

Date: 30th June, 2021

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, Vibgyor Towers, 4th floor, Plot No C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098, India.
--	--

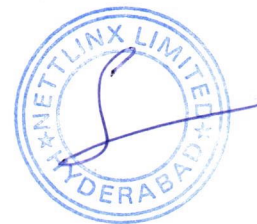
SUB: Outcome of Meeting of Board of Directors held on 30th June, 2021.

REFERENCE: Scrip Code: 511658 ISIN: INE027D01019

Dear Sir/Madam,

With reference to the above cited subject, it may please be noted that Board of Directors of the company at its meeting held on Wednesday, 30th June, 2021 at 04.00 P.M at the registered office of the company, Hyderabad have amongst other matters considered, approved and taken on record the following:

1. Audited Standalone and consolidated Financial Results of the company for the Quarter and financial year ended 31st March, 2021.
2. Auditors Report on Standalone and consolidated financial results for the financial year ended 31st March, 2021.
3. Appointment of M/s. SYB & Co as internal Auditor of the company for the Financial Year 2021-2022.
4. Reappointment of M/s. VCSR & Associates as Secretarial Auditor of the company for the Financial Year 2021-2022.





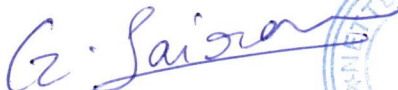
Pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith statement containing Audited standalone and consolidated Financial Results for the Quarter and Financial Year ended 31st March, 2021 which have been reviewed by the Audit Committee at its meeting held on 30th June, 2021 at 02.00 P.M and Approved by the Board of Directors of the company at its meeting held on 30th June, 2021 at the registered office of the company, Hyderabad along with Audit Report and declaration pursuant to Regulation 33(3)(d)(For Unmodified Opinion).

Kindly take the above on records and please acknowledge the receipt for the same.

The above Board meeting commenced at 04:00 P.M. and concluded at 12.55 P.M.

Yours Faithfully,

For Nettlinx Limited


Sairam Gandikota
Company Secretary & Compliance Officer



NETTLINX LIMITED(Scrip Code: BSE-NETTLINX | 511658 |)

Registered office: 5-9-22,3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad - 500 063 Tetangana State. India

CIN: L67120TG1994PLC016930

| Tel :+91-40-23232200 | Fax. +91-40-23231610, URL : www.nettlinx.com, E-mail:info@nettlinx.org

PART I Statement of Audited Financial Results for the Quarter and Year ended 31st March 2021

All amounts in Indian Rupees Lakhs, except share data

Sl.No.	Particulars (Refer Notes below)	Standalone				
		Quarter Ended			Year Ended	Year Ended
		31-Mar-21 Audited	31-Dec-20 (Unaudited)	31-Mar-20 Audited	31-Mar-21 Audited	31-Mar-20 Audited
1	Income from operations	145.98	223.25	1,337.95	763.09	2,699.54
2	Other income	0.77	1.67	17.61	5.43	136.23
3	Total Income (1+2)	146.75	224.92	1,355.56	768.52	2,835.77
4	EXPENSES					
	Cost of Access Charges,License Fees and Network Equipment	71.29	55.82	172.63	222.84	372.44
	Out source web development charges	-	-	1,034.24	-	1,575.43
	Employee benefits expense	55.73	32.49	20.13	150.03	202.98
	Finance costs	15.43	42.63	34.02	127.13	115.40
	Depreciation and amortization expense	70.63	16.71	7.54	116.45	61.74
	Administrative and Other expenses	70.17	44.95	98.83	202.24	265.36
	Total expenses (4)	283.26	192.60	1,367.39	818.70	2,593.35
5	Profit/(loss) before exceptional items and tax (3-4)	(136.50)	32.32	(11.83)	(50.17)	242.42
6	Exceptional items					-
	(a)Purchase Return	-	57.42	-	-	-
	(b)Sale Return	-	(16.57)	-	-	-
7	Profit/ (loss) after exceptions items and before tax(5-6)	(136.50)	73.17	(11.83)	(50.17)	242.42
8	Tax expense					
	(1) Current tax	42.46	18.87	(20.85)	65.15	71.91
	(2) Prior Period Taxes	43.49	-	-	43.49	-
	(3) Deferred tax	(3.51)	(0.75)	(1.45)	(6.20)	(2.66)
	Total tax	82.44	18.12	(22.30)	102.44	69.24
9	Profit (Loss) for the period from continuing operations (7-8)	(218.94)	55.05	10.47	(152.61)	173.18
10	Extra ordinary Items (net of tax)	-	-	-	-	-
11	Profit/(loss) for the period (9+10)	(218.94)	55.05	10.47	(152.61)	173.18
12	Other comprehensive income (net of tax)					
	Items that will not be reclassified to profit & loss					
	Actuarial gains/(losses) on post- employment benefit obligations	17.92	-	0.08	17.92	(0.16)
	Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities	3.62	-	6.38	3.62	6.38
	Income Tax on items that will not be reclassified to profit or loss	(5.99)	-	(1.73)	(5.99)	(1.73)
	Total items that will not be reclassified to profit or loss	15.55	-	4.73	15.55	4.49
13	Total Comprehensive Income for the period (11+12)	(203.39)	55.05	15.20	(137.06)	177.67
14	Paid-up equity share capital (Face Value of Rs.10/-each)	1,146.33	1,146.33	1,146.33	1,146.33	1,146.33
15	Earnings per share (before extraordinary items) (Face value of Rs.10/-each) (not annualized)					
	a) Basic (in Rs.)	(1.77)	0.48	0.13	(1.20)	1.55
	b) Diluted (in Rs.)	(1.77)	0.48	0.13	(1.20)	1.55
	Earnings per share (after extraordinary items) (Face value of Rs.10/-each) (not annualized)					
	a) Basic (in Rs.)	(1.77)	0.48	0.13	(1.20)	1.55
	b) Diluted (in Rs.)	(1.77)	0.48	0.13	(1.20)	1.55



