b></u>	<u><b>719.64</b></u>
<b>B. Cash Flows From Investing Activities</b>		
Purchase of Fixed Assets including CWIP	(112.70)	(244.69)
Disposals of Fixed Assets	-	51.45
Long Term Loans & Advances	(36.00)	161.96
increase/ Decrease in Other Non-Current Assets	(34.77)	(11.01)
Investments	(90.00)	(852.50)
Interest Income received	1.86	-
Foreign Exchange effect	74.53	11.14
<b>Net Cash Generated/ Used in Investing Activities (B)</b>	<u><b>(197.08)</b></u>	<u><b>(883.64)</b></u>
<b>C. Cash Flows From Financing Activities</b>		
Money received against share warrants	313.13	-
Change in Equity Share capital	30.00	81.61
Increase in Share premium	-	-
Proceeds from Long Term borrowings	-	-
increase/ (Decrease) in Non-Current Liabilities	(297.57)	(45.59)
Repayments from ShortTerm borrowings	(47.30)	49.26
Dividend paid to company's shareholders	(47.05)	-
Finance Costs Paid	(92.16)	(106.85)
<b>Net Cash Generated From/ (Used in) Financing Activities ©</b>	<u><b>(140.95)</b></u>	<u><b>(21.57)</b></u>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<u><b>(488.29)</b></u>	<u><b>(185.56)</b></u>
<b>Cash and Cash Equivalents at the Beginning of the year</b>	<b>654.48</b>	<b>840.05</b>
<b>Cash and Cash Equivalents at the End of the year</b>	<b>166.19</b>	<b>654.48</b>

Statement of Cash flow has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013

For M/s. NIRANJAN & NARAYAN  
Chartered Accountants  
(Firm Registration Number : 005899S)

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

Sd/-  
P.VENUMADHAV RAO  
Partner  
Membership No.202785  
UDIN:23202785BGXYSS1239

Sd/-  
Manohar Loka Reddy  
Managing Director  
DIN : 00140229

Sd/-  
Vijaya Bhasker Reddy Maddi  
Director  
DIN:00278842

Place : Hyderabad  
Date : May 30, 2023

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. Lakhs except share data and where otherwise stated**

<b>NOTE – 3: Property, plant and equipment and capital work-in-progress</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Carrying amounts of:		
Freehold land	461.98	461.98
Buildings	10.56	10.83
Plant & equipment	320.62	243.70
Furniture & fixtures	3.30	3.46
Vehicles	167.34	195.61
Office equipment	8.74	11.94
Computers	7.50	20.12
<b>Total</b>	<b>980.04</b>	<b>947.64</b>
Capital work-in-progress	1,870.29	1,870.29
<b>Total</b>	<b>1,870.29</b>	<b>1,870.29</b>

<b>NOTE .4 Goodwill</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Cost / deemed cost / deemed cost	-	-

<b>NOTE – 5: Intangible Assets</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Carrying amounts of:		
Software	4.30	5.13
	4.30	5.13

