



23rd



**Annual Report
2015 - 2016**

CERTIFIED TRUE COPY

For NETTLINX LIMITED

G. Sairam

Company Secretary

NETTLINX LIMITED

Your Power to Communicate

NETTLINX LIMITED



23rd
ANNUAL REPORT
2015-2016

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For NETTLINX LIMITED

G. Pajaram
Company Secretary



NETTLINX LIMITED

CORPORATE INFORMATION**BOARD OF DIRECTORS:**

Dr. Manohar Loka Reddy	- Chairman, Promoter and Non-Executive
Mr. Rohith Loka Reddy	- Additional and Managing Director
Mr. Chandra Sekhar Pogula	- Whole Time Director & CEO
Mr. Kothuri Kameswara Rao	- Independent and Non-Executive Director
Mr. Vijay Kumar Maistry	- Independent and Non-Executive Director
Mr. Venkata Hanumantha Rao Joginapally	- Independent and Non-Executive Director
Ms. Radhika Kundur	- Woman and Non-Executive Director
Mr. Kakarla Kiran Venkatasiva	- Additional and Independent Non-Executive Director
Mr. Subramanyeswara Rao Kakarala	- Additional and Independent Non-Executive Director

Chief Financial Officer

S.Mahaganesh

Company Secretary & Compliance Officer

Sai Ram Gandikota

Corporate Identification Number: L67120TG1994PLC016930

REGISTERED OFFICE

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

STATUTORY AUDITORS :

M/s DEVA & CO
Chartered Accountants
Flat No: 303, H.No: 5-9-42/2,
Siddu Residency, Hill Fort,
Street No – 2, Basheerbagh,
Hyderabad – 500 063Telangana.

INTERNAL AUDITOR

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

SECRETARIAL AUDITOR:

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

Bankers

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

Registrars and Share Transfer Agents

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

STATUTORY COMMITTEES:**Audit Committee:**

Mr. K. Kameswara Rao	-	Chairman
Mr. J. V. Hanumanth Rao	-	Member
Mr. M. Vijay Kumar	-	Member

Nomination and Remuneration Committee:

Mr. K. Kameswara Rao	-	Chairman
Mr. J. V. Hanumanth Rao	-	Member
Mr. M. Vijay Kumar	-	Member

Stakeholders Relationship Committee:

Sri K. Kameswara Rao	-	Chairman
Sri. Chandra Sekhar Pogula	-	Member

Risk Management Committee:

Sri K. Kameswara Rao	-	Chairman
Sri. Chandra Sekhar Pogula	-	Member
Sri M. Vijay Kumar	-	Member

Internal Compliants Committee:

Mrs.Radhika Kundur	-	Chairperson
Mr.Chandra Sekhar Pogula	-	Member
Mr. J. V. Hanumanth Rao	-	Member

NETTLINX LIMITED

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Company M/s. Nettlinx Limited will be held on Wednesday, the 28th September, 2016 at 11.00 AM, at the Registered Office of the company situated at 5-9-22, Flat No.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana-500063 to transact the following business:

ORDINARY BUSINESS

Item No. 1 – Adoption of financial statements:

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2016 along the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Appointment of Director:

To appoint a Director in place of Dr. Manohar Loka Reddy (holding DIN: 00140229) who has consented to retire by rotation for compliance with the requirements of Section 152 of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

Item No.3 – Ratification of Appointment of Auditors:

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

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Deva & Co, Chartered Accountants (Firm Registration No. 000722S), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-Fourth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. SUBRAMANYESWARA RAO KAKARALA (DIN: 07587769) AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Subramanyeswara Rao Kakarala (DIN: 07587769) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 11th August, 2016, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing Mr. Subramanyeswara Rao Kakarala for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 11th August, 2016 to hold office up to 10th August 2021, not liable to retire by rotation.”

5. APPOINTMENT OF MR. KAKARLA KIRAN VENKATASIVA (DIN: 07592337) AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013:

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Kakarla Kiran Venkatasiva (DIN: 07592337) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 11th August, 2016, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing Mr. Kakarla Kiran Venkatasiva for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 11th August, 2016 to hold office up to 10th August 2021, not liable to retire by rotation.

6. APPOINTMENT OF MR. ROHITH LOKA REDDY (DIN: 06464331) AS MANAGING DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

NETTLINX LIMITED

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to applicable Articles of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Appointment of Mr. Rohith Loka Reddy (DIN: 06464331), as Managing Director of the Company, for a period of five years commencing from 11.08.2016 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.”.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of **Mr.ROHITH LOKA REDDY**, Managing Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered, appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.”

“RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

7. BORROWING OF MONEY UPTO ₹.100 CRORES:

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company, approval of the Shareholders’ be and is hereby accorded to the Board of Directors to borrow money through loans, advances, credit etc. for both domestic and foreign currency borrowings upto ₹.100 crore (excluding temporary loans obtained from the Company’s bankers in the ordinary course of business) from banks, financial institutions and other sources from time to time for the purpose of financing the working capital requirements as also for acquisition of capital assets and/or for the purpose of any other requirements of the Company, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already

borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.”.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

8. CREATION OF CHARGE ON THE ASSETS OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded, to the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a committee thereof) to create such mortgages/ charges/ hypothecation in addition to the mortgages/ charges/ hypothecation created/ to be created by the Company or executing a declaration of a trust or other appropriate document on such terms and conditions as the Board may think fit, on the whole or substantially the whole of the Company’s undertakings or any part thereof, including the present and future properties, whether movable or immovable and assets of all kinds of the Company, both present and future, to or in favour of financial institution(s), bank(s) and/or any other person or entity and/or the to secure the borrowings availed/ to be availed by the Company and/or its subsidiary companies by way of loan (in foreign currency and/or Indian Rupee) issued/to be issued by the Company and/or its subsidiary companies from time to time for an amount not exceeding 100 crores (Rupees One Hundred crores only) together with interest, costs, charges, expenses, remuneration of trustees and all other monies payable.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise and execute the documents between the Company on the one part and the financial institution(s), bank(s), and/or individuals/ institutions who may be appointed as the agents, on the other part.”

9. (a) TO INCREASE THE AUTHORISED SHARE CAPITAL FROM ₹.20 CRORES TO ₹.30 CRORES:

To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION:**

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“RESOLVED THAT pursuant to provision of Section 61(1)(a) of the Companies Act, 2013, and any other applicable provisions and the relevant rules framed there under and in accordance with the provisions of the Articles of Association of the Company, the authorised share capital of the Company be and is hereby increased from ₹.20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) equity shares of ₹.10/- each to ₹. 30,00,00,000/- (Rupees Thirty Crores only) divided in to 3,00,00,000 (Three Crores only) equity shares of ₹.10/- each by creating additional 1,00,00,000 (One Crore only) equity shares of ₹.10/- each.

RESOLVED FURTHER THAT the new equity shares shall rank pari passu with the existing equity shares.”

9(b). TO AMEND THE MEMORANDUM OF ASSOCIATION:

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

“RESOLVED THAT the consent of the Company be and is hereby accorded under provisions of section 13 of the Companies Act, 2013 to amend the existing Clause V of Memorandum of Association of the Company by substituting first two lines by following lines as mentioned here under:

V. The Authorised Share Capital of the Company is ₹.30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) equity shares of ₹.10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT amendment be made in Memorandum of Association of the Company by replacing the words ‘The Companies Act, 1956’ wherever it appears by the words ‘The Companies Act, 2013’.”