Notes

- 1 The audited standalone financial results for the three months and year ended March 31, 2021 have been approved by the board of directors of the company at their meeting held on June 30, 2021 after review by the audit committee at their meeting held on 30th June 2021. The Company confirms that its statutory Auditors have issued audit report on the standalone financial results for the three months and year ended March 31, 2021.
- 2 The above standalone financial results have been prepared from the interim standalone financial statements, which are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 as applicable and guidelines Issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.
- 3 The figures of the last quarters are the balancing figures between the audited figures of the financial years and the published results up to the third quarter of the respective financial years.
- 4 **Property plant equipment**
 - a. Property Plant & Equipment includes certain equipment's located in temporary premises not having formal lease agreements.
 - b. During the year, company depreciated/ impaired the realizable value of old Property, Plant and Equipment for which the useful life of assets expired. Because of assets are impaired the depreciation/ impairment in the current year increased when compared to last year.
 - c. During the current year, the company has impaired Intangible Asset value of Rs.15,09,023.
- 5 **Trade receivables**
 - a. During the year the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of Trade Receivables are under process and reconciliations are pending. Information system control audit is under process.
 - b. As per the Management estimation, the company is confident of recovering the present Trade Receivables. Hence no ECL (Expected Credit Loss) has created. Further the Company has written off an amount Rs. Opening Balance (34,88,818) + Current Year Loss (21,18,711)/- w.r.t Trade Receivables pending for more than 365 days
- 6 **Loan**

The Company had paid an amount of Rs 18,91,000 towards advance listing fees to Swiss International Finance group for listing of GDRs during the financial year 2016-17. However, the Company has not issued the GDRs due to technical issues. The Company has requested to return the advance amount but the Swiss International Finance group refused to refund the money. Hence the company has recognised the amount as advance written off in the current accounting period
- 7 **Other current assets**
 - a. **Balance with Government Authorities includes**
 - (i). An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has obtained the legal opinion in connection with the Voluntary payment made by it. The Legal council is of the opinion that, if no notice is issued within two years from the date of payment, the Company may file a refund to protect revenue interest and it has given opinion that the amount paid is in the form of pre-deposit pending finalisation of investigation and notice.
 - (ii). An amount of Rs.22,03,227/- TDS deducted by customers, subject to confirmation and reconciliations with Form 26AS and customer accounts.
 - (iii) An Amount of Rs.33,80,750/- "Income Tax refunds" pertaining to earlier years are under process of reconciliation with Income tax assessment orders.
 - (iv) The Company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under reconciliation with accounts and GSTN records from FY 2019-20 to till date.
 - b. Advance given to vendors are subject to confirmations from the Parties.
 - c. Deposits includes deposits paid to various parties are subject to confirmations
- 8 **Trade payables**

Balance of Trade Payables are subject to confirmations from the Parties. The Balance of Trade payables includes an amount of Rs.2,00,990/- as credit card payables.
- 9 **Other current liabilities**
 - a. Advance received from customers are subject to confirmation from the parties.
 - b. Statutory Remittances includes an amount of Rs.26,24,194/- tax payable to Department of Telecommunications of which an amount of Rs.13,79,194/- is pending for more than one year.
 - c. The amount reflected in unearned revenue is the amount received in respect of invoice raised during the period for the performance obligation not completed till the year end.
- 10 **Revenue from operations**
 - a. The Purchases were made by the Company for an amount of Rs.57,42,000 on June 2020 from Malvin IT Systems Pvt Ltd and the same was reversed on November 2020 due to some technical issues and corresponding sale is also reversed on December 2020 for an amount of Rs 16,51,700. Confirmations from parties are in progress.
 - b. Accounting system is not integrated to location wise equipment wise customer wise data with respect to bandwidth service billing.
 - c. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal unwritten.
- 11 **Other expenses**
 - a. Rates and Taxes includes an amount of Rs 18,91,000 towards advance listing fees to Swiss International Finance group for listing of GDRs during the financial year 2016-17. However, the Company has not issued the GDRs due to technical issues. The Company has requested to return the advance amount but the Swiss International Finance group refused to refund the money. Hence the company has recognised the amount as advance written off in the current accounting period.
 - b. The Company is in the process of obtaining confirmations for the balance of Trade payables, Trade receivables, Advances from the customers and other balances.
- 12 Previous period /figures have been regrouped/ reclassified wherever necessary.

Place: Hyderabad.

Date : 30-06-2021



For Netlinx Limited

(MANOHAR LOKA REDDY)

Managing Director

DIN:00140229

NETTLINX LIMITED
Standalone Balance Sheet as at March 31, 2021

Amounts Rs. In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
A. ASSETS		
Non-current assets		
(a) Property, plant and equipment	618.58	920.72
(b) Capital work-in-progress	-	-
(c) Right to use Assets	70.89	-
(d) Intangible assets	6.11	19.00
(e) Financial assets		
(i) Investments	3,471.51	3,367.89
(ii) Other financial assets	0.17	0.02
Total non-current assets	4,167.26	4,307.63
Current assets		
(a) Financial assets		
(i) Trade receivables	150.23	1,709.52
(ii) Cash and cash equivalents	118.98	83.40
(iii) Loans	-	450.09
(iv) Other financial assets	10.57	12.16
(b) Other current assets	402.21	166.09
Total current assets	682.00	2,421.27
Total assets	4,849.26	6,728.90
A. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,146.33	1,146.33
(b) Other equity	2,171.81	2,360.58
Total equity	3,318.14	3,506.91
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,037.64	1,095.45
(ii) Other Financial Liabilities	73.66	-
(b) Provisions	9.90	26.19
(c) Deferred tax liabilities (net)	8.85	9.06
Total non-current liabilities	1,130.05	1,130.71
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	301.42
(ii) Advances	-	-
(iii) Trade payables	53.67	1,494.93
(iii) Other financial liabilities	172.02	187.63
(b) Other current liabilities	109.74	35.40
(c) Provisions	0.49	-
(d) Current tax liabilities (net)	65.15	71.91
Total current liabilities	401.07	2,091.28
Total equity and liabilities	4,849.26	6,728.90
	0	-



For Nettlinx Limited

(Manohar Loka Reddy)

Managing Director

DIN: 00140229

Place: Hyderabad

Date: 30-Jun-2021

NETTLINX LIMITED
Standalone Cash Flow Statement for the year ended 31st March, 2021

(Amount Rs. In Lakhs)

