

To,  
BSE Limited  
P. J. Towers, Dalal Street  
Mumbai-400001

Dear Sir/Madam,

**Sub:** Outcome of Board Meeting under Regulation 30 read with 33 (3) (c) of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015

**Unit:** City Online Services Limited (Scrip Code: 538674)

With reference to the subject cited, this is to inform the Exchange that at the Board meeting of City Online Services Limited held on Thursday, the 30<sup>th</sup> day of May, 2024 at 04.00 P.M. at registered office of the Company, the following were duly considered and approved by the Board.

1. Financial Results of the Company for the Quarter & Financial Year ended 31<sup>st</sup> March, 2024.
2. Statement of Impact of Auditor Qualification on Financial Results of the Company for the Financial Year ended 31<sup>st</sup> March, 2024.
3. Appointment of M/s. D. Rambabu & Co, Chartered Accountant as Internal Auditors of the Company for the Financial Year 2024-25.

The meeting of the Board of Directors concluded at 07:30 P.M

This is for the information and records of the Exchange, please.

Thanking you.

Yours faithfully,  
For City Online Services Limited

  
S. Raghava Rao

Chairman & Managing Director

(DIN: 01441612)



**RAGHAVA RAO**  
**SURYADEVARA**  
Digitally signed by RAGHAVA  
RAO SURYADEVARA  
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Statement of Profit and Loss for the year ended March 31, 2024  
 CIN: L72200TG1999PLC032114

(All amounts in Indian Rupees, unless otherwise stated)

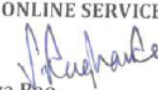
Particulars	Note	For the Quarter ended March 31, 2024	For the Quarter ended December 31, 2023	For the Quarter ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>I REVENUE</b>						
Revenue from Operations [Gross]	26	220.31	252.17	293.82	1,025.34	1,038.71
Other Operating Income	27					
Total Revenue from Operations		220.31	252.17	293.82	1,025.34	1,038.71
Other Income	28	83.35	2.49	-1.32	107.58	103.74
<b>TOTAL REVENUE [I]</b>		<b>303.66</b>	<b>254.66</b>	<b>292.50</b>	<b>1,132.92</b>	<b>1,142.45</b>
<b>II EXPENSES</b>						
Employee benefit expenses	29	44.13	42.01	31.58	170.61	163.91
Finance costs	30	2.76	3.58	3.19	12.71	17.00
Depreciation and amortization expense	3, 4 & 5	8.71	9.35	9.70	36.41	41.10
Bandwidth expenses	31	154.60	173.28	200.79	755.28	744.00
Other expenses	32	40.19	19.48	39.38	146.57	139.48
<b>TOTAL EXPENSES [II]</b>		<b>250.39</b>	<b>247.70</b>	<b>284.64</b>	<b>1,121.59</b>	<b>1,105.49</b>
<b>bt Profit/(Loss) Before Tax</b>		<b>53.27</b>	<b>6.96</b>	<b>7.86</b>	<b>11.34</b>	<b>36.96</b>
<b>IV Tax Expense:</b>						
- Current tax	33	-	-	-	-	-
- Deferred tax	33	32.33	-	-	32.33	-
<b>V Profit/(Loss) for the period</b>		<b>20.94</b>	<b>6.96</b>	<b>7.86</b>	<b>-20.99</b>	<b>36.96</b>
<b>VI Other Comprehensive Income</b>						
Items that will not be reclassified to profit or loss						
- Remeasurements of post-employment benefit obligations		1.89	-	-	1.89	-0.20
- Remeasurements of financial assets		-	-	-	-	-
- Recognition of borrowings using effective interest rate		-	-	-	-	-
Other comprehensive income for the year, net of tax		<b>22.83</b>	<b>6.96</b>	<b>7.86</b>	<b>-19.10</b>	<b>36.76</b>
<b>VII Earnings per equity share Rs. 10/- each fully paid</b>						
- Basic	39	0.41	0.13	0.15	-0.41	0.72
- Diluted	39	0.41	0.13	0.15	-0.41	0.72

1 The above financial results for the quarter and year ended 31st March, 2024 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th May, 2024.

2 The financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3 The company is primarily engaged in internet solutions and related services. There are no other reportable segments in terms of Indian Accounting Standard 108 on 'Operating Segments'.