10. INCREASE IN SIZE OF ISSUE OF GDRs FROM ₹.20 CRORES TO ₹.100 CRORES:

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

“RESOLVED THAT in supersession of the special resolution passed by the members on 18.04.2016, the consent of the Company pursuant to the Sections 23, 41, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 (“2013 Act”) to the extent notified and in effect, including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any modification(s) or re-enactment(s) thereof, for the time being in force) and

other rules made thereunder, and applicable provisions, if any, of the Companies Act, 1956, (without reference to the provisios thereof that have seized to have effect upon the notification of the 2013 Act) (collectively, the “Companies Act”) (including any amendments thereto or re-enactment thereof), the provisions of the Foreign Exchange Management Act, 1999, as amended or restated (“FEMA”), and regulations thereunder including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA 20 Regulations”), as amended or restated and the FEMA (Transfer or Issue of any Foreign Security) Regulations, 2004, as amended or restated (“FEMA 120 Regulations”), the provisions of Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended or restated (“FCCB Scheme”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the “ICDR Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or restated (“Listing Obligations Regulations”) and all other applicable laws including the rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder, and subject to all the necessary approvals, consents, permissions and/or sanctions of the Securities and Exchange Board of India (“SEBI”), the Ministry of Finance (Foreign Investment Protection Board/ Department of Economic Affairs) and Ministry of Commerce & Industry (Department of Industrial Policy and Promotion/ Secretariat for Industrial Assistance), all other ministries, departments or other authorities of the Government of India (“GOI”), the Reserve Bank of India (“RBI”), the stock exchanges and/or any other competent authorities, and in accordance with applicable laws and regulations including the rules, regulations, guidelines, notifications, circulars and clarifications issued by the GOI, RBI, SEBI, the stock exchanges and/or any other competent authorities from time to time, and the enabling provisions of the Memorandum and Articles of Association of Nettlinx Limited (the “Company”), the listing agreements entered into by the Company with the stock exchanges where the Company’s equity shares of the company (the “Equity Shares”) are listed, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee thereof), **be and is hereby** to the Board to create, offer, issue and allot

with or without a green shoe option, in the course of international offering in one or more foreign markets and/or domestic market, for such number of Equity Shares, Global Depository Receipts (GDRs), including the issue and allotment of Equity Shares pursuant to a green shoe option, if any (hereinafter collectively referred to as the "Securities") or any combination of Securities in one or more tranches and/or in one or more series (with different tenures), whether rupee denominated or denominated in foreign currency, to any eligible person as permissible under applicable law including qualified institutional buyers, foreign/resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), foreign institutional investors, venture capital funds, foreign venture capital investors, Indian and/or multilateral financial institutions, foreign portfolio investors, mutual funds, stabilizing agents and/or other entities, authorities and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") whether or not such Investors are members of the Company as may be decided by the Board in their discretion and permitted under applicable laws and regulations, of an aggregate amount upto ₹.100 Crores (Rupees One Hundred Crores only) or its equivalent in one or more foreign currencies, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through private placement(s), Preferential Allotment or a combination thereof at such time or times, at such price or prices, premium to the market price or prices, as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers, or other advisor(s) for such issue(s), either in foreign currency or equivalent Indian rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board in its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT in supersession of the special resolution passed by the members on 18.04.2016, the consent of the Company pursuant to the provisions of Section 62 of the 2013 Act and other applicable provisions, if any, of the Companies Act, including the applicable rules made thereunder, the provisions of Chapter VIII of the ICDR Regulations, Listing Obligations Regulations, FEMA, FEMA 20 Regulations, FEMA 120 Regulations, and other

applicable laws, the Board may, at its absolute discretion, issue, offer and allot Equity Shares, or Global Depository Receipts which are convertible into or exchangeable with Equity Shares (collectively referred to as "Securities") of an aggregate amount up to ₹. 100 Crores (Rupees One Hundred Crores only) or its equivalent in one or more foreign currencies, inclusive of such premium, as specified above, to qualified institutional buyers (as defined by the ICDR Regulations) pursuant to a qualified institutions placement, as provided under Chapter VIII of the ICDR Regulations and such securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of passing of this resolution or such other time as may be allowed under the ICDR Regulations from time to time."

"RESOLVED FURTHER THAT in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or the committee of directors duly authorized by the Board decides to open the proposed issue of Equity Shares, and the price so determined as per Regulation 85 of the ICDR Regulations shall not be less than the price determined in accordance with the pricing formula provided therein."

"RESOLVED FURTHER THAT the Company and/or any entity, agency or body authorized and/or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international market for Securities listing and trading, in the Frankfurt stock Exchange so that the GDRs are registered or listed."

"RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board or the committee of directors duly authorized by the Board decides to open the issue of such Securities in accordance with the FCCB Scheme and other applicable pricing provisions issued by the Ministry of Finance, and the price so determined shall be in accordance with the pricing formula provided under Clause 5 of the FCCB Scheme."

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“RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into and execute all such arrangements / agreements with any Lead Managers / Underwriters / Guarantors / Depository (ies) / Custodians / Registrar / Advisors and all such agencies as may be involved in cash or otherwise including by way of payment of commission, brokerage, fees, expenses incurred in relation to the issue of Securities and other expenses, if any or the like.”

“RESOLVED FURTHER THAT the Securities issued in international offering shall be deemed to have been made abroad in the markets and/or at the place of issue of the Securities in international markets and shall be governed by English or any other law as may be decided by the Board as the case may be.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the mode and the terms of issue and to allot such number of Equity Shares/ Securities as may be required to be issued and allotted upon conversion of any Securities referred to in the

paragraph(s) above as may be necessary in accordance with the terms of offering and all such shares to rank pari passu with the existing Equity Shares of the Company in all respects, excepting such rights as to dividend as may be provided under the terms of issue and in the offer document.”

“RESOLVED FURTHER THAT subject to necessary approvals, consents, permissions, the Board be and is hereby authorized to convert the Global Depository Receipts into any other permitted Securities and list at Frankfurt Stock Exchange or in any other Indian/ overseas Stock Exchanges.”

“RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such a manner, as the Board may deem fit and as permissible by law.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to the Chairman of the company or any Committee of Directors or any one or more Directors of the Company with power to delegate to any officers of the Company, including filing of offer document with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments and opening bank accounts and demat accounts.”

By order of the Board of Directors
For Nettlinx Limited

Sd/-
Dr. Manohar Loka Reddy
Chairman
DIN: 00140229

Date : 11.08.2016
Place: Hyderabad

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the items of Special Business as set out above is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Directors under Item No.4 to 6 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing is given to the Company.
4. Members/Proxies should bring the duly filled in and signed attendance slip mentioning therein details of their DP ID and Client ID/ Folio No. which is enclosed herewith to attend the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 22nd September, 2016 to Wednesday, 28th September, 2016 (both days inclusive)** for the purpose of payment of payment of dividend, if any, for the financial year ended 31st March, 2016 and the Annual General Meeting (AGM).
8. Members intending to seek clarification at the Annual General Meeting concerning the accounts and any aspect of operations of the company are requested to send their questions in writing to the Company so as to reach the company at least 7 (seven) days in advance before the date of the Annual General Meeting, specifying the points.
9. Members holding shares in physical form are requested to intimate the following details directly to the Company's Registrar and Share Transfer Agent, Venture Capital and Corporate Investments Pvt. Ltd. Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana.
 - (a) Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
 - (b) Changes, if any, in their address at an early date.
 - (c) Application for consolidation of folios, if shareholders are under multiple folios.
 - (d) Despatch of share certificates for consolidation.
 - (e) Request for nomination forms for making nominations as per the provisions of the Companies Act.
10. Members are requested to quote ledger folio numbers in all their correspondences.
11. Members holding shares in dematerialized form (electronic form) are requested to intimate any changes in their respective addresses, bank mandates etc., directly to their respective Depository Participants.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share

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Transfer Agent, Venture Capital and Corporate Investments Private Limited, Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana.