	PARTICULARS	As at March 31, 2021	As at March 31, 2020
A	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
	Net profit /Loss before tax and extra-ordinary items	(50.17)	252.16
	Adjustments For :		
	Depreciation	116.45	61.74
	(Profit)/loss on sale of property, plant and equipment, vehicles (net)	1.98	(92.49)
	Finance costs	127.13	115.40
	Interest - Income	(4.42)	(0.02)
	Bad trade receivables written-off	-	1.68
	Operating Profit /Loss Before working Capital Charges	190.97	338.47
	Adjustments For :		
	increase/(Decrease) in Trade payables	(1,441.26)	1,394.38
	increase/ (Decrease) in Other Current Liabilities	51.98	(118.81)
	Increase/ (Decrease) in Provisions	2.11	(3.76)
	(increase)/ Decrease in Trade receivables	1,559.29	(1,072.31)
	(increase)/ Decrease in Loans and advances	451.68	1,033.32
	(increase)/ Decrease in Other Current Assets	(236.12)	305.52
	Movements in working capital- Total	387.69	1,538.34
	Direct Taxes	108.64	126.06
	Net Cash Flow from operating Activities	470.02	1,750.75
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
	Purchase of Fixed Assets	(78.34)	(111.76)
	Disposal of Fixed Assets	240.94	50.59
	Decrease/ (Increase) in Investment	(100.00)	(1,883.45)
	increase/ Decrease in Other Non-Current Assets	(0.15)	112.13
	Interest Received	4.42	0.02
	Sale of Property,Plant and Equipment	-	169.21
	Net Cash Flow From Investing Activities	66.87	(1,663.26)
C	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
	increase/ (Decrease) in Non-Current Liabilities	(97.68)	111.99
	increase/ (Decrease) in Short Tem Borrowings	(285.36)	(6.53)
	Finance costs Paid	(118.27)	(112.45)
	Net Cash Flows from Financing Activities	(501.31)	(6.99)
	Net Increase / Decrease in Cash + Cash equivalents	35.58	80.51
	Opening Balance	83.40	2.89
	Closing Balance	118.98	83.40

For Nettlinx Limited



(Manohar Loka Reddy)

Managing Director

DIN: 00140229

Place: Hyderabad

Date:30-Jun-2021



INDEPENDENT AUDITOR'S REPORT

To
The Members of M/s NETTLINX LIMITED

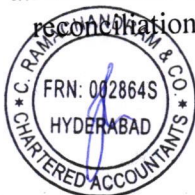
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s. **NETTLINX LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date except for the matters described in the Basis for Disclaimer of Opinion section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. Property Plant & Equipment includes certain equipment located in temporary premises not having formal lease agreements. Accounting system is not integrated to location wise, equipment wise, customer wise, data with respect to bandwidth service billing, hence unable to comment on the utilization of equipment operations and resulting Impairment of equipment if no operations are existed. *Refer Note No.3.1&20.2 of the Financial Statements.*
2. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten. Considering sales and purchase returns, GST payment under section 74(5), we are unable to form an opinion on revenue recognition and related expenditure *Refer Note No.20.1, 20.3, 10.1 of the Financial Statements.*
3. Balance with Government Authorities includes
a. An amount of Rs.22,03,227 /- TDS deducted by customers, subject to confirmation and reconciliation with Form 26AS and customer accounts.



- b. An amount of Rs.33,80,750/- "Income Tax refunds" pertaining to earlier years are under process of reconciliation with Income tax assessment orders. **Refer Note No.10.1 of the Financial Statements**
4. An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has disclosed the above payment as balance with government authorities under Other Current Assets and the Company has recognised Contingent Liability for the above mentioned payment. Further, the company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under the process of reconciliation with accounts and GSTN records from f.y 2019-20 to till date. Due to the effect of lack of information about the voluntary payment made by the company, non-filing of GST Annual Return (F.Y 2019-20) and Completion of GST Audit and pending reconciliations, we are unable to comment on the accounting treatment of the voluntary payment, its impact on other related areas, such as current and non current classification of voluntary payment and resulting going concern issues. **Refer Note No. 10.1 and Note No. 28 of the Standalone financial Statements.**
5. The Company is in the process of obtaining confirmations for the Balances of Trade Payables, Trade receivables, Advances from the Customers and other balances. **Refer Note No. 40 of the Standalone financial Statements.**

Emphasis of Matter

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

1. The Purchases were made by the Company for an amount of Rs.57,42,000/- on June 2020 from Malvin IT Systems Pvt Ltd and the same was reversed on November 2020 due to some technical issues and corresponding sale is also reversed on December 2020 for an amount of Rs 16,51,700 Confirmations from parties are in progress. **Refer Note No.20 of Standalone financial statements**
2. During the year, the company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process. **Refer Note No.27 of Standalone financial statements**
3. During the year, company depreciated/ impaired the value of old Property, Plant and Equipment for which the useful life of assets expired. Because of assets are impaired the depreciation/ impairment in the current year increased when compared to last year. Further the company has also impaired Intangible Asset value of Rs.15,09,023/-. **Refer Note No.3 &4 of the Standalone financial statements.**



4. The Company had paid an amount of Rs 18,91,000 towards advance listing fees to Swiss International Finance Group for listing of GDRs during the financial year 2016-17. However the Company has not issued the GDRs due to technical issues. The Company has requested to return the advance amount but the Swiss International Finance Group refused to refund the money. Hence the company has recognised the amount as advance written off in the current accounting period. **Refer Note No.9 of the Standalone financial statements.**
5. FEMA Compliance with respect to the submission of APR (Annual Performance Report) is pending. **Refer Note No.5 of the Financial Statements.**
6. During the year, the Company has written off the balance of Trade Receivable amount of Rs.56,07,529/- which is Rs.21,18,711/- more than ECL (Expected Credit Loss) created in previous financial year. **Refer Note No.7 of the Standalone financial statements.**
7. The Company has not obtained insurance in accordance with Section 4A of Payment of Gratuity Act, 1972. **Refer Note No.15 of the Standalone financial statements.**
8. We draw your attention to **Note No.39 of the Standalone financial statement**, which describes that certain estimates and judgements were made related to the COVID – 19 pandemic, wherein, the eventual outcome of the impact of this global pandemic may be different from those estimated by the management.