By order of the Board  
 For CITY ONLINE SERVICES LIMITED

  
 S. Raghava Rao  
 Chairman and Managing Director  
 DIN: 01441612

Place: Hyderabad  
 Date: 30.May.2024



Regd. Office : 701, 7th Floor, Aditya Trade Center, Ameerpet, Hyderabad - 500 038

www.cityonlines.com

Phone : 040-67231900, 67231912, 66416882

CIN No. L72200AP1999PLC032114

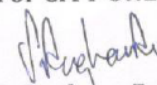
## Statement of Assets and Liabilities As on 31.3.2024

(Rs. In Lakhs)

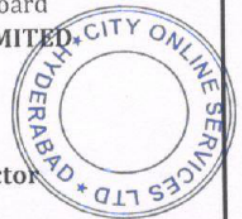
Sl.No	Particulars	As at	As at March 31, 2023
		March 31, 2024 Audited	Audited
<b>A</b>	<b>ASSETS</b>		
	Non-Current Assets		
	(a) Property, plant and equipment	157.94	187.38
	(b) Intangible assets	0.09	0.14
	(c) Right of use of Asset	4.53	8.82
	(d) Financial Assets		
	- Investments	2.84	2.84
	- Other non-current assets	13.44	14.76
	(f) Deferred tax assets [Net]	91.92	124.25
	(e) Other non-current assets	-	-
	<b>Total Non-Current Assets [A]</b>	<b>270.77</b>	<b>338.19</b>
	Current Assets		
	(a) Inventories	-	-
	(b) Financial Assets		
	- Loans and Advances	14.68	14.48
	- Trade receivables	122.41	227.38
	- Cash and cash equivalents	4.49	5.88
	- Other Bank balances	148.16	142.48
	- Other financial current assets	27.71	15.52
	(c) Other current assets	78.82	77.64
	<b>Total Current Assets [B]</b>	<b>396.26</b>	<b>483.38</b>
	<b>TOTAL ASSETS [A+B]</b>	<b>667.03</b>	<b>821.57</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	(a) Equity Share Capital	516.47	516.47
	(b) Other Equity	(550.95)	(531.85)
	<b>Total Equity [A]</b>	<b>(34.48)</b>	<b>(15.38)</b>
	Non-Current Liabilities		
	(a) Financial Liabilities		
	- Borrowings	-	2.43
	- Lease liability	4.98	8.77
	(b) Provisions	23.89	22.06
	<b>Total Non-Current Liabilities [B]</b>	<b>28.86</b>	<b>33.26</b>
	Current Liabilities		
	(a) Financial Liabilities		
	- Borrowings	132.04	141.72
	- Trade payables	266.03	297.63
	- Provisions	6.08	48.17
	(b) Other current liabilities	268.51	316.17
	<b>Total Current Liabilities [C]</b>	<b>672.65</b>	<b>803.69</b>
	<b>TOTAL EQUITY AND LIABILITIES [A+B+C]</b>	<b>667.03</b>	<b>821.57</b>