13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of ₹.1,00,000 (Rupees One Lakh).
15. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the Registrar and Share Transfer Agent having its at Venture Capital and Corporate Investments Pvt. Ltd. Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana, India.

The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz. www.Nettlinx.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during the normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making

a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: Mail: secretarial@nettlinx.org info@vccipl.com

16. Members are requested to note that the Company's Equity Shares are compulsorily traded in demat form for the investors, effective from 26th March 2001. Members are requested to open Depository Account in their names with a Depository participant to dematerialize their holdings. This would be necessary for facilitating the transfers of Company's Equity shares in all Stock Exchanges connected to the Depository System.
17. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
18. The route map showing directions to reach the venue of the twenty-third AGM is annexed.
19. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
20. The board of directors has appointed Mr. Veeranjanyulu Partner of M/s. VCSR & Associates, Practicing Company Secretaries (Membership No. FCS 6121) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
21. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
22. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
23. The instructions for e-voting are as under:

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(a) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.

(b) "Voting by electronic means" or "electronic voting system" means a 'secured system' based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercise by way of electronic means gets registered and counted in an electronic registry in the centralized server with adequate 'cyber security'.

It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period. The procedure for casting votes online is as follows:

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

(ii) Click on Shareholders.

(iii) Now Enter your User ID

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

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the

	<p>8 digits of the sequence number in the PAN field.</p> <ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

(iv) Click on the EVSN for the relevant Nettlinx Limited on which you choose to vote.

(v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or

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NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

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

(viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(ix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

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

(xi) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

C. Other Instructions:

i. The e-voting period commences on Saturday, September 24, 2016 (9.00 a.m. IST) and ends on Tuesday, September 27, 2016 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 21, 2016 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.

ii. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through electronic voting system or poll paper.

iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evotingindia.com.

iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

v. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website

www.Nettlinx.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to BSE Limited and Metropolitan Stock Exchange of India Limited and, where the shares of the Company are listed.

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24. All documents referred to in the accompanying Notice and the Explanatory Statement shall be kept open for inspection at the Registered Office of the Company during normal business hours (10.00 AM to 5.00 PM on all working days (except Saturdays) up to and including the date of the Annual General Meeting of the Company.

Explanatory Statement

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 9 of the accompanying Notice:

ITEM NO. 3:

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s. Deva & Co, Chartered Accountants (Firm Registration No. 000722S) were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on June 27, 2014, to hold office from the conclusion of the 21st AGM till the conclusion of the 24th AGM to be held in the year 2017.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board commends the Resolution at item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

The Board commends the resolution at item Nos. 3 for approval of the members.

ITEM NO. 4:

Mr. Subramanyeswara Rao Kakarala (DIN: 07587769) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 11th August, 2016, in terms of Section 161 of the Companies Act, 2013. The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of

Mr. Subramanyeswara Rao Kakarala (DIN: 07587769) for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013.

The Company has received (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. Subramanyeswara Rao Kakarala to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Mr. Subramanyeswara Rao Kakarala, fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent of the management.

A copy of the draft letter of appointment, setting out the terms and conditions of appointment of Mr. Subramanyeswara Rao Kakarala, is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

The Board recommends the resolution set forth in item No. 4 of the notice for approval of the members.

Item No.5:

Mr.Kakarla Kiran Venkatasiva (DIN: **07592337**) who was appointed as an Additional Director of the Company, categorized as Independent, by the Board of Directors with effect from 11th August, 2016, in terms of Section 161 of the Companies Act, 2013. The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Mr.Kakarla Kiran Venkatasiva (DIN: **07592337**) for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013.

The Company has received (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr.Kakarla Kiran Venkatasiva (DIN: **07592337**) to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and

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(iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In terms of Schedule IV of the Companies Act, 2013, the Board is of the opinion that Mr.Kakarla Kiran Venkatasiva (DIN: **07592337**), fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Regulations and is independent of the management.

A copy of the draft letter of appointment, setting out the terms and conditions of appointment of Mr.Kakarla Kiran Venkatasiva (DIN: **07592337**), is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Item No.6:

APPOINTMENT OF MR. ROHITH LOKA REDDY (DIN: 06464331) AS MANAGING DIRECTOR OF THE COMPANY:

Mr. Rohith Loka Reddy (DIN: 06464331) is a graduate in Management from the Indian School of Business, who earlier earned a Bachelor of Science degree at the Bentley University, Massachusetts. His academic honors include Presidential Scholarship, Member of the Honor's program, Dean's List (Fall '06 – Spring '10), National Honors Society (Finance) and Omicron Delta Epsilon (International Economics Honors Society).

Post completing an internship program at the Fidelity Investment, a multinational financial services corporation in the Margin Department, he kick started his career phase by joining the Hughey Center for Financial Services as a Trading Room Assistant. Working on a part time basis, he assisted the faculty in developing course projects, educating them and students by demonstrating the use of financial software, facilitated trading stimulations to teach fixed income, equity valuation methods and techniques and conducted research and presented independent topics like long-dated illiquid strategies.

He then advanced to complete a two year stint at the John Hancock Financial Services. He joined its Investment Division Rotation Program as a Credit Analyst for the Bond & Corporate Finance Group. He aided the department by recommending investment plans to portfolio managers on private transaction, new issuances and secondary market opportunities. He had also developed tools to track important statics of varying sectors.

He then went onto working in the Manulife Asset Management as a Quantitative Analyst by collaborating with fixed income credit analysts to analyze various

high yield securities. He also created reports on general market conditions with a focus on current macro-economic themes and built multiple fixed income templates for marketing and analytical purposes.

He was then promoted as a Foreign Exchange Trader, wherein he supported the global fixed income portfolios by analyzing securities/ issues that could materially affect the fund's performance. He also oversaw currency exposure on multiple funds (\$120 billions), updated the portfolio managers on the P&L from there FX exposure in each of their funds on an hourly basis and analyzed market conditions and researched economic trends that had an effect on exchange rates.

In 2012, he returned to his hometown Hyderabad and became the Manager of Northeast Broking Services Limited. He led a team to optimize the price charged for client transactions which led to a 50% increase in the revenue and helped the group to report consistent profits for the first time in the 7 Years. He played a significant role and advised high net worth individuals (HNI's) and corporate clients on various investment opportunities.

He also holds various certifications such as Certified Financial risk manager, completed level III of the chartered financial Analyst (CFA) exam, NSE's (National Stock Exchange of India) certification in cash, derivatives and mutual funds.

Mr. Rohith Loka Reddy as Managing Director will primarily focus on GDRs and other fund Raising issues. He is largely responsible for major Acquisitions and its excellent financial performance and to transform the company for aggressive growth.

At this crucial juncture, the services of Mr. Rohith Loka Reddy are considered essential for successful completion of the Acquisitions and achieve smooth operations thereafter. It is also essential for the Company to have his continued services for its future growth.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company vide resolution passed on 11th August, 2016 approved appointment of Mr. Rohith Loka Reddy (DIN: 06464331) as Additional Director on the Board of the Company with effect from 11th August, 2016 (designated as Managing Director) in accordance with the provisions contained in Section 196 and 197 read with Section 203 of the Companies Act, 2013 and that Mr. Rohith Loka Reddy (DIN: 06464331) shall hold office up to the date of the Annual General Meeting to be held on 28th September, 2016 and shall be eligible for election subject to the approval of the shareholders at this Annual General meeting.

The term of his appointment as Managing Director will be for a period of Five years from 11.08.2016 to 10.08.2021.