Our opinion is not modified in this regard

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not noticed any findings which are required to be considered in key audit matters of independent auditors report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Integrated report and Management Discussion and Analysis Report including Annexures and Corporate Governance Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibility for the Standalone Financial Statements

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's



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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matter specified under para "Basis for Disclaimer of Opinion" above.
 - (b) In our opinion proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;



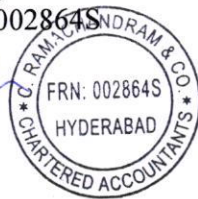
- (e) on the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No.28 of the Standalone financial Statements.
 - ii) There is no requirement for any provision as required by any act or Accounting standards for material for foreseeable losses, if any on long term contracts including derivative contracts.
 - iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For C RAMACHANDRAM & CO.,
Chartered Accountants,
Firm Registration No. 002864S

Premnath Degala
Partner

M.No: 207133

UDIN:21207133AAAADQ5178



Place: Hyderabad

Date: 30-06-2021

Annexure –‘A’ to the Independent Auditors’ Report

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

- i. In respect of the Company’s fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details except situation of fixed assets subject to the matters contained under para 1 of “Basis for Disclaimer of Opinion” & para 2 of “Emphasis of Matter”
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, the company has impaired the value of old Property, Plant and Equipment for which the useful life of assets expired.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii. The Company is in the business of providing bandwidth & software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. The company has granted loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The outstanding balances as on 31.03.2021 in respect of the loans given above is “Nil”.
- iv. The Company has made transactions in the nature of investments, guarantees, and security, in accordance with provisions of section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.



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

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except DoT Tax amount of Rs.13,79,194/- is pending for more than one accounting year. *Refer Note No 18.2 of the Standalone financial Statements*

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

viii. In our opinion and according to information and explanations given to us, the company has not defaulted in payment of dues to Banks, Government, Financial Institutions as on date of Balance Sheet subject to relaxations given during COVID-19. *Refer Note No.13.1 of the Standalone financial statements*

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

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

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

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



- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph 3(xv) of the Order is not applicable to the company.

For C RAMACHANDRAM & CO.,

Chartered Accountants,

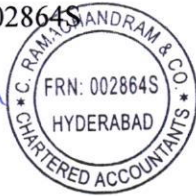
Firm Registration No. 002864S

Premnath Degala

Partner

M.No: 207133

UDIN:21207133AAAADQ5178



Place: Hyderabad

Date: 30-06-2021

Annexure 'B' to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of M/S NETTLINX LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.



The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Qualified Opinion:

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

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

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

Disclaimer of Opinion :

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

Opinion

In our opinion, except for the possible effects of the matters mentioned in Qualified and Disclaimer of Opinion paragraphs, the company has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



We have considered the material weakness/es identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March, 2021 standalone financial statements of the company, and these material weakn6ess do not effect our opinion on the standalone financial statements

For C RAMACHANDRAM & CO.,
Chartered Accountants,
Firm Registration No. 002864S

Premnath Degala

Partner

M.No: 207133

UDIN:21207133AAAADQ5178



Place: Hyderabad

Date: 30-06-2021

NETTLINX LIMITED(Scrip Code: BSE-NETTLINX | 511658 |)

Registered office: 5-9-22,3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad - 500 063 Tetangana State. India

CIN: L67120TG1994PLC016930

| Tel :+91-40-23232200 | Fax. +91-40-23231610, URL : www.nettlinx.com, E-mail:info@nettlinx.org

Part I Consolidated Audited Financial Results for the Quarter and Year ended 31st March 2021

All amounts in Indian Rupees Lakhs, except share data

Sl.No.	Particulars (Refer Notes below)	Quarter Ended			Year Ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
		Audited	(Unaudited)	Audited	Audited	Audited
1	Income from operations	1,422.51	694.23	1,861.64	3,533.54	4,680.23
2	Other income	1.87	2.14	17.61	7.24	137.14
3	Total Income (1+2)	1,424.38	696.37	1,879.25	3,540.78	4,817.37
4	EXPENSES					
	Cost of Access Charges,License Fees and Network Equipment	563.59	60.45	410.99	777.45	1,491.47
	Out source web development charges	0.00	0.00	1,034.24	0.00	1,575.43
	Employee benefits expense	203.64	271.46	170.93	903.92	916.46
	Finance costs	18.45	42.63	34.02	130.15	116.18
	Depreciation and amortization expense	71.70	17.77	7.88	120.71	65.93
	Administrative and Other expenses	424.79	370.92	112.67	1,523.24	427.78
	Total expenses (4)	1,282.17	763.23	1,770.73	3,455.47	4,593.25
5	Profit/(loss) before exceptional items and tax (3-4)	142.22	(66.86)	108.52	85.32	224.12
6	Exceptional items					
	(a)Purchase Return	0.00	57.42	0.00	0.00	0.00
	(b)Sales Return	0.00	(16.57)	0.00	0.00	0.00
7	Profit/ (loss) before exceptions items and tax(5-6)	142.22	(26.01)	108.52	85.32	224.12
8	Tax expense					
	(1) Current tax	118.74	18.86	(20.85)	142.17	71.91
	(2) Prior Period Taxes	43.49	0	-	43.49	0
	(3) Deferred tax	(3.54)	(0.75)	(0.81)	(6.23)	(2.55)
	Total tax	158.68	18.11	(21.66)	179.42	69.36
9	Profit (Loss) for the period from continuing operations (7-8)	(16.47)	(44.12)	130.18	(94.11)	154.76
10	Extra ordinary Items (net of tax)	0.00	-	-	-	-
11	Profit/(loss) for the period (9+10)	(16.47)	(44.12)	130.18	(94.11)	154.76
12	Other comprehensive income (net of tax)					
	Items that will not be reclassified to profit & loss					
	Actuarial gains/(losses) on post- employment benefit obligations	17.92	0	0.40	17.92	(0.16)
	Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities	(9.88)	0	2.47	(9.88)	2.47
	Income Tax on items that will not be reclassified to profit or loss	(2.48)	0	(0.71)	(2.48)	(0.71)
	Total items that will not be reclassified to profit or loss	5.56	-	2.16	5.56	1.60
13	Total Comprehensive Income for the period (11+12)	(10.91)	(44.12)	132.34	(88.55)	156.36
14	Minority Interest*	(17.67)	(4.24)	0	(25.39)	(18.29)
	Net Profit / (Loss) after taxes, minority interest	6.76	(39.88)	132.34	(63.16)	174.65
15	Paid-up equity share capital (Face Value of Rs.10/-each)	1,146.33	1,146.33	1,146.33	1,146.33	1,146.33
16	Earnings per share (before extraordinary items) (Face value of Rs.10/-each) (not annualized)					
	a) Basic (in Rs.)	0.06	(0.35)	1.15	(0.55)	1.52
	b) Diluted (in Rs.)	0.06	(0.35)	1.15	(0.55)	1.52
	Earnings per share (after extraordinary items) (Face value of Rs.10/-each) (not annualized)					
	a) Basic (in Rs.)	0.06	(0.35)	1.15	(0.55)	1.52
	b) Diluted (in Rs.)	0.06	(0.35)	1.15	(0.55)	1.52