<b>Particulars</b>	<b>Freehold land</b>	<b>Buildings</b>	<b>Plant &amp; equipment</b>	<b>Furniture and fixtures</b>	<b>Vehicles</b>	<b>Office equipment</b>	<b>Computers</b>	<b>TOTAL</b>	<b>Right to Use Asset</b>	<b>TOTAL</b>	<b>Note : 4 Intangible Assets</b>	
											<b>Software</b>	<b>Total</b>
A. Cost or deemed cost												
Balance as at March 31, 2021	461.98	15.88	911.72	58.05	270.59	107.37	58.41	1,884.01	-	88.62	8.39	8.39
Additions	-	-	42.40	-	175.18	1.38	4.92	223.88	88.62	88.62	-	-
Disposals	-	-	-	-	100.94	-	-	100.94	-	-	-	-
Balance as at March 31, 2022	461.98	15.88	954.12	58.05	344.83	108.75	63.34	2,006.95	88.62	88.62	8.39	8.39
Additions	-	-	105.35	0.53	-	2.92	3.75	112.55	-	-	0.15	0.15
Disposals	-	-	-	-	47.36	-	-	47.36	-	-	-	-
Balance as at March 31, 2023	461.98	15.88	1,059.47	58.58	297.47	111.67	67.09	2,072.13	88.62	88.62	8.54	8.54
B. Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	-	4.78	682.49	53.89	174.77	89.03	27.50	1,032.47	17.72	17.72	2.28	2.28
Depreciation expense	-	0.27	27.93	0.70	23.94	7.78	15.71	76.33	17.72	17.72	0.98	0.98
Depreciation adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Eliminated on disposal of assets	-	-	-	-	49.49	-	-	49.49	-	-	-	-
Balance as at March 31, 2022	-	5.05	710.42	54.58	149.23	96.81	43.21	1,059.31	35.45	35.45	3.26	3.26
Depreciation expense	-	0.27	28.43	0.70	28.26	6.12	16.37	80.15	17.72	17.72	0.98	0.98
Eliminated on disposal of assets	-	-	-	-	47.36	-	-	47.36	-	-	-	-
Balance as at March 31, 2023	-	5.32	738.85	55.28	130.12	102.93	59.58	1,092.10	53.17	53.17	4.24	4.24
C. Carrying amount												
Balance as at March 31, 2023	461.98	10.56	320.62	3.30	167.34	8.74	7.50	980.04	35.45	35.45	4.30	4.30
Balance as at March 31, 2022	461.98	10.83	243.70	3.46	195.61	11.94	20.12	947.64	53.17	53.17	5.13	5.13

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

	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
<b>NOTE – 6: Non-current investments</b>		
Investments in equity instruments		
Unquoted investments (fully paid)		
(a) Investments in others (at cost)		
(i) "Northeast Broking Services Ltd (NBSL) *69,531 equity shares of Rs. 10 each"	13.16	13.16
(ii) "Investment in Equity shares of LGS Global Ltd(450250 Equity shares (face value Rs.2/-)"	326.50	326.50
(iii) Golden Meghastructures LLP	963.00	873.00
(b) Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)	120.67	102.88
<b>Total</b>	<b><u>1,423.33</u></b>	<b><u>1,315.54</u></b>
<b>NOTE – 7: Other financial assets</b>		
<b>Unsecured, considered good</b>		
<b>Non-Current</b>		
- Security Deposits *	46.85	12.08
<b>Total</b>	<b><u>46.85</u></b>	<b><u>12.08</u></b>
<b>Current</b>		
- Interest Accrued but not due on FDRs	1.69	1.37
- Rental/Security Deposits	10.87	10.72
- Others	437.29	0.82
<b>Total</b>	<b><u>449.84</u></b>	<b><u>12.91</u></b>
<b>*Bank guarantee against license towards Telecom Operations to the Department of Telecommunications.</b>		
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	0.48	0.40
Deferred tax liabilities		-
<b>Total</b>	<b><u>0.48</u></b>	<b><u>0.40</u></b>
<b>Deferred tax liabilities</b>		
The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet:		
Deferred tax assets	52.25	54.22
Deferred tax liabilities	(67.09)	(62.00)
<b>Total</b>	<b><u>(14.84)</u></b>	<b><u>(7.77)</u></b>
<b>G.Total</b>	<b><u>(14.36)</u></b>	<b><u>(7.37)</u></b>
<b>NOTE – 9: Other assets</b>		
<b>Unsecured, considered good</b>		
<b>Non-Current</b>		
- Advance for land	111.00	75.00
<b>Total</b>	<b><u>111.00</u></b>	<b><u>75.00</u></b>
<b>Current</b>		
Current Tax Assets	35.68	56.76
- Prepaid expenses	4.35	3.17
- Balances with government authorities	388.68	367.12
- Deposits	26.61	21.55
- Advance to Vendors	22.04	-
- Others	414.64	387.49
<b>Total</b>	<b><u>892.00</u></b>	<b><u>836.09</u></b>