The remuneration package for Mr. Rohith Loka Reddy (DIN: 06464331), as approved by the Board of Directors at the Board Meeting held on 11.08.2016, is forming part of the Resolution under Item 6 of the Agenda for this Meeting Mr. Rohith Loka Reddy's appointment as Director on the Board of the Company was on the basis of his being liable to retire by rotation. He will continue to be the Director of the Company till his turn comes for retirement by rotation. He is eligible to seek reelection at the Annual General Meeting in which he retires by rotation.

The remuneration package is well within the overall limit prescribed as per section II-remuneration payable by companies having no profit or inadequate profit without central government approval, part II, Schedule V to the Companies Act, 2013, which permits our Company to provide for a salary not exceeding 10% of the Net Profits in any year to all its Directors. The Board of Directors will also be at liberty to alter, vary and revise the remuneration, including commission and the perquisites, from time to time, within the limits prescribed in section II of Schedule V to the Companies Act, 2013 or any amendment or statutory modifications thereto.

In terms of the provisions of the Companies Act, 2013, consent of the shareholders is required for appointment of Mr. Rohith Loka Reddy (DIN: 06464331) as Managing Director of the Company. The Board recommend the resolution as set out in item no. 4 for approval of the members as an ordinary resolution. A copy of the Board Resolution and the appointment letter issued to Mr. Rohith Loka Reddy (DIN: 06464331), Managing Director will be available for inspection between 11.00 A.M. to 01.00 P.M. on all working days (Monday to Friday) at the Registered Office of the Company.

The terms as set out in the resolution and explanatory statement may be treated as an abstract of the terms and conditions governing the appointment and remuneration and memorandum of interest pursuant to Section 190 of the Companies Act, 2013.

Approval of the members is required by way of Ordinary Resolution for appointment and payment of remuneration.

In respect of Rohith Loka Reddy as Managing Director, the Company has received (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the

Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, from Mr. Rohith Loka Reddy (DIN: 06464331) to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) Consent to act as Managing Director under Sec.196 of Companies Act, 2013..

Except Dr.Manohar Loka Reddy as Father and Mr.Rohith Loka Reddy as Appointee, None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

ITEM NO: 07:

The provisions of Section 180(1)(c) of the Companies Act 2013, provide that the Board of Directors of a Company shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business only with the consent of the company by a special resolution.

It is, therefore, proposed to seek the approval of the shareholders to the borrowing limits of ₹.100 crore (apart from temporary loans obtained from company's bankers in the ordinary course of business) for both domestic and foreign currency borrowings under section 110 of the Companies Act, 2013 by way of a Special Resolution.

Hence, approval of the shareholders is solicited vide Resolution No.7. The Board of Directors of your Company recommends the Special Resolutions as set out in Item No. 7 in the accompanied notice for approval of the Shareholders.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company.

ITEM NO.08:

The Board of Directors of the Company has passed a resolution under section 180(1)(a) of the Companies Act, 2013 for creation of mortgage /charges/ hypothecation or otherwise in terms of section 180(1)(a) of the Companies Act, 2013.

As mentioned in Item No. 7, it is proposed to increase the borrowing powers to Rs.100 crore (Rupees

Hundred Crores only). To secure such borrowings, the Company would be required to mortgage and/or charge its moveable and/or immoveable properties, the whole or substantially the whole of the undertaking(s) or any other assets of the Company (both present and future) in favour of the financial institutions/banks/ other lender(s)/ trustees.

The mortgage and/or charge by the Company on its moveable and/or immoveable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the Lender(s), may be regarded as disposal of the Company's undertaking(s) within the meaning of section 180(1)(a) of the Companies Act 2013 which provides for approval of shareholders by a Special Resolution. Hence, approval of the shareholders is solicited vide Resolution No. 8. The Board of Directors of your Company recommends the Special Resolutions as set out in Item No. 8 in the accompanied notice for approval of the Shareholders.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution except to the extent of their shareholding in the Company, if any.

ITEM NO.9(a) and 9(b):

The Company proposes to raise funds up to ₹100 Crores by issuing further equity shares on preferential basis/Qualified Institutional Placement (QIP)/share Warrants/GDRs and any other securities in one or more combination thereof. The existing Authorized Capital of the Company is ₹. 20,00,00,000/- (Rupees Twenty Crores only) would not be sufficient to cover the proposed amount of issue.

In view of this, the Company proposes to increase the existing authorized equity capital from ₹. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) equity shares of ₹.10/- each to ₹. 30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores only) equity shares of ₹.10/- each by creating additional 1,00,00,000 (One Crore only) equity shares of ₹.10/- each.

The proposed increase in Authorized Capital will consequently require alteration in Capital clause V of Memorandum of Association of the Company.

The Ordinary resolution is therefore proposed at item no. 9(a) of the notice to increase the Authorized Share Capital of the Company and Special resolution is proposed at item no.9(b) of the notice for making necessary alterations in Capital clause V of Memorandum of Association of the Company.

The Directors recommend these Resolutions at Item No.9(a) & 9(b) of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

ITEM NO.10:

The Shareholders of the Company by way of Special Resolutions at their meeting held on 18th April, 2016 had authorized the Board of Directors for issue of GDRs upto a limit of ₹.20 crores. The Company is in requirement of fund to meet working capital requirements as also for acquisition of capital assets and/or for the purpose of any other requirements of the Company, both for capital and revenue in nature and also for acquisitions.

It is therefore thought prudent to have enabling approvals to raise further funds as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution.

The resolution Contained at Item No. 10 relates to a proposal by the Company to create, offer, issue and allot equity shares or equity shares through Global depository receipts, or through Private Placement(s) and / or preferential allotment(s) and / or Qualified Institutional Placement (QIP) and / or any other permitted modes, in one or more tranches as stated in the resolution ('the Securities'). The Company intends to issue securities for a value upto ₹.100 Crores (Rupees One Hundred Crores only) or its equivalent in Foreign currencies. The net proceeds from this offering of Securities or any other issue, after deduction of fees and expenses are proposed to be used by the Company for the expansion of its business and for acquisition purpose.

It is proposed to offer/issue/ allot equity shares through Global depository receipts through Private Placement(s) and / or preferential allotment(s) and / or Qualified Institutional Placement (QIP) and / or any other permitted modes, of an aggregate amount not exceeding ₹.100 Crores (Rupees One Hundred Crores only) or its equivalent in Foreign currencies by way of an Issue of securities from time to time in one or more tranches to domestic / foreign investors/ Foreign Institutional Investors/non resident Indians, companies or bodies corporate whether Incorporated in India, or abroad, trusts, mutual funds, Banks, Financial Institutions, Insurance companies, pension funds, individuals, or otherwise, whether shareholders of the company or not in consultation with the lead manager.

The detailed terms and conditions for the offer will be determined in consultation with advisors, Lead managers, underwriters and such other statutory authority or authorities and agencies as may be

required to be consulted by the Company considering the prevailing market conditions and other relevant factors. The pricing of the offering(s) will be free market pricing and may be at a premium to market price in accordance with international practice, subject to applicable rules, regulations including the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000 and the Issue of Foreign Currency Convertible bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as may be amended/ modified from time to time). As the pricing of offerings will be decided at a later stage, the exact number of Securities to be Issued will depend upon the price so decided. For the aforesaid reasons, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the issue. However, pursuant to Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the aggregate of the Proposed issue and all previous issues made by the company, if any in the same financial year shall not exceed 5 times of the net worth of the Company as per audited balance sheet of previous financial year.

Further, If Global Depository Receipts or any other securities to be issued under Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and/or Qualified Institutional Placement (QIP) to be made to Qualified Institutional Buyers (QIBs) under Chapter VIII or SEBI (Issue of Capital and disclosure Requirements) Regulations, 2009, the pricing thereof shall not less than the average of the weekly high and low of the closing prices of the shares quoted on the stock exchange during two weeks preceding the

relevant date. The "relevant date" for this purpose is the date of the meeting in which the Board has decided to open the proposed Issue of Securities.