Notes

- 1 The audited consolidated financial results for the three months and year ended March 31, 2021 have been approved by the board of directors of the company at their meeting held on June 30, 2021 after review by the audit committee at their meeting held on 30th June 2021. The Company confirms that its statutory Auditors have issued audit report on the standalone financial results for the three months and year ended March 31, 2021.
- 2 The above consolidated financial results have been prepared from the interim standalone financial statements, which are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 as applicable and guidelines Issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.
- 3 The consolidated financial results include the results of:
 - a. Nettlinx Limited, India (parent company),
 - b. Nettlinx Realty Private Limited, India (wholly owned subsidiary company)
 - c. # Sri Venkateswara Green Power Projects Limited, India (subsidiary company)
 - d. Nettlinx Inc, USA (wholly owned subsidiary company)
 - e. # Sailon SE, Germany (subsidiary company)
 - f. Nettlinx Technologies Private Limited.(Subsidiary of Nettlinx Realty Private Limited)# No significant income during the period
- 4 The figures of the last quarters are the balancing figures between the audited figures of the financial years and the published results up to the third quarter of the respective financial years.
- 5 Previous period / year figure have been regrouped / Reclassified Wherever necessary.

Place: Hyderabad.
Date : 30-06-2021



For Nettlinx Limited


(MANOHAR LOKA REDDY)
Managing Director
DIN:00140229

NETTLINX LIMITED
Consolidated Balance Sheet as at March 31, 2021

Amounts Rs. In Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
A. ASSETS		
Non-current assets		
(a) Property, plant and equipment	851.54	1,157.94
(b) Capital work-in-progress	1,849.48	1,849.48
(c) Right to use Assets	70.89	-
(d) Goodwill	19.56	19.56
(e) Other Intangible assets	6.11	19.00
(f) Financial assets	-	-
(i) Investments	27.45	37.32
(ii) Other financial assets	1.07	0.02
(g) Deferred tax assets (net)	109.84	106.30
(h) Other non-current assets	236.96	25.00
Total non-current assets	3,172.91	3,214.63
Current assets		
(a) Inventories	764.70	1,245.88
(b) Financial assets		
(i) Trade receivables	394.46	2,283.82
(ii) Cash and cash equivalents	826.05	539.07
(iii) Other bank balances	14.00	14.00
(iv) Loans	0.50	575.86
(v) Other financial assets	11.26	25.12
(c) Current Tax Assets	105.16	0.22
(d) Other current assets	776.38	398.20
Total current assets	2,892.50	5,082.15
Total assets	6,065.41	8,296.78
A. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,146.33	1,146.33
(b) Other equity	1,876.83	2,044.28
Equity attributable to owners of the Company	3,023.16	3,190.61
Non-controlling interests	784.15	698.63
Total equity	3,807.31	3,889.24
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,228.28	1,420.64
(ii) Other Financial Liabilities	73.66	-
(b) Provisions	9.90	26.19
(c) Deferred tax liabilities	8.85	9.06
Total non-current liabilities	1,320.69	1,455.90
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	27.28	395.13
(ii) Advances	-	-
(iii) Trade payables	71.26	1,639.04
(iii) Other financial liabilities	340.04	244.54
(b) Other current liabilities	336.50	589.27
(c) Provisions	20.90	2.49
(d) Current tax liabilities (net)	141.42	81.18
Total current liabilities	937.40	2,951.64
Total equity and liabilities	6,065.41	8,296.78



For Netlinx Limited

(Manohar Loka Reddy)

Managing Director

DIN: 00140229

Place: Hyderabad
Date: 30-Jun-2021

NETTLINX LIMITED

Statement of Consolidated Cash Flows for the year ended March 31, 2021

(Amount Rs. In Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash Flows From Operating Activities		
Profit Before Tax for the year	85.32	224.12
Adjustments for:		
Depreciation and amortization expense	120.71	65.93
Profit on sale of property, plant and equipment (net)	1.98	-92.49
Finance costs	127.13	116.18
Interest income	(4.42)	-0.94
Bad trade receivable written off	-	1.68
Operating Cash Flows Before Working Capital Changes	245.41	90.37
Movements in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	1,889.61	(1,236.70)
Inventories	487.74	(181.86)
Other current assets	(303.28)	305.52
Proceeds from Loans and advances	698.41	990.51
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(1,553.97)	1538.46
Other current liabilities	229.97	(559.12)
Other Liabilities & Provisions	3.23	(17.02)
Movements in working capital- Total	1451.71	839.79
Cash Flows From Operating Activities	1782.43	1154.28
Net Tax Paid	175.38	126.06
Net Cash Generated From Operating Activities (A)	1607.05	1028.22
B. Cash Flows From Investing Activities		
Purchase of Fixed Assets	(78.34)	-249.29
Disposals of Fixed Assets	240.94	50.59
Long Term Loans & Advances	(146.18)	-129.68
Investments	(450.50)	-1891.20
Interest Income received	4.42	0.94
Sale of Property, Plant and Equipment	-	169.21
Foreign change effect	(87.01)	0.00
Net Cash Generated/ Used in Investing Activities (B)	(516.66)	(2,049.43)
C. Cash Flows From Financing Activities		
Change in Equity Share capital	582.23	129.52
Increase in Share premium	14.11	2084.48
increase/ (Decrease) in Revaluation Reserve	-	0.00
increase/ (Decrease) in General Reserve	-	0.00
Proceeds from Long Term borrowings	(898.43)	-330.07
Proceeds from Short Term borrowings	-	-312.61
increase/ (Decrease) in Non-Current Liabilities	(97.68)	-108.50
Repayments from ShortTerm borrowings	(285.36)	-179.83
Finance Costs Paid	(118.27)	-113.23
Net Cash Generated From/ (Used in) Financing Activities (C)	(803.40)	1,169.75
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	286.98	158.29
Cash and Cash Equivalents at the Beginning of the year	553.07	394.78
Cash and Cash Equivalents at the End of the year	840.05	553.07



For Nettlinx Limited


 Manohar Loka Reddy

Managing Director

DIN: 00140229

Place: Hyderabad

Date: June 30, 2021



INDEPENDENT AUDITORS' REPORT

To

The Members of M/s NETTLINX LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s. Nettlinx Limited, ("the Company"), its subsidiaries (the company and its subsidiaries together referred as "Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to explanations given to us, the aforesaid consolidated financial statements give the information by the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date except for the matters described in the Basis for Disclaimer of Opinion section of our report, we are not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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