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

	As at 31-03-2023	As at 31-03-2022
<b>NOTE – 10: Inventories</b>		
Land	275.02	275.02
Others	9.94	-
<b>Total</b>	<b>284.97</b>	<b>275.02</b>
<b>NOTE – 12: Cash and cash equivalents</b>		
Balance with banks		
- In current accounts	149.10	594.52
Cash on hand	4.65	5.53
<b>Total</b>	<b>153.75</b>	<b>600.05</b>
<b>NOTE – 13: Other bank balances</b>		
In deposit accounts with maturity less than 12 months	12.44	54.44
<b>Total</b>	<b>12.44</b>	<b>54.44</b>
<b>NOTE – 14: Loans</b>		
Advances to related parties	-	-
Others	-	-
<b>Total</b>	-	-

**Note: 11 Trade receivables - Billed**
**Trade receivables - Billed (unsecured) consist of the following**

<b>Trade receivables - Billed</b>	386.76	477.24
Less: Allowance for doubtful trade receivables- Billed	0	0
<b>Considered good</b>	<b>386.76</b>	<b>477.24</b>

Ageing for trade receivables – non-current outstanding as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment						Total
	Note Due	Less than 6 months	6 months -1years	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables-Considered good	-	282.22	7.09	5.23	2.96	89.26	386.76
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-Considered good	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	-	282.22	7.09	5.23	2.96	89.26	386.76
Less: Allowance for doubtful trade receivables - Billed	-	-	-	-	-	-	-
Trade receivables - Unbilled	-	-	-	-	-	-	-
							386.76

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment						Total
	Note Due	Less than 6 months	6 months -1years	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
Undisputed trade receivables-Considered good	-	220.88	34.35	80.62	138.46	2.94	477.24
Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed trade receivables-Considered good	-	-	-	-	-	-	-
Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables-credit impaired	-	-	-	-	-	-	-
	-	220.88	34.35	80.62	138.46	2.94	477.24
Less: Allowance for doubtful trade receivables - Billed	-	-	-	-	-	-	-
Trade receivables - Unbilled	-	-	-	-	-	-	-
							477.24

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

Note - 15: Share capital	As at 31-03-2023		As at 31-03-2022	
	Number of shares	%	Number of shares	%
(a) Authorised				
Equity shares of Rs. 10 each	345.00	3,450.00	345.00	3,450.00
(b) Issues, subscribed and fully paid-up				
Equity shares of Rs. 10 each	117.63	1,176.33	114.63	1,146.33
Total	117.63	1,176.33	114.63	1,146.33

**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(Rs.)
Balance as at March 31, 2021	114.63	1,146.33
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	114.63	1,146.33
Changes in equity share capital during the year	3.00	30.00
Balance as at March 31, 2023	117.63	1,176.33

(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 31-03-2023		As at 31-03-2022	
	Number of shares	%	Number of shares	%
Dr. Manohar Loka Reddy	55.11	46.85	54.96	46.72
Northeast Broking Services Ltd	7.78	6.62	7.78	6.62
Saranya Loka Reddy	6.44	5.48	6.44	5.48

(iv) Disclosure of Shareholding of Promoter

Name of the shareholder	As at 31-03-2023		As at 31-03-2022		Charge
	Number of shares	%	Number of shares	%	
Dr. MANOHAR LOKAREDDY	55.11	46.85	54.96	46.72	0.13
MANOHAR LOKAREDDY HUF	1.48	1.26	1.48	1.26	0.00
P KALPANA REDDY	2.38	2.02	2.38	2.02	0.00
SARANYA LOKA REDDY	6.44	5.48	6.44	5.48	0.00
ROHITH REDDY LOKA	3.00	2.55	-	-	2.55
JAYA REDDY	0.25	0.21	0.25	0.21	0.00
NITHYA LOKA REDDY	0.59	0.50	0.59	0.50	0.00
SHILPA LOKA REDDY	0.98	0.83	0.98	0.83	0.00
	70.23	59.70	67.08	58.52	2.68

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

**NOTE: 15 Equity share capital**

	Amount	Amount
Equity share capital		
Balance as at March 31, 2021	1,146.33	1,146.33
Changes in equity share capital during the year		
Balance as at March 31, 2022	1,146.33	1,146.33
Changes in equity share capital during the year	30.00	30.00
Balance as at March 31, 2023	1,176.33	1,176.33