The special resolution seeks to empower the Board to issue the Securities in one or more tranches at such time or times, at such price or prices and to such persons including institutions, incorporated bodies, individuals or otherwise as the Board may in its absolute discretion deem fit.

The Securities Issued pursuant to the offerings would be listed on the Stock Exchange on which the Company's equity shares are listed.

The consent of the shareholders is being sought pursuant to the provisions of the Section 41, 42, 62 and other applicable provisions of the Companies Act, 2013 and in terms of the listing agreement executed by the Company with the stock exchanges where the equity shares of the Company are listed.

Section 41 of the Companies Act, 2013 provides, inter alia, A company may, after passing a special resolution in its general meeting, issue depository receipts in any foreign country and The special resolution, if passed, will have the effect of allowing the Board to Issue and allot Global Depository Receipts.

Section 62 of the Companies Act, 2013 and other relevant clauses of the listing agreement with the stock exchanges where the equity shares of the company are listed provides, inter alia, that when it is proposed to Increase the Issued capital of the company by allotment of further shares shall be offered to the existing shareholders of such Company in manner laid down in Section 62(2) unless the shareholders in general meeting decide otherwise.

Details of Directors seeking appointment / re-appointment in the 23rd Annual General Meeting:

Name of the Director	Kakarla Kiranvenkatasiva	Subramanyeswara Rao	Rohith Loka Reddy
Director Identification Number (DIN)	07592337	07587769	06464331
Date of Birth	18/10/1974	30/07/1968	06/05/1988
Nationality	Indian	Indian	US
Date of Appointment on Board	11th August, 2016	11th August, 2016	11th August, 2016
Relationship with other Directors	Nil	Nil	Son of Dr.Manohar Loka Reddy, Promoter and Chairman of the company.
Qualification	ICMAI-Membership Number-21744 & PG Diploma in Business Administration from BITE	M.B.A from Shivaji University (1991-93). B.E from Mysore University.	Post graduate in Management from the Indian School of Business. Bachelor of Science,

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		D.M.E from from State Board of Technical Education, Tamil Nadu.	economics, finance from the Bentley University, waltham.
Shareholding in Nettlinx Limited (as on 11 th August, 2016)	13365	Nil	Nil
Expertise in specific functional areas	16 years working experience including 10.5 years of SAP Experience. Worked in different roles as consultant, Production support lead, Test lead and Project manager.	Over all 20+ years' experience out of which 10+ years of ERP experience in implementation and support in SAP R/3 FI/CO. And 8+ years of good experience in handling the Functional aspects like Financial Accounting, Financial Analysis and Financial Management.	As mentioned in explanatory statement to the notice.
List of Directorships held in other Companies (as on 31st March, 2016)	Nil	Nil	1. Sai Roshni Capital Private Limited.
Memberships / Chairmanship of the Committees of Directors of other Companies (as on 31st March, 2016)	Nil	Nil	Nil

There are no inter-se relationships between the Board Members except father and son relationship between Dr.Manohar Loka Reddy and Mr.Rohith Loka Reddy who was appointed as Managing Director of the company

By the order of the Board of Directors
For Nettlinx Limited

Date : 11.08.2016
Place : Hyderabad

Sd/-
Dr. Manohar Loka Reddy
Chairman
DIN: 00140229

DIRECTOR'S REPORT

To
The Members,

The directors submit 23rd annual report of Nettlinx Limited (the "Company" or "Nettlinx") along with the audited financial statements for the financial year (FY) ended March 31, 2016. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

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

(Amount ₹. in Lakhs)

Particulars	2015-2016	2014-2015
Revenue from Operations	682.25	563.71
Other Income	84.32	86.07
Total Income	766.57	649.78
Expenditure	608.63	582.90
Depreciation	34.91	37.83
Profit before exceptional items and Tax	123.03	29.04
Exceptional Item	0.00	0.00
Profit/(Loss) Before Tax	123.03	29.04
Deferred Tax Asset	1.60	2.56
Current Tax	25.08	5.53
Less: Provision of MAT	(22.90)	(5.53)
Net Profit/ (loss) after Tax	122.45	31.60

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

During the year under review, the gross revenue of the Company increased to ₹.766.57 Lakhs as compared to ₹.649.78 in the previous year. The Profit after tax for the year was ₹.122.45 Lakhs as compared to ₹.31.60 Lakhs in the previous year.

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

Consolidation of Clients, rationalization of market segments & expansion of Sales force will be the Focused approach in Financial Year 2016 – 2017 to achieve the targeted numbers. During the Financial Year 2016 – 2017, the plan is to profitably balance out and integrate Top line growth with reasonable bottom lines.

4. Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the financial year of the company to**which the financial statements relate and the date of the report**

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

5. FUTURE OUTLOOK:

Renewed thrust with a larger Sales force to tap the growing market during Q 2 , Q 3 & Q 4 will take up the Top line under standalone to a level of ₹.900 lakhs, up from the previous year's ₹.766.63 lakhs an estimated growth of around 24 % YoY .

Aggressive Sales efforts on the domestic hosting business to boost the bottom lines , as the objective is to put the existing blade servers to optimal utilization. With a productive and efficient management of both ISP business & Domestic hosting , the Company is targeting a bottom line of ₹.2.00 Crores by the end of March 2017.

Standalone

In the ISP segment , There is immense competition in both the twin states of Telangana State & AP State .

NETTLINX LIMITED

On one hand, Home grown and dominant localized State level A & B category ISPs are fighting for larger market shares with bigger brand presence & reach. On the other side, National TELCOs are also directly marketing all their Voice, Data & Video service offerings in the same markets. Margins are shrinking with incremental fixed costs. Fall in Internet Bandwidth buying prices is getting negated with higher demand from end consumers from the point of view of both quality & quantity of bandwidth, which poses a challenge in optimizing usage of Internet bandwidth. State Govts on both sides are exploring the possibility of providing Free Wi-Fi in select Cities & principal towns. This may add to the existing fierce competition. Additionally, Reliance Jio Communications is expected to play havoc in the market with their aggressive combo offerings and marketing campaigns. Against the above backdrop, Nettlinx has strategically positioned itself in a niche market segment comprising of larger reliance on SMEs, Educational Institutions & Business Broadband than relying on third party Cable Operators network as opposed to only the home broadband segment & whole sale bandwidth by most others. Under these circumstances, Nettlinx will be able to overcome competition and scale over all the hurdles and achieve the desired and budgeted financial numbers.

Consolidated:

Nettlinx Realty Private Limited:

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

The initial investments on these two lands got appreciated manifold owing to huge demand and land rates going up north. In Both of these specific locations where the land is situated, exponential residential apartments are coming up from multiple developers.

Nettlinx Aqua Culture Private Limited:

In the current millennium, intensification of aquaculture is the need of the hour to meet the ever growing demand in the country & overseas markets. The Government is focusing in meeting the domestic requirement and helping marine exports through aquaculture in the coming 10 years and aquaculture has a major role as well as responsibility to achieve this objective. Intensification of aquaculture necessitates system and species diversification, proper feed and feeding strategies, diseases monitoring and surveillance, application of modern biotechnological tools, maintenance of optimum soil and water health, efficient use of water resources and efficiently and productively relying on successful technologies and taking advantage of robust Logistic management systems. Its expected and proposed that all these action points and measures will culminate into better yield and maximizing profits for the Organization in the medium term. In view of this and atke part in the growth story for future, The Company has bought land at Gogullanka Village, H/o Guttinadevi, I Polavaram Mandal, East Godavari District, AP State.