1. Property Plant & Equipment includes certain equipment located in temporary premises not having formal lease agreements. Accounting system is not integrated to location wise, equipment wise, customer wise, data with respect to bandwidth service billing, hence unable to comment on the utilization of equipment operations and resulting Impairment of equipment if no operations are existed. *Refer Note No.3.1 & 24.2 of the Consolidated Financial Statements.*

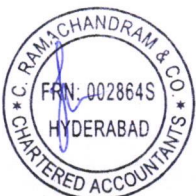


2. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten. Considering sales and purchase returns, GST payment under section 74(5), we are unable to form an opinion on revenue recognition and related expenditure *Refer Note No.24.1, 24.3, 9.1 of the Consolidated Financial Statements.*
3. Balance with Government Authorities includes
 - a. An amount of Rs.22,03,227 /- TDS deducted by customers, subject to confirmation and reconciliations with Form 26AS and customer accounts.
 - b. An amount of Rs.33,80,750/- "Income Tax refunds" pertaining to earlier years are under process of reconciliation with Income tax assessment orders. *Refer Note No.9.1 of the Consolidated Financial Statements*
4. An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has disclosed the above payment as balance with government authorities under Other Current Assets and the Company has recognised Contingent Liability for the above mentioned payment. Further, the company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under the process of reconciliation with accounts and GSTN records from f.y 2019-20 to till date. Due to the effect of lack of information about the voluntary payment made by the company, non-filing of GST Annual Return (F.Y 2019-20) and Completion of GST Audit and pending reconciliations, we are unable to comment on the accounting treatment of the voluntary payment, its impact on other related areas, such as current and non-current classification of voluntary payment and resulting going concern issues. *Refer Note No. 9.1 and Note No. 32 of the Consolidated financial Statements.*
5. The Company is in the process of obtaining confirmations for the Balances of Trade Payables, Trade receivables, Advances from the Customers and other balances. *Refer Note No. 46 of the Consolidated financial Statements.*

Emphasis of Matter

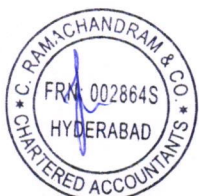
We draw attention to the following point relating to the financial statements of Holding Company (i.e Nettlinx Limited)

1. The Purchases were made by the Company for an amount of Rs.57,42,000/- on June 2020 from Malvin IT Systems Pvt Ltd and the same was reversed on November 2020 due to some technical issues and corresponding sale is also reversed on December 2020 for an amount of Rs 16,51,700 . Confirmations from parties are in progress. *Refer Note No.24 of Consolidated financial statements*



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

Our opinion is not modified in this regard.



Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not noticed any findings which are required to be considered in key audit matters of independent auditors report.

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

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

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

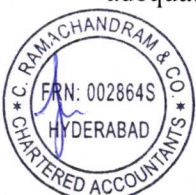
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our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

If, based on the work we have performed, we conclude that there is a material misstatement of this over information, we are required to report that fact. We have nothing in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and



completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

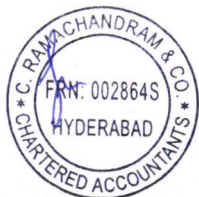
The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from, as fraud may involve collusion, forgery, 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 and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used in the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events





or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Other Matters

- a) We did not audit the financial statements of five subsidiary companies, whose financial statements reflect total assets of Rs.49.90 Crores as at March 31, 2021, total revenues of Rs. 27.70 Crores, total comprehensive loss (comprising of loss and other comprehensive loss) of Rs. -0.48 Crores for the year ended on that date, as considered in the consolidated financial



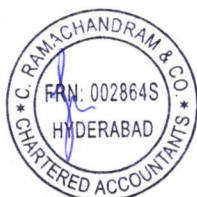
statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of Section 143 of the Act including on other information in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements except for the matter specified under para "Basis for Disclaimer of Opinion" above.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of accounts for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of Written Representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.



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

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. *Refer Note No.32 of the Consolidated Financial Statements*
- ii. The Company and its Subsidiaries did not have any material foreseeable losses on long term contracts including derivative contracts.
- iii. There are no amounts which are required to be transferred to Investor Education and protection fund.

For C. RAMACHANDRAM & CO.,

Chartered Accountants,

Firm Registration No. 002864S


Premnath Degala

Partner

M.No: 207133

UDIN: 21207133AAAADQ5178



Place: Hyderabad

Date: 30-06-2021

Annexure – “A” To The Independent Auditor’s Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of NETTLINX LIMITED, (hereinafter referred to as “Company”), and its subsidiary companies, which are companies incorporated in India, as of that date.

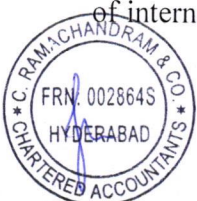
Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness



exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

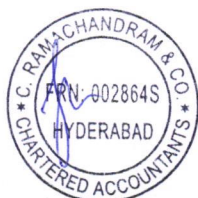
- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion :

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



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

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

Disclaimer of Opinion:

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

Opinion

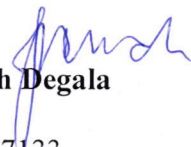
In our opinion, except for the possible effects of the matters mentioned in Qualified and Disclaimer of Opinion paragraphs, and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Other Matters

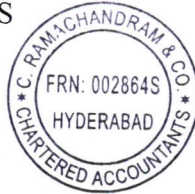
Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies is based on the corresponding reports of the auditors of such company.

For C. RAMACHANDRAM & CO.,
Chartered Accountants,
Firm registration No. 002864S


Premnath Degala
Partner

M.No: 207133

UDIN: 21207133AAAADQ5178



Place: Hyderabad

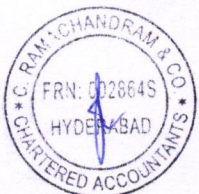
Date: 30-06-2021

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021:

(Rs.In Lakhs)

I.	Sl. No.	Particulars)	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	763.09	763.09
	2.	Total Expenditure	818.70	818.70
	3.	Net Profit/(Loss)	(152.61)	(152.61)
	4.	Earnings Per Share	(-1.20)	(-1.20)
	5.	Total Assets	4849.26	4849.26
	6.	Total Liabilities	4849.26	4849.26
	7.	Net Worth	3318.14	3318.14
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	<p>Audit Qualification (each audit qualification separately):</p> <p>a. Details of Disclaimer of Opinion:</p> <p>1.Property Plant & Equipment includes certain equipment located in temporary premises not having formal lease agreements. Accounting system is not integrated to location wise, equipment wise, customer wise, data with respect to bandwidth service billing, hence unable to comment on the utilization of equipment operations and resulting Impairment of equipment if no operations are existed.</p>			