By order of the Board

For CITY ONLINE SERVICES LIMITED



S. Raghava Rao  
Chairman and Managing Director  
DIN: 01441612



Place: Hyderabad  
Date: 30.May.2024

**Cash Flow Statement for the year ended March 31, 2024**  
(All amounts in Rs. In Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2024		Year Ended March 31,2023	
<b>A. Cash flow from operating activities</b>					
Profit / (Loss) before tax		11.34		36.96	
<b>Adjustments:</b>					
Depreciation and amortisation		36.41		41.10	
Interest expense		12.71		17.00	
Write Back of Liabilities		-44.54		-	
Interest on lease liability		-		1.05	
Bad debts written off		0.45		-	
Assets Writeoff		0.80		-	
INDAS effect		-0.25		-	
Capital Reserve		-		-	
Remeasurement of post employee benefits		1.89		0.20	
Remeasurements of financial assets		-		-	
Interest on capital from partnership firm		-		-	
Expected credit loss allowance		-		-	
Profit on sale of investment		-		-47.00	
Profit on sale of property, plant & equipment		-		-	
Provision written back		-51.53		-25.85	
Interest income		-10.33	-43.05	-27.29	-3.84
<b>Cash generated before working capital changes</b>			<b>-43.05</b>		<b>-3.84</b>
Increase/(Decrease) in trade payables		12.93		-97.22	
Increase/(Decrease) in other current liabilities		-47.66		11.58	
Increase/(Decrease) in Other current financial liabilities		-		-	
Increase/(Decrease) in Short term provisions		9.44		43.00	
Increase/(Decrease) in long term provisions		1.82		3.18	
(Increase)/Decrease in inventories		-		-	
(Increase)/Decrease in short term loans and advances		-0.20		6.29	
(Increase)/Decrease in trade receivables		104.52		-31.28	
(Increase)/Decrease in other non-current financial assets		-		10.91	
(Increase)/Decrease in other Bank Balances		-5.68		-20.95	
(Increase)/Decrease in other non current assets		-		-	
(Increase)/Decrease in other current financial assets		-12.19		-8.12	
(Increase)/Decrease in other current assets		-1.18	61.80	33.84	-48.78
<b>Cash generated from operations</b>			<b>18.77</b>		<b>-52.61</b>
Direct taxes refund/ (paid)			<b>18.77</b>		<b>-52.61</b>
<b>B. Cash flows from investing activities</b>					
Purchase / (Proceeds) of property, plant and equipment, includ		-3.19		-9.18	
Investment in bank deposits		1.32		11.13	
Interest received		10.33		27.29	
Interest on capital from partnership firm		-		-	
Profit/ ( loss) on sale of investment		-		47.00	
Share of (profit)/loss from partnership firm		-		0.04	
Increase in non current investments		-	8.45	1.96	78.23
			<b>8.45</b>		<b>78.23</b>
<b>C. Cash flows from financing activities</b>					
(Repayment)/Proceeds from long term borrowings		-2.43		-10.67	
Decrease in Share capital		-		-	
Payment of Lease liability		-3.79		-3.70	
(Repayment) / Proceeds from working capital borrowings		-9.68		11.29	
Interest paid		-12.71	-28.61	-17.00	-20.08
			<b>-28.61</b>		<b>-20.08</b>
			<b>-1.40</b>		<b>5.54</b>
<b>E. Cash and cash equivalents</b>					
at the beginning of the year	13		5.88		0.34
at the end of the year			<b>4.49</b>		<b>5.88</b>
<b>Components of cash and cash equivalents</b>					
Balance with banks					
- In current accounts			4.24		5.67
- Deposits with maturity less than 3 months			-		-
Cash on hand			0.25		0.21
Less: Bank overdraft			-		-
<b>Cash and cash equivalents at the end of the year</b>			<b>4.49</b>		<b>5.88</b>
Corporate information	1				
Summary of significant accounting policies	2				
Accompanying notes forming an integral part of the financial statements					

The cash flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statement' and presents the Cash Flows by Operating, Investing and Financing activities.

For and on behalf of the Board of Directors of  
CITY ONLINE SERVICES LIMITED

S. Raghava Rao  
Chairman and Managing Director  
DIN: 01441612



Place: Hyderabad  
Date:-30-05-2024



Independent Auditor's Report on Audited Financial Results of the City Online Services Limited pursuant to the Reg 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To the Board of Directors  
City Online Services Limited  
Hyderabad

### Qualified Opinion

We have audited the accompanying financial results of City Online Services Limited for the quarter and year ended on 31st March 2024, attached herewith, being submitted by the company pursuant to the requirement of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report these financial results:

- i) are presented in accordance with the requirements of regulation 33 of the Listing Regulations in this regard; and
- ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the total comprehensive income (comprising of net profit and other comprehensive income and other financial information of the company for the quarter and year ended on 31st March 2024.

### Basis for Qualified Opinion

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

1. The Company's "Loans & Advances" are carried in the Balance Sheet at Rs.12.68 Lakhs given to a related party having negative net worth and recovery of the same is unascertainable. However, no provision has been made in the books of accounts.
2. Further, Noted a difference in the revenue reported as per books of accounts versus the revenue in line with the GST Returns filed with the GST Authorities. Thereby Resulting in under reporting of Revenue to the Authorities by Rs. 507.54 Lakhs.
3. Further, the Company has "Trade Receivables" amounting to Rs. 122.41 Lakhs as on the



T: 040 2324 0700  
040 2324 0900



[www.Lncofirm.in](http://www.Lncofirm.in)



**Laxminiwas & Co.**

Head Office: 6-3-569, 4<sup>th</sup> Floor, Above BMW Showroom,  
Opp. RTA Office Khairatabad, Hyderabad 500082, Telangana, India.

provision has been made in the books of accounts only to the extent of Rs. 14.01 Lakhs and provision for an amount of Rs. 16.06 Lakhs is not created.

4. Had the above-said provision of Rs. 28.74 Lakhs been created, the results of the operations of the company for the current financial year would have resulted in losses before taxes of Rs. 17.4 Lakhs.