**NOTE: 16 Other Equity - Consolidated**

Other Equity	Reserves and surplus				Items of other comprehensive income		Foreign Currency Translation Reserve	Attributable to owners of the Company	Non-controlling interests
	Capital reserve	Securities premium	General reserve	Retained earnings	Money received against share warrants	Equity instruments through other comprehensive income			
Balance as at March 31, 2021	568.51	246.00	319.38	573.38	-	-	(60.49)	135.15	1,876.83
Profit / (loss) for the Year	-	-	-	256.48	-	-	-	-	278.27
Other Adjustments	-	-	-	-	-	-	-	-	(15.62)
Other comprehensive income for the year	-	-	-	-	-	320.63	0.80	-	321.43
Others	-	-	-	-	-	-	-	11.53	11.53
Increase in investment by Minority interest	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	568.51	246.00	319.38	829.86	-	-	(59.69)	146.68	2,472.77
Profit / (loss) for the Year	-	-	-	(21.74)	-	-	-	-	(2.60)
Other Adjustments	-	-	-	-	-	-	-	-	(19.22)
Other comprehensive income for the year	-	-	-	-	-	17.79	(4.95)	-	12.84
Money received against share warrants	240.00	-	-	-	73.13	-	-	-	313.13
Others	-	-	-	(47.05)	-	-	-	82.72	34.03
Increase in investment by Minority interest	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	568.51	486.00	319.38	757.46	-	73.13	(64.64)	212.39	2,810.94

**NETTLINX LIMITED**
**NETTLINX LIMITED**

Notes to the consolidated financial statements

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

<b>NOTE – 17: Non-controlling interest</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Balance at beginning of year	839.70	784.15
Increase in investment by Minority interest	-	77.33
Share of profit / (loss) for the year	(8.18)	(21.79)
<b>Total</b>	<b>831.51</b>	<b>839.70</b>

<b>NOTE - 18: Borrowings</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
<b>Non-current</b>		
<b>Secured term loans</b>		
-From Banks (Refer Note : 18.1,18.2 )	729.92	1,008.50
- From others	203.89	204.70
<b>Total</b>	<b>933.80</b>	<b>1,213.20</b>
<b>Current</b>		
<b>Secured term loans</b>		
Current maturities of long-term debt	135.37	182.42
- From others	-	-
<b>Total</b>	<b>135.37</b>	<b>182.42</b>

**"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).

**Note 18.2:** Loans received from Bank includes vehicle loans amount of Rs 1,41.27 Lakhs- with Motor Vehicle (Hypothecation) of Rs.1,31.03 Lakhs "

<b>NOTE - 19: Other Financial Liability</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Lease Liability	38.23	57.22
<b>Total</b>	<b>38.23</b>	<b>57.22</b>

<b>NOTE – 20: Provisions</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
<b>Non - Current</b>		
<b>Employee Benefits</b>		
- Gratuity	18.44	9.06
<b>Total</b>	<b>18.44</b>	<b>9.06</b>
<b>Current-Provisions</b>		
<b>Employee Benefits</b>		
- Leave Encashment	-	0.40
- Gratuity	0.89	0.47
<b>Total</b>	<b>0.89</b>	<b>0.86</b>

## NETTLINX LIMITED

Notes to the financial statements

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

<b>Note: 21 Trade payables</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
'- Total outstanding dues of micro enterprises and small enterprises	-	-
'- Total outstanding dues of creditors other than micro enterprises and small enterprises *	114.78	28.41
	114.78	28.41

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Note Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Trade payables						
MSME*	0	0	0	0	0	0
Others	0	95.63	2.20	6.43	10.52	114.78
Disputed dues - MSME*	0	0	0	0	0	0
Disputed dues - Others	0	0	0	0	0	0
	0	<b>95.63</b>	<b>2.20</b>	<b>6.43</b>	<b>10.52</b>	<b>114.78</b>
Accrued expenses						0
						<b>114.78</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Note Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total
Trade payables						
MSME*	0	0	0	0	0	0
Others	0	15.77	1.24	4.77	6.62	28.41
Disputed dues - MSME*	0	0	0	0	0	0
Disputed dues - Others	0	0	0	0	0	0
	0	15.77	1.24	4.77	6.62	28.41
Accrued expenses						0
						28.41