M. S. Rao

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

3. Balance with Government Authorities includes

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

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

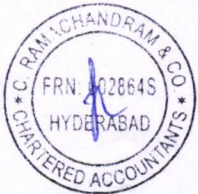
4. An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has disclosed the above payment as balance with government authorities under Other Current Assets and the Company has recognised Contingent Liability for the above mentioned payment. Further, the company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under the process of reconciliation with accounts and GSTN records from f.y 2019-20 to till date. Due to the effect of lack of information about the voluntary payment made by the company, non-filing of GST Annual Return (F.Y 2019-20) and Completion of GST Audit and pending reconciliations, we are unable to comment on the accounting treatment of the voluntary payment, its impact on other related areas, such as current and non current classification of voluntary payment and resulting going concern issues.

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

b. Type of Audit Qualification : Disclaimer of Opinion

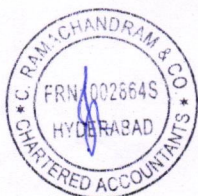
c. Frequency of qualification: first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable



M. K. R.

	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification: Not Applicable</p> <p>(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>(iii) Auditors' Comments on (i) or (ii) above: Disclaimer of opinion</p>
<p>III.</p>	<p>2. Details of Audit Qualification :</p> <p>a. Qualified Opinion on the Internal Financial Controls</p> <p>1. The Company did not have an appropriate internal control system for customer acceptance, credit evaluation and establishing customer credit limit for sales, which could affect the company in recognizing revenue without establishing reasonable certainty of ultimate collection.</p> <p>2. Accounting system is not integrated to location wise equipment wise customer wise data with respect to bandwidth service billing.</p> <p>3. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten.</p> <p>4. Property Plant & Equipment includes certain equipments located in temporary premises not having formal lease agreements. Absent or inadequate controls over the safeguarding of assets.</p> <p>5. The absence of an internal process to report deficiencies in internal control to management on a timely basis.</p> <p>6. Absent or inadequate segregation of duties within a significant account or process.</p> <p>7. Internal control on vendor evaluations with respect to supply of quality of services. -Due to prevailing covid conditions, we were not able to</p> <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification: first time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>



Handwritten signature

- (i) Management's estimation on the impact of audit qualification: **Not Applicable**
- (ii) If management is unable to estimate the impact, reasons for the same:

1.The company has effective collection management process and credit blocks are executed at each customer level if there is delay in receivables. The management is trying to collect and this is the first time we have taken a credit loss in write off and in the last 10 years our credit losses is less than one percent therefore, the management is prudent in the above matter.

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

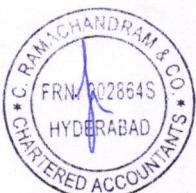
3.Due to prevailing covid-19 conditions, company was not able to provide the formal agreements to the audit parties as lockdown occurred.

4.All the equipments are visible in the network monitoring room.Any equipment removable from the premises will intimate to the network team to recover the equipment. The network equipment has their inherent risk because it is on overhead lines for hundreds of kilometres which is standard for all ISP's.

5.The reporting structure between the management and the employee is only one layer.therefore all deficiencies are directly visible to the management at all the times as it is a very lien structure.

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

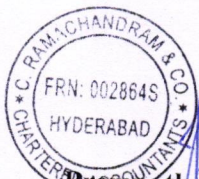
7.The management itself takes all the decisions in the vendor evaluations with respect to supply of quality of services. As technology evolves, management makes a call in decision and certain times may be good or bad. We are one of the few class-B ISP's left in the country. Management must be doing right.



M. Rao

	<p>(iii) Auditors' Comments on (i) or (ii) above: A 'material weakness' is a deficiency, or a combination of deficiencies in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on timely basis.</p>
IV.	<p>a. Details of Disclaimer of Opinion: Disclaimer of Opinion on Internal Financial Controls</p> <p>The company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process. Due to the above reasons, we are unable comment the effectiveness of Internal Financial Controls over the above mentioned areas.</p> <p>b. Type of Audit Qualification : Disclaimer of Opinion</p> <p>c. Frequency of qualification: first time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(iv) Management's estimation on the impact of audit qualification: Not Applicable</p> <p>(v) If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>(vi) Auditors' Comments on (i) or (ii) above: Disclaimer of opinion</p>

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



Premnath Degala
Partner
M.No: 207133 .



For Nettlinx Limited

[Signature]

Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229

[Signature]

Narepalem Venkateswara rao
CFO

[Signature]

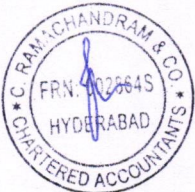
Sairam Gandikota
CS & compliance Officer

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021:

(Rs. In Lakhs)

I.	Sl. No.	Particulars)	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	3533.54	3533.54
	2.	Total Expenditure	3455.47	3455.47
	3.	Net Profit/(Loss)	(94.11)	(94.11)
	4.	Earnings Per Share	(0.55)	(0.55)
	5.	Total Assets	6065.41	6065.41
	6.	Total Liabilities	6065.41	6065.41
	7.	Net Worth	3023.16	3023.16
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	<p>Audit Qualification (each audit qualification separately):</p> <p>a.Details of Disclaimer of Opinion:</p> <p>1.Property Plant & Equipment includes certain equipment located in temporary premises not having formal lease agreements. Accounting system is not integrated to location wise, equipment wise, customer wise, data with respect to bandwidth service billing, hence unable to comment on the utilization of equipment operations and resulting Impairment of equipment if no operations are existed.</p> <p>2. Certain web solution contracts/ agreements with the parties</p>			



MKS

w.r.t to revenue and related inward services were informal and unwritten. Considering sales and purchase returns, GST payment under section 74(5), we are unable to form an opinion on revenue recognition and related expenditure

6. Balance with Government Authorities includes
 - a. An amount of Rs.22,03,227 /- TDS deducted by customers, subject to confirmation and reconciliations with Form 26AS and customer accounts.
 - b. An amount of Rs.33,80,750/- "Income Tax refunds" pertaining to earlier years are under process of reconciliation with Income tax assessment orders.
7. An Amount of Rs. 3.09 Crores paid by the company as a voluntary payment as per section 74(5) of the CGST Act, 2017 in connection with the summons issued by the GST Authorities (Hyderabad GST Commissionerate). The Company has disclosed the above payment as balance with government authorities under Other Current Assets and the Company has recognised Contingent Liability for the above mentioned payment. Further, the company has not filed GST Annual Return and not completed GST Audit for F.Y 2019-20. The GST Turnover and ITC is under the process of reconciliation with accounts and GSTN records from f.y 2019-20 to till date. Due to the effect of lack of information about the voluntary payment made by the company, non-filing of GST Annual Return (F.Y 2019-20) and Completion of GST Audit and pending reconciliations, we are unable to comment on the accounting treatment of the voluntary payment, its impact on other related areas, such as current and non current classification of voluntary payment and resulting going concern issues.
8. The Company is in the process of obtaining confirmations for the Balances of Trade Payables, Trade receivables, Advances from the Customers and other balances.