#### **Emphasis of Matter**

1. The company is having a negative net-worth of Rs. 34.48 Lakhs as on 31st March 2024. The Management of the company has represented that in case of need, the promoters shall infuse the required capital/loan for furtherance of operations. Hence, the financial statements are prepared on going concern basis.
2. Financial Results represents the balance amounting to Rs. 122.41 Lakhs under the head "Financial Assets- Trade Receivables" regarding amount receivable from sundry debtors as on balance sheet date is subject to confirmations and reconciliations and consequential adjustments, if any. The impact of the same on accounts cannot be ascertained.
3. Financial Results Represents the balance amounting to Rs. 266.03 Lakhs under the head "Financial Liabilities - Trade Payables" regarding amount payable to sundry creditors as on balance sheet date is subject to confirmations and reconciliations and consequential adjustments, if any.
4. Financial Results represents the write back of Trade Payables of more than two years amounting to Rs. 44.54 Lakhs under the head "Other Income" as on balance sheet date is subject to confirmations and reconciliations and consequential adjustments, if any.
5. Financial Results represents the balance amounting to Rs. 268.51 Lakhs under the head "Other Current Liabilities" out of which 230.01 pertains to "Statutory Liabilities" in the nature of TDS, GST, PF, ESI & PT are remaining unpaid as on the balance sheet date.

Our opinion on the financial results is not modified in respect of above matters.



## **Management's Responsibilities for the Standalone financial results**

These financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of these Standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under section 133 of the Act read relevant rules issued thereunder and other accounting principles generally accepted in India and compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the financial reporting process of the company.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Standalone financial results 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 results.

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

- Identify and assess the risks of material misstatement of the Standalone financial results, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system 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 the Board of Director'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 results, including the disclosures, and whether the financial results 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.

#### Other Matters

The accompanying Annual Financial Results includes the results for the quarter ended March 31, 2024 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under Listing Regulations.

For Laxminiwas & Co.  
Chartered Accountants  
Firm's Registration Number: 011168S

  
Guha Roy Ashish Kumar  
Partner

Membership Number: 018659  
UDIN: 24018659BKB0VD3104



Place: Hyderabad  
Date: 30-05-2024



**ANNEXURE I**

**Statement on Impact of Audit Qualifications of CITY ONLINE SERVICES LIMITED**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024</b>				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
			<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	1132.92	1132.92
	2.	Total Expenditure	1153.92	1125.18
	3.	Net Profit/(Loss)	(20.99)	(49.73)
	4.	Earnings/(Loss) Per Share	(0.41)	(0.96)
	5.	Total Assets	667.03	638.29
	6.	Total Liabilities	701.51	701.51
	7.	Net Worth	(34.48)	(63.22)
	8.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
<b>II.</b>	<b><u>Audit Qualification (each audit qualification separately):</u></b>			
	<b>a.</b>	<b>Details of Audit Qualification:</b>  The Company's "Loans & Advances" are carried in the Balance Sheet at Rs.12.68 Lakhs. A party having a loan outstanding of Rs.12.68 Lakhs carries negative net worth and recovery of the same is unascertainable. However, No provision has been made in the books of accounts.  Further, the Company has "Trade Receivables" amounting to Rs. 122.41 Lakhs as on the balance sheet date out of which Rs. 30.07 Lakhs is outstanding for more than 2 years & the recovery of the same is unascertainable. However, provision has been made in the books of accounts only to the extent of Rs. 14.01 Lakhs and provision for an amount of Rs. 16.06 Lakhs is not created.  Further, Noted a difference in the revenue reported as per books of accounts versus the revenue in line with the GST Returns filed with the GST Authorities. Thereby Resulting in under reporting of Revenue to the Authorities by Rs. 507.54 Lakhs.		
	<b>b.</b>	<b>Type of Audit Qualification:</b> Qualified Opinion		
	<b>c.</b>	<b>Frequency of qualification:</b> Repetitive		
	<b>d.</b>	<b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> - We have noted above observations.		
	<b>e.</b>	<b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b> Nil		



III	<p><b>Signatories:</b></p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Audit Committee Chairman</li> <li>• Statutory Auditor</li> </ul> <p>Place: Hyderabad Date: 30<sup>th</sup> May, 2024</p>	<p>Handwritten signatures: <i>Alghordan</i>, <i>CA</i>, <i>Gayley</i></p> <p>Blue circular stamps: <b>CITY ONLINE SERVICES LTD * HYDERABAD *</b> (multiple overlapping), <b>LAXMNIWAS &amp; CO. HYDERABAD * CHARTERED ACCOUNTANTS *</b></p>