6. SUBSIDIARIES:

Company has three wholly owned subsidiaries namely Nettlinx Inc., Nettlinx Realty Private Limited and Nettlinx Aquaculture Private Limited (formerly known as Nettlinx Channel Private Limited). There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Further there has been no material change in the nature of business of the subsidiaries.

7. RESERVES:

₹.1,22,45,616 has been transferred to the Reserves during the financial year 2015-16, being the surplus for the year ended 31st March, 2016.

8. SHARE CAPITAL:

During the year under review, there is no change in the Share Capital of the Company. However, the board of Directors of the company has passed the resolution for increase of authorized capital from ₹.20,00,00,000 to ₹.30,00,00,000 in view of further requirement of funds for the company.

The Authorized Share Capital of the company is ₹.20,00,00,000 divided into 2,00,00,000 equity shares of ₹.10 (Rupees Ten Only) each. The Issued, Subscribed and Paid up Capital of the Company as on March 31, 2016 is ₹.11,46,33,120 divided into 1,14,63,312 equity shares of ₹.10 (Rupees Ten Only) each.

NETTLINX LIMITED

9. DIVIDEND:

In view of inadequate profits, your Board could not recommend any dividend for the financial year 2015-16.

10. DEPOSITS:

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

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

DIRECTORS:

INDUCTIONS:

The Board has made following appointments/reappointments based on the recommendations of Nomination and remuneration Committee:

1. Appointment of Mr. Rohith Loka Reddy as managing Director of the company with effective from 11.08.2016.
2. Appointment of Mr. Subramanyeswara rao Kakarala and Mr. Kakarla Kiran Venkatasiva as Additional and Independent Non-Executive Director of the company with effective from 11.08.2016.

The Board recommends the resolution as set forth in item No.4,5,6 of the notice for approval of the members. For the perusal of the shareholders, a brief resume of the Director being re-appointed along with necessary particulars are given in the Explanatory statement of the notice.

The Board based on the recommendations of Nomination and remuneration Committee, also appointed:

- ❖ Mr. S. Mahaganesh as Chief Financial Officer of the company with effective from 27th May, 2015.
- ❖ Mr. Emani Venkat Reddy as Company Secretary with effective from 01st August, 2015.
- ❖ Mr. Sai Ram Gandikota as Company Secretary with effective from 07th November, 2015 in place of Mr. Emani Venkat Reddy who has resigned from the office of Company secretary with effective from 06.11.2015.

Further, The Board had appointed Mr. Sai Ram Gandikota as compliance Officer for the SEBI Listing Regulations.

RE-APPOINTMENTS:

In accordance with the provisions of Companies Act, 2013, Dr. Manohar Loka Reddy, Chairman, Non-Executive Director of the Company would retire by rotation and, being eligible, offer himself for re-appointment. The Board recommends his reappointment.

RESIGNATIONS:

Mr. Emani Venkat Reddy has resigned from the office of Company secretary with effective from 06.11.2015. The Board places on record its appreciation for the services rendered by him during his tenure with the company.

Statement on the declaration given by the Independent Directors as per Section 149(6) of Companies Act, 2013:

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

DETAILS OF KEY MANAGERIAL PERSONAL (KMP):

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

NUMBER OF MEETINGS OF THE BOARD:

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

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

Board evaluation:

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

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

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

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

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

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

12. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

- (b) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period.
- (c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- (d) That the directors had prepared the annual accounts on the going concern basis.
- (e) That the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. AUDITORS:

Statutory Auditors:

At the Annual General Meeting held on 29th September, 2014 M/s Deva & Co, Chartered Accountants, Hyderabad, were appointed as Statutory Auditors of the Company for a period of three (3) years from the conclusion of the 21st AGM to the conclusion of 24th AGM, to be held in the calendar year 2017. In terms of First proviso to section 139(1) of the Companies Act, 2013, the appointment of Auditors shall be placed for ratification at every AGM. Accordingly, the appointment of M/s. Deva & Co as Statutory Auditors placed for ratification by the shareholders.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Ch. Veeranjanyulu as Secretarial Auditor who is a partner of M/s VCSR & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2015-2016.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT:

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit report is annexed herewith as "(Annexure A)" & "(Annexure A1)". The report is self-explanatory and do not call for any further comments.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:

As required by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations") the Auditor's Certificate on Corporate Governance is enclosed as Annexure-B to the Board's Report. The Auditors certificate for Financial Year 2015-2016 does not contain any qualifications, reservations or adverse remark.

14. EXTRACT OF ANNUAL RETURN:

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

15. PARTICULARS OF EMPLOYEES:

- a) The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-D to this report.
- b) Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the Year under review, None of the employees of the company employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees; None of the employees of the company employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month; None of the employees of the company employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

16. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

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

17. TRANSACTIONS WITH RELATED PARTIES:

All Related party transactions done by the company during the Financial Year were at Arm's Length and in ordinary course of business. All related party transactions were placed in the meetings of Audit committee and or the Board of Directors for Approvals. During the Financial year, your company has not entered into any material transaction with any of its related parties except with its subsidiaries / associates which might be deemed to have had a potential material conflict with the interest of the company. Disclosures on related party transactions have been made in the notes to the Financial Statements. As all the transactions with related parties are on arm's length basis and in the ordinary course of Business the particulars of contracts or arrangements with related parties under section 188 in form AOC_2 is not enclosed herewith.

18. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

19. AUDIT COMMITTEE:

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

20. VIGIL MECHANISM:

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

21. RISK MANAGEMENT:

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

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

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

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

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

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

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

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

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

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

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:
(A) Conservation Of Energy:

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

(B) Technology absorption, adaptation and innovation:

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

(C) Foreign exchange earnings and Outgo

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

Foreign Exchange Inflows : Nil

Foreign Exchange Outflows : Nil

26. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

27. HEALTH AND SAFETY/ INDUSTRIAL RELATIONS:

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

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with aim to imbibe safety awareness among the employees at the plant.

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

28. ADDITIONAL INFORMATION:

Information pursuant to Section 134 (3) (l) & (m) of the Companies Act, 2013 which is included as a part of corporate Governance report.

29. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE and MSEI where the Company's Shares are listed.

30. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the contribution made by the

employees at all levels, to the continued growth and prosperity of your Company.

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

By the order of the Board of Directors
For Nettlinx Limited

Date : 11.08.2016
Place : Hyderabad

Sd/-
Dr. Manohar Loka Reddy
Chairman
DIN: 00140229

ANNEXURE INDEX

Annexure	Content
A	MR-2 Secretarial Audit Report
B	Auditors Certificate on Corporate Governance
C	Annual Return Extracts in MGT 9
D	Particulars of Employees
E	Corporate Governance Report
F	Management Discussion & Analysis Reports

Annexure-A
FORM MR-3
SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
For The Financial Year Ended 31st March, 2016

To
The Members of
M/s. Nettlinx Limited.

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2015 and ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Nettlinx Limited ("The Company") for the financial year ended on 31st March, 2016, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2015;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
 - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

NETTLINX LIMITED

- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
3. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by the Institute of Company secretaries of India under the provisions of Companies Act, 2013 and
 - ii. The Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations;

OBSERVATIONS:

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that:
- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under were not attracted to the Company during Financial year under report.
 - (ii) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (iii) Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - (iv) Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
 - (v) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
- (b) We further report that:
- (i) the Company is regular in deducting and paying TDS under the Income Tax Act
 - (ii) the Company has paid EPF and ESI to the respective authorities.
 - (iii) the Company also has collected service tax on behalf of the client and paid to the respective authorities.

We further report that:-

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

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

For VCSR & Associates
Company Secretaries

Sd/-

Ch.Veeranjaneyulu
Partner
CP NO. 6392, FCS No. 6121

Place : Hyderabad
Date : 11.08.2016

Annexure A1

To
The Members of
M/s. Nettlinx Limited.