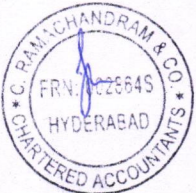
b.Type of Audit Qualification : Disclaimer of Opinion

c.Frequency of qualification: first time

d.For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable

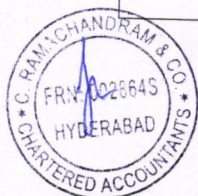
e.For Audit Qualification(s) where the impact is not quantified by the auditor:

i)Management's estimation on the impact of audit qualification: Not Applicable



MKR

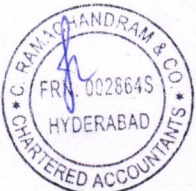
	<p>(vii) If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>(viii) Auditors' Comments on (i) or (ii) above: Disclaimer of opinion</p>
<p>III.</p>	<p>2. Details of Audit Qualification :</p> <p>a. Qualified Opinion on the Internal Financial Controls</p> <ol style="list-style-type: none"> 1. The Company did not have an appropriate internal control system for customer acceptance, credit evaluation and establishing customer credit limit for sales, which could affect the company in recognizing revenue without establishing reasonable certainty of ultimate collection. 2. Accounting system is not integrated to location wise equipment wise customer wise data with respect to bandwidth service billing. 3. Certain web solution contracts/ agreements with the parties w.r.t to revenue and related inward services were informal and unwritten. 4. Property Plant & Equipment includes certain equipments located in temporary premises not having formal lease agreements. Absent or inadequate controls over the safeguarding of assets. 5. The absence of an internal process to report deficiencies in internal control to management on a timely basis. 6. Absent or inadequate segregation of duties within a significant account or process. 7. Internal control on vendor evaluations with respect to supply of quality of services. <p>b. Type of Audit Qualification : Qualified Opinion</p> <p>c. Frequency of qualification: first time</p> <p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable.</p> <p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>i) Management's estimation on the impact of audit qualification: Not Applicable</p>



MKA

ii) If management is unable to estimate the impact, reasons for the same:

1. The company has effective collection management process and credit blocks are executed at each customer level if there is delay in receivables. The management is trying to collect and this is the first time we have taken a credit loss in write off and in the last 10 years our credit losses is less than one percent therefore, the management is prudent in the above matter.
 2. The accounting software is used to track the consumer billing and accounting information whereas The networking software is responsible for location wise, equipment wise and customer wise data and bandwidth usage.
 3. Due to prevailing covid-19 conditions, company was not able to provide the formal agreements to the audit parties as lockdown occurred.
 4. All the equipments are visible in the network monitoring room. Any equipment removable from the premises will intimate to the network team to recover the equipment. The network equipment has their inherent risk because it is on overhead lines for hundreds of kilometres which is standard for all ISP's.
 5. The reporting structure between the management and the employee is only one layer. therefore all deficiencies are directly visible to the management at all the times as it is a very lean structure.
 6. All duties are defined for the employees at certain times if the workload to the employees is low, we reallocate additional work to the employees as we are a small organization.
 7. The management itself takes all the decisions in the vendor evaluations with respect to supply of quality of services. As technology evolves, management makes a call in decision and certain times may be good or bad. We are one of the few class-B ISP's left in the country. Management must be doing right.
- (iii) Auditors' Comments on (i) or (ii) above:
A 'material weakness' is a deficiency, or a combination of deficiencies in internal controls over financial reporting, such that there is a reasonable possibility that a material

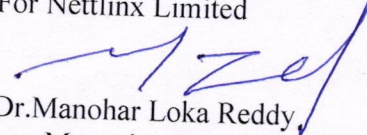


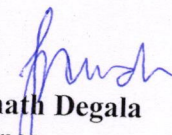
MR Rao

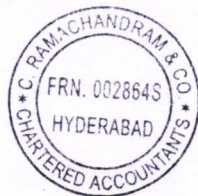
	misstatement of the company's annual or interim financial statements will not be prevented or detected on timely basis.
IV.	<p>f. Details of Disclaimer of Opinion: Disclaimer of Opinion on Internal Financial Controls</p> <p>The company's certain business operations and regular accounting activities are migrated to new application "Open Bravo". Subsidiary balances of fixed assets, sundry debtors, sundry creditors, revenue, purchases and GST ledgers, migration is under process and reconciliations are pending. Information system control audit is under process. Due to the above reasons, we are unable comment the effectiveness of Internal Financial Controls over the above mentioned areas.</p> <p>g. Type of Audit Qualification : Disclaimer of Opinion</p> <p>h. Frequency of qualification: first time</p> <p>i. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable</p> <p>j. For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>k. Management's estimation on the impact of audit qualification: Not Applicable</p> <p>l. If management is unable to estimate the impact, reasons for the same: Not Applicable</p> <p>m. Auditors' Comments on (i) or (ii) above: Disclaimer of opinion</p>

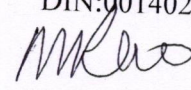
For C Ramachandram & Co.,
Chartered Accountants,
Firm Registration No. 002864S

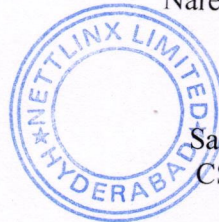
For Nettlinx Limited

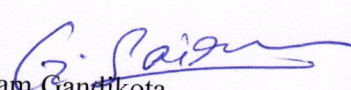

Dr. Manohar Loka Reddy,
Managing Director
DIN: 00140229


Premnath Degala
Partner
M.No: 207133




Narepalem Venkateswara rao
CFO




Sairam Gandikota
CS & compliance Officer

Date: 30.06.2021

Place: Hyderabad