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

<b>NOTE – 22: Other financial liabilities</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Interest accrued and due on borrowings	5.27	5.88
Outstanding expenses	13.24	16.09
Employee related expenses	31.30	35.27
Rental deposit	1.21	1.21
Others	112.50	112.50
<b>Total</b>	<b>163.52</b>	<b>170.95</b>

<b>NOTE – 23: Other current liabilities</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Unsecured		
Advances from customers	26.82	0.16
Statutory remittances	36.33	65.83
Others	299.13	271.26
<b>Total</b>	<b>362.28</b>	<b>337.26</b>

<b>NOTE – 24: Current tax liabilities (net)</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Provision for income tax (net)	50.56	69.05
<b>Total</b>	<b>50.56</b>	<b>69.05</b>

**NETTLINX LIMITED**
**Notes to the consolidated financial statements**

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

**NOTE – 25: Revenue from operations**

	As at 31-03-2023	As at 31-03-2022
(a) Sale of goods	237.10	965.45
(b) Sale of services		
(i) From Internet Bandwidth services	765.22	842.22
(ii) From Network Maintenance Services IT	65.65	85.77
(iii) From One Time Installation Charges	90.50	59.04
(iv) From Web Design & Development	14.46	18.93
(v) From ITES	994.03	1,471.02
<b>Total</b>	<b>2,166.96</b>	<b>3,442.43</b>

**NOTE – 26: Other income**
**(a) Interest income earned on financial assets that are not designated as at fair value through profit and loss:**

- Bank deposits	1.78	0.80
- Other financial assets	0.04	3.48

**(b) Other non-operating income**

- Rental income	8.11	9.36
- Others	124.47	16.15

**(c) Other gains and losses**

- Net foreign exchange gains / (losses)	0.12	-
- Gain on disposal of property, plant and equipment	2.54	-

<b>Total</b>	<b>137.06</b>	<b>29.80</b>
--------------	---------------	--------------

**NOTE – 27: Access charges, license fee and network expenses**

Bandwidth, web hosting, leased circuit & service charges	206.86	201.95
Purchase cost of sales/services	187.48	75.68
Domain registration expenses	0.15	0.19
Annual membership fee	1.16	1.77
DOT licence fees	67.85	78.14
Cost of Inventory (land) sold	-	634.51
<b>Total</b>	<b>463.50</b>	<b>992.24</b>

**NOTE – 28: Employee benefits expense**

Salaries (including managerial remuneration)	946.58	1,067.62
Contribution to provident and other funds	7.63	7.11
Defined Benefits Plans	9.80	2.45
Staff welfare expenses	6.80	4.35
<b>Total</b>	<b>970.81</b>	<b>1,081.53</b>

**NOTE – 29: Finance costs**
**(a) Interest costs:**

(i) Interest on loans	93.19	111.12
(ii) Interest on working capital facilities	-	-
(iii) Others (on Lease Liability)	5.72	7.60

<b>Total</b>	<b>98.91</b>	<b>118.72</b>
--------------	--------------	---------------

**NOTE – 30: Depreciation and amortisation expense**

Depreciation of property, plant and equipment	97.87	92.58
Amortisation of intangible assets	0.98	2.46
<b>Total</b>	<b>98.85</b>	<b>95.03</b>



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

<b>NOTE – 31: Other expenses</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>
Computer & network maintainance	48.35	62.17
Electricity charges	17.32	16.03
Rent	18.61	16.29
Vehicle maintainance	3.89	6.78
Office maintainance	36.47	36.66
Insurance	9.57	10.86
Rates and taxes	20.17	25.32
Communication	3.89	4.27
Travelling and conveyance	33.84	24.39
Advertisement and sales promotion	11.84	10.49
Professional Charges	278.32	621.08
Audit Fees	6.20	4.17
Bad trade receivables written-off	121.07	-
Postage & Courier	1.73	0.49
Discounts	2.73	-
Security charges	7.28	6.16
Stock Exchange Listing Fee & Demat Charges	11.03	5.58
Printing and stationery	1.54	1.73
Bank Charges	2.81	5.76
Interest on Late Payment	1.84	1.92
Miscellaneous expenses	2.03	4.66
<b>Total</b>	<b>640.55</b>	<b>864.81</b>

## Notes of Account on consolidated financial Statements

### Group overview & significant policy

#### A. Group overview

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, 2023, 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 May, 2023.