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

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

For VCSR & Associates
Company Secretaries

Place : Hyderabad
Date : 11.08.2016

Sd/-
Ch.Veeranjaneyulu
Partner
CP NO. 6392, FCS No. 6121

ANNEXURE-B**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members Of Nettlinx Limited,

1. We have examined the compliance of conditions of Corporate Governance by Nettlinx Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - a. Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
 - b. Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
 - c. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - d. Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M/s Deva & Co
Chartered Accountants
(Firm Registration No. 000722S)

Date : 11.08.2016
Place : Hyderabad

Sd/-
(Jainik M Soni)
Partner
Membership No. 149967

**ANNEXURE - C
MGT 9**

Extract of Annual Return

As on the Financial Year 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L67120TG1994PLC016930
ii.	Registration Date	25/01/1994
iii.	Name of the Company	NETTLINX LIMITED
iv.	Category / Sub-Category of the Company	Category - Company Limited by Shares Sub-Category - Indian Non-Government Company
v.	Address of the Registered office and contact details	5-9-22, Flat No. 303, 3rd Floor, My home Sarovar Plaza, Secretariat, Saifabad, Hyderabad Telangana-500063. Ph: 91-040-23232200/23231621 Fax: 23231610 E – Mail: secretarial@nettlinx.org Website: www.nettlinx.com
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Pvt. Ltd., Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana Tel: 91-40-23818475/23818476/2386808023 Fax: 040 – 23868024 E – Mail: info@vccilindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

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

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Nettlinx Realty Private Limited	U45102TG2006PTC051182	Wholly-Owned Subsidiary	100%	2(87)(ii)
2	Nettlinx Aquaculture Private Limited	U92111TG2007PTC053502	Wholly-Owned Subsidiary	100%	2(87)(ii)
3	Nettlinx INC	23-3821830	Wholly-Owned Subsidiary	100%	2(87)(ii)

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

i) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Individual/ HUF	6493033	—	6493033	56.64	6541852	—	6541852	57.07	+ 0.43
Central Govt	—	—	—	—	—	—	—	—	—
State Govt (s)	—	—	—	—	—	—	—	—	—
Bodies Corp.	—	—	—	—	—	—	—	—	—
Banks / FI	—	—	—	—	—	—	—	—	—
Any Other....	—	—	—	—	—	—	—	—	—
Sub-total(A) (1) :-	6493033	—	6493033	56.64	6541852	—	6541852	57.07	+0.43
(2) Foreign									
a) NRIs -Individuals	44800	—	44800	0.39	44800	—	44800	0.39	—
b) Other –Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) AnyOther....	—	—	—	—	—	—	—	—	—
Sub-total(A) (2):-	44800	—	44800	0.39	44800	—	44800	0.39	—
Total shareholding of Promoter									
(A) =(A)(1)+(A)(2)	6537833	—	6537833	57.03	6586652	—	6586652	57.46	+ 0.43
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	800	800	0.01	—	800	800	0.01	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Fund	—	—	—	—	—	—	—	—	—
i) Others(specify)	—	—	—	—	—	—	—	—	—

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2. Non Institutions									
a) Bodies Corp.	606230	204800	811030	7.08	942762	203800	1146562	10.01	+ 2.93
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	838818	498616	1337434	11.67	809689	484916	1294605	11.29	- 0.38
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	2506534	123611	2630145	22.94	1925317	123611	2048928	17.87	- 5.07
c) Others (specify)	126970	19100	146070	1.10	365665	20100	385765	3.36	+ 2.26
Sub-total (B)(2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	4078552	846927	4925479	42.8	4043433	833227	4876660	42.54	- 0.26
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	—	—	—	—	—
Grand Total (A+B+C)	10616385	846927	11463312	100	10630085	833227	11463312	100	—

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
		Demat	Physical	Total Total Shares	% of	Demat	Physical	Total	% of Total Shares	
1.	LOKA NARAYAN REDDY	3923224	—	3923224	34.22	3923224	—	3923224	34.22	—
2.	DR MANOHAR LOKAREDDY	1608823	—	1608823	14.03	1598823	—	1598823	13.95	- 0.08
3.	SARANYA LOKA REDDY	599386	—	599386	5.23	599386	—	599386	5.23	—
4.	P KALPANA REDDY	228100	—	228100	1.99	228100	—	228100	1.99	—

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5.	SHILPA LOKA REDDY	98200	—	98200	0.86	98200	—	98200	0.86	—
6.	NITHYA LOKA REDDY	—	—	—	—	58819	—	58819	0.51	+ 0.513
7.	ROHITH LOKA REDDY	44800	—	44800	0.39	44800	—	44800	0.39	
8.	JAYA REDDY	25000	—	25000	0.22	25000	—	25000	0.22	
9.	Dr MANOHAR LOKA REDDY (HUF)	10300	—	10300	0.09	10300	—	10300	0.09	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the No. year		Share holding at the end of the year	
		No. of shares	% of total shares ompany	No. of of the shares	% of total shares of the company
1.	Dr Manohar Lokareddy				
	At the beginning of the year	1608823	14.03	—	—
	Datewise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus /sweat equity etc)	10000	0.08		
	At the End of the year	—	—	1598823	13.95
2.	NITHYA LOKA REDDY				
	At the beginning of the year	—	—		
	Increased during the year	58819	0.51		
	At the End of the year			58819	0.51

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding During the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	SMARTLINX VOIP NETWORKS PRIVATE LIMITED				
	At the beginning of the year	-	—	—	-
	Increase in shareholding during the Financial Year- Purchase through off market on 02.02.2016	100000	0.87	100000	0.87

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	Purchase through off market on 03.02.2016	100000	0.87	200000	1.74
	Purchase through off market on 05.02.2016	100000	0.87	300000	2.61
	Purchase through off market on 08.02.2016	100000	0.87	400000	3.48
	Purchase through off market on 10.02.2016	33300	0.29	433300	3.78
	At the End of the year	-	-	433300	3.78
2	NORTHEAST BROKING SERVICES LIMITED				
	At the beginning of the year	586710	5.12	—	—
	Datewise Increase or Decrease in shareholding during the year:	NA	NA	—	—
	At the End of the year	—	—	586710	5.12
3	P PRAMEELLA REDDY				
	At the beginning of the year	187564	1.64		
	Increase in shareholding during the Financial Year-				
	Purchase through open market on 05.02.2016	15,000	0.13		
	At the End of the year	—	—	202564	1.77
4	KUNINTE MANIMALA				
	At the beginning of the year	155696	1.36	—	—
	Increase in shareholding during the Financial Year-				
	Purchase through open market on 10.04.2015	5735	0.05	161431	1.408
	Purchase through open market on 13.04.2015	301	0.00265	161732	1.410
	Purchase through open market on 15.04.2015	1200	0.0104	162932	1.42
	Purchase through open market on 16.04.2015	4000	0.0340	166932	1.456
	Purchase through open market on 17.04.2015	1000	0.0087	167932	1.4647
	Purchase through open market on 20.04.2015	1018	0.0088	168950	1.4738
	Purchase through open market on 21.04.2015	1201	0.0104	170151	1.484
	Purchase through open market on 21.04.2015	260	0.0022	170411	1.486
	Purchase through open market on 22.04.2015	782	0.00682	171193	1.4933
	Purchase through open market on 22.04.2015	1	-	171194	1.4933
	Purchase through open market on 23.04.2015	1001	0.0087	172195	1.502