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 value of the defined benefit obligation;

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 counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

#### B.6 Critical accounting judgements and key sources of estimation uncertainty.

In the application of the Group's accounting policies, which are described in Note 1, the management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

#### **Provision and contingent liability**

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

#### **Useful lives of depreciable assets**

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

#### **Investment in equity instruments of subsidiary and associate companies**

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

#### **B.7 Fair value measurement and valuation process:**

The Group measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

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

### **1. Significant accounting Policies**

#### **1.1 Revenue recognition**

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

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

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

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

#### **Products and platforms:**

The Group offers a complete range of network solutions like Internet, Network Management Services, Data Centre and Co-location Services and Enterprise Mailing Solutions etc and derives revenues in the way of sale of products, sale of VOIP Telephones and 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 in the year 2020-2021

#### **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 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.

**Contingent liabilities/claims not provided for:**
**Rs. In Lakhs**

a) Claims against the Group not acknowledged as Debt:	2022-23	2021-22
i) *Provisional Licence fee assessment	43.30	43.30
ii) Licence fee assessment notice-outstanding with interest and penalty	911.67	911.67
iii) **GST	308.89	308.89
iv)*** There is a dispute in City Civil Court, Hyderabad against P. Ravinder Reddy and E. Laxman Reddy, Hyderabad, for an amount of 18.00 Lakhs, (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

\*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 Lakhs

Holding Company has received a license fee assessment notice from Department of Telecommunications-AP circle for the years 2011-12 to 2017-18 w.r.t ISP(IT) License for Rs. 911.67 Lakhs

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.

\*\*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.

### 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.

#### (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, 2023.

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	
	As at 31st March, 2023	As at 31st March, 2022
Subsidiaries:		
1.Nettlinx Realty Private Limited	100%	100%
2 NettlinxInc USA	100%	100%
3.Sailon SE	95%	95%
4.Sri Venkateswara Green Power Projects Limited	57.78%	57.78%
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 2022-23 Rs. In Lakhs	For the Year 2021-22 Rs. In Lakhs
a) Statutory Auditor		
Audit Fee	4.19	3.62
Certification & Fees for other Services	2.01	0.55
Total	6.20	4.17

**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.

(Rs. in Lakhs)

S.I	Particulars	As at March 31, 2023	As at March 31, 2022
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:

<b>1) Subsidiaries of the Group having significant Influence</b>
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)
<b>2) Companies in which directors are interested</b>
a) North East Broking Services Limited
<b>3) Key Management Personnel (KMP) of the Group</b>
a) Shri Manohar Loka Reddy – Chairman and Managing Director(Appointed as MD w.e.f 05/06/2020)
b) Shri G. Sai Ram – CS
c) Venkateswara Rao Narepalem (Appointed as CFO w.e.f 14/09/2020)

Following transactions were carried out with related parties in the ordinary course of business during the year 2022-23

(Rs. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	48.00	-	30.12	78.12
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	-	-	-	-
4	Investments	-	-	-	-
5	Loans (Repaid to parties)	-	-	-	-
6	Loans (Received from parties)	-	-	-	-
7	Other Income				
	a) Rental Income (From Sri Venkateswara Green Power Projects Ltd to Nettlinx Ltd)	1.75	-	-	1.75
	b). Interest income (Nettlinx Technologies Pvt Ltd to Nettlinx Realty Pvt Ltd)	0.64	-	-	0.64

Following are the transactions carried out with related parties during the previous year 2021-22

(Rs. in Lakhs)

S.No	Description	Subsidiaries	Parties having Significant Influence	KMP	Total
1	Managerial Remuneration	48.00	-	27.60	75.60
2	Reimbursement of Expenses	-	-	-	-
3	Service Sales	-	-	-	-
4	Investments	-	-	-	-
5	Loans (Repaid to parties)	8.00	-	-	8.00
6	Loans (Received from parties)	17.00	-	10.00	27.00
7	Other Income				
	a. Interest received (From Nettlinx Realty Pvt Ltd)	0.30	-	-	0.30

**Balances Outstanding with related parties: NIL**

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directorates 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, 2023, 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:

(Rs. in Lakhs)

S.No	Parties	Gratuity (Funded Plan)	
		As on 31.03.2023	As on 31.03.2022
I	Change in Obligation		
	1 Present Value of defined benefit obligation at the beginning of the year	9.53	10.38
	2 Current service cost	2.25	1.80
	3 Interest cost	0.68	0.65
	4 Actuarial (gain) / loss on obligation	6.87	(2.18)
	5 Benefits paid	-	(1.12)
	6 Present Value of defined benefit obligation at the end of the year	19.33	9.53
II	Change in the Fair Value of Plan Assets		
	1 Fair Value of Plan assets at the beginning of the year	14.09	0
	2 Expected return on plan assets	0	0
	3 Contributions by employer	4.03	15.12
	4 Actuarial gain / (loss) on plan assets	1.03	0.09
	5 Benefits paid	-	(1.12)
	6 Fair Value of Plan assets at the end of the year	19.16	14.09
III	Expenses recognized in the Profit and Loss Account		
	1 Current service cost	2.25	1.80
	2 Interest cost	0.68	0.65
	3 Expected return on plan assets	(1.15)	0
	4 Net actuarial loss / (gain) recognized in the current year	6.87	(2.18)
	5 Expenses recognized in the Profit and Loss Account	1.78	2.45
IV	Re-measurements recognized in Other Comprehensive Income (OCI)		
	1 Changes in Financial Assumptions	0	(0.49)
	2 Changes in Demographic Assumptions	0	0
	3 Experience Adjustments	6.87	(2.18)
	4 Actual return on Plan assets less interest on plan assets	6.87	(2.18)
	5 Amount recognized in Other Comprehensive Income (OCI)	6.87	(2.18)
V	Expenses recognized in the Balance Sheet as at the end of the year		
	1 Present value of defined benefit obligation	19.33	9.53
	2 Fair Value of plan assets at the end of the year	19.16	14.09
	3 Funded status [Surplus / (Deficit)]	(0.17)	4.57
	4 Net assets / (liability) as at the end of the year	(0.17)	4.57
VII	Sensitivity analysis for significant assumptions: *		
	Increase/(Decrease) on present value of defined benefit obligation at the end of the year		
	Salary escalation-up by 1%	23.95	10.93
	Salary escalation-down by 1%	15.62	8.35
	Discount Rates-up by 1%	17.57	8.38
	Discount Rates-down by 1%	21.41	10.91
	Withdrawal Rates-up by 1%	22.42	10.10
	Withdrawal Rates-down by 1%	15.84	8.86
VIII	The major categories of plan assets as a percentage of total plan		
	1 Qualifying Insurance Policy		
IX	Actuarial Assumptions		
	1 Discount rate	7.40%	7.16%
	2 Withdrawal rate		
	3 Return on plan assets	0	0
	4 Salary Escalation	5%	5%

**NOTE 39****Earnings per Share (EPS)****(Rs. in Lakhs)**

S.No.	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022
1	Profit attributable to the Equity Share Holders (Rs in Lakhs)- A	(2.6)	278.27
2	No. of Equity Shares	1,17,63,312	1,14,63,312
3	Nominal Value of the Share (Rs.)	10	10
4	Basic / Weighted average number of Equity Shares – B	1,20,88,312	1,14,63,312
5	Earnings per Share (Rs.) – A/B*	(0.02)	2.43
6	Diluted Earnings Per Share (Rs)- A/(B+E)	(0.02)	2.43

**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, 2023 and March 31, 2022. 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, 2023 and March 31, 2022.

**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.

**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 is 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.

Customers accounted for more than 5% of the revenue as of March 31, 2023 is The Principal Secretary, ITE&C Department Hyderabad, Telangana for Rs.70.00 Lakhs

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:

(Rs. in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years.	Total
<b>Year ended March 31, 2023</b>				
Borrowings(including Current maturities of long-term debt)	135.36	729.92	0	865.28
Other noncurrent financial liabilities	21.18	17.05	-	38.23
Trade payables	95.58	19.20	-	114.78
Other Payables	375.65	-	-	375.65
Interest Accrued but not due	5.27	-	-	5.27
Salary and Bonus payable	31.30	-	-	31.30
<b>Year ended March 31, 2022</b>				
Borrowings (including Current maturities of long-term debt)	181.62	793.17	216.10	1190.91
Other noncurrent financial liabilities	18.98	38.23	-	57.21
Trade payables	28.41	-	-	28.41
Other Payables	467.05	-	-	467.05
Interest Accrued but not due	5.87	-	-	5.87
Salary and Bonus payable	35.27	-	-	35.27

**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 of March 31, 2023 and March 31, 2022 as follows**

(Rs. in Lakhs)

Particulars	31-Mar-23	31-Mar-22
Total equity attributable to the equity shareholders of the Group	4818.79	4458.80
As a percentage of total capital	81.84	76.17
Long term borrowings including current maturities	1069.17	1395.62
Short term borrowings	0	0
Total borrowings	1069.17	1395.62
As a percentage of total capital	18.16	23.83
Total capital (equity and borrowings)	5887.96	5854.42

**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: Outflow -NIL\_-

Name of the Party	Inflow in (Rs. Lakhs)
Friendly Consultants Inc	Rs.97.395 Lakhs

**NOTE 45Covid-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

## Financial Ratios

	Particulars	Year Ended 31-03-2023	Year Ended 31-03-2022	Variance	Reasons for variance of above 25%
(a)	Current Ratio (Current Assets / Current Liabilities)	2.63	2.86	-8%	
(b)	Debt-Equity Ratio, (Non- Current Borrowings+ Current Borrowings)/Total Equity	0.91	1.22	-25%	
(c)	Debt Service Coverage Ratio [Profit after Tax + Finance Cost in P&L + Depreciation]/[Finance Cost in P&L + Principal Repayment(Long Term)]	0.49	1.99	-76%	Variance due to loss in previous year
(d)	Return on Equity Ratio ROE = (Net Earnings / Shareholders' Equity) x 100	-1.8%	22.4%	-108%	
(e)	Inventory turnover ratio (Sales (net of discounts) / Average Inventory)	0	0		
(f)	Trade Receivables turnover ratio (Sales (net of discounts) / Average Trade Receivables)	5.60	7.21	-22%	
(g)	Trade payables turnover ratio (Cost of Bandwidth, license fee and network expenses)/ Average Trade payables)	4.04	12.59	-68%	Variance is on account of decrease in net credit purchases
(h)	Net capital turnover ratio (Net annual sales / Working capital) the working capital is calculated by subtracting a company's current liabilities from its current assets	1.6	2.35	-32%	Variance is on account of increase in net sales and decrease in working capital
(i)	Net profit ratio Net profit after Tax / Net sales) x 100	0%	8%	-101%	Variance due to loss in previous year
(j)	Return on Capital employed, (Earnings before interest and taxes (EBIT), by capital employed) "Capital Employed = Total Assets - Current Liabilities	2%	8%	-71%	Variance due to loss in previous year

**47. Title deeds of immovable properties**

The title deeds of all the immovable properties, as disclosed in note 4.1 to the financial statements, are held in the name of the company.

**48. Valuation of Property Plant & Equipment, intangible asset**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

**49. Loans or advances to specified persons**

No loans or advances in the nature of loans are granted to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

**50. Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder

**51. Borrowing secured against current assets**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

**52. Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

**53. Relationship with struck off companies**

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

**54. Registration of charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

**55. Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017.

**56. Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**57. Utilisation of borrowed funds and share premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**58. Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

**59. Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**60. Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

The accompanying notes are an integral part of the Consolidated financial statements.  
As per our report of even date.

For M/s. NIRANJAN & NARAYAN  
Chartered Accountants,  
Firm Registration No. 005899S

For and on behalf of the Board of Directors

Sd/-  
P.VENUMADHAVA RAO  
Partner  
Membership No.202785  
UDIN:23202785BGXYSS1239

Sd/-  
Manohar Loka Reddy  
Managing Director  
DIN : 00140229

Sd/-  
Vijaya Bhasker Reddy Maddi  
Director  
DIN:00278842

Place: Hyderabad  
Date: 30-05-2023

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](mailto:secretarial@nettlinx.org)  
Website : [www.nettlinx.com](http://www.nettlinx.com)