	Purchase through open market on 23.04.2015	499	0.0045	172694	1.5064
	Purchase through open market on 24.04.2015	1	-	172695	1.5064
	Purchase through open market on 27.04.2015	152	0.001325	172847	1.5078
	Purchase through open market on 28.04.2015	101	0.00088	172948	1.5087
	Purchase through open market on 05.05.2015	1014	0.0088	173962	1.5175
	Purchase through open market on 05.05.2015	1000	0.0087	174962	1.5262
	Purchase through open market on 12.05.2015	200	0.00174	175162	1.52802
	Purchase through open market on 15.05.2015	1000	0.00872	176162	1.53674
	Purchase through open market on 27.05.2015	8031	0.07005	184193	1.61
	At the End of the year			184193	1.61
5	POGULA VIJAYA LAKSHMI				
	At the beginning of the year	150000	1.31	—	—
	Datewise Increase or Decrease in shareholding during the year:	NA	NA	—	—
	At the End of the year	NA	NA	150000	1.31
6	SASIDHAR POSIM REDDY				
	At the beginning of the year	134700	1.18	NA	NA
	Datewise Increase or Decrease in shareholding during the year:	NA	NA	NA	NA
	At the End of the year	NA	NA	134700	1.18
7	DINESH REDDY YELTI				
	At the beginning of the year	96149	0.84		
	increase or decrease in shareholding during the year:				
	Purchase through open market on 10.04.2015	7771	0.06	103920	0.9065
	Sale through open market on 31.07.2015	950	0.008	102970	0.8985
	Sale through open market on 11.09.2015	2002	0.0174	100968	0.8807
	Sale through open market on 17.09.2015	3000	0.026	97968	0.8547
	Sale through open market on 09.10.2015	30	0.000261	97938	0.8543
	Sale through open market on 20.11.2015	10000	0.087	87938	0.7671

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	Sale through open market on 31.12.2015	5000	0.0436	82938	0.7235
	At the End of the year	NA	NA	82938	0.7235
8	P SAHITYAREDDY				
	At the beginning of the year	35200	0.30	—	—
	Increase in shareholding during the Year:				
	Purchase through open market on 05.02.2016	35000	0.31	70200	0.61
	At the End of the year	NA	NA	70200	0.61
9	PADMAJA JUVVADI				
	At the beginning of the year	70955	0.62		
	decrease in shareholding during the Year:				
	Sale through open market on 16.09.2015	10	-	70945	0.62
	Sale through open market on 05.02.2016	2200	0.019	68745	0.59
	Sale through open market on 02.03.2016	2200	0.019	66545	0.58
	Increase in shareholding during the Year:				
	Purchase through open market on 02.03.2016	2200	0.019	68745	0.60
	At the End of the year	NA	NA	68745	0.6
10	SREEKANTH REDDY PUTHALAPAT				
	At the beginning of the year	48505	0.42	—	—
	Increase in shareholding during the Year:				
	Purchase through open market on 12.02.2016	16000	0.139	64505	0.56
	At the End of the year	NA	NA	64505	0.56

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning the year		Cumulative holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total of the shares company
1	Dr. Manohar Loka Reddy				
	At the beginning of the year	1608823	14.03	—	—
	Decrease in Promoters Share holding on 06.02.2016 - Sale in open Market	10000	0.8723	1598823	13.95
	At the End of the year	—	—	1598823	13.15
2	Loka Narayan Reddy				
	At the beginning of the year	3923224	34.22	—	—
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	—	—	3923224	34.22
3.	Kothuri Kameswara Rao				
	At the beginning of the year	—	—	—	—
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year				
4	Vijay Kumar Maistry				
	At the beginning of the year	30000	0.02	—	—
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	—	—	30000	0.02
5	Venkata Hanumantha Rao Joginapally				
	At the beginning of the year	—	—	—	—
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	—	—	—	—

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6	Appa Rao Mukkamala (resigned with effect from 26.05.2015)				
	At the beginning of the year	433300	3.78	—	—
	Sold on 02.02.2016	1,00,000	0.87	3,33,300	2.907
	Sold on 03.02.2016	1,00,000	0.87	2,33,300	2.035
	Sold on 05.02.2016	1,00,000	0.87	1,33,300	1.162
	Sold on 08.02.2016	1,00,000	0.87	33,300	0.29
	Sold on 10.02.2016	33,300	0.29	Nil	Nil
	At the End of the year	—	—	Nil	Nil
7	Chandra Sekhar Pogula				
	At the beginning of the year	115000	1	—	—
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	—	—	115000	1
8	Radhika Kundur				
	At the beginning of the year	—	—	—	—
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	—	—	—	—
9	Mr Sanku Mahaganesh				
	At the beginning of the year	610	0.05	—	—
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year	—	—	610	0.05
10	Sai Ram Gandikota				
	At the beginning of the year		NIL	NIL	
	Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):				
	At the End of the year				

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V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	9976734			9976734
ii) Interest due but not paid	90078			90078
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	10066812	—	—	10066812
Change in Indebtedness during the financial year				
Addition				
(i) Principal Amount	14477775			14477775
Reduction		—	—	—
(i) Principal Amount	280717			280717
(ii) interest Paid	514971			514971
Net Change	13682087	—	—	13682087
Indebtedness at the end of the financial year,				
i) Principal Amount	24187401			24187401
ii) Interest due but not paid	102038			102038
iii) Interest accrued but not due		—	—	—
Total (i+ii+iii)	24289439			24289439

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager:	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Chandra Sekhar Pogula- Whole time Director Remuneration of ₹.36,00,000/- Per Annum with effect from 07.08.2015 (increased from ₹.24,00,000 to ₹.36,00,000) (₹.31,60,000 paid during the Financial Year)	₹. 31,60,000/-
2.	Stock Option		
3.	Sweat Equity		
4.	Commission- as % of profit- Others, specify...		
5.	Others, please specify)		
6.	Total (A)	31,60,000	31,60,000
7.	Ceiling as per the Act	Within the limits of yearly remuneration payable, as per section II- remuneration payable by companies having no profit or inadequate profit without central government approval, part II, Schedule V of the Companies Act, 2013.	

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B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration		Name of Directors				Total Amount
1.	Independent Directors		Kothuri Kameswara Rao	Vijay Kumar Maistry	Venkata Hanu-mantha Rao Joginapally		—
	Fee for attending board / committee meetings	NA	12500	15000	15000		42500
	Commission · Others, please specify	NA	NA	NA	NA		
	Total (1)	—	12500	15000	15000	—	42500
2.	Other Non-Executive Directors	Dr.Manohar Loka Reddy	—	—	—	Radhika Kundur	—
	Fee for attending board / committee meetings	NA	NA	NA	NA	7500	7500
	commission	NA	NA	NA	NA	NA	—
	Others, please specify	NA	NA	NA	NA	NA	—
	Total (2)	—	—	—	—	—	—
	Total (B)=(1+2)	NA	NA	NA	NA	7500	7500
	Total Managerial Remuneration	—	12500	15000	15000	7500	50000
	Overall Ceiling as per the Act	Rs.1,00,000 per meeting	Rs.1,00,000 per meeting	Rs.1,00,000 per meeting	Rs.1,00,000 per meeting	Rs.1,00,000 per meeting	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	36,00,000 P.A (increase from Rs.24,00,000 to Rs.36,00,000 with effect from 07.08.2015) Rs.31,60,000 paid during the Financial Year)	3,60,000 P.A (Mr.Emani Venkat Reddy has been appointed with effect from 01.08.2015 and resigned from 06.11.2015) (Mr.Sai Ram Gandikota was appointed from 07.11.2015) (Rs.2,40,000 paid during the Financial year)	6,60,000 P.A (increased with effect from 01 st July, 2015 from Rs.4,50,000 To Rs.6,60,000) (Rs.2,40,000 paid during the Financial year) (Rs.6,07,500 paid during the Financial Year)	40,07,000

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2.	Stock Option				
3.	Sweat Equity				
4.	Commission- as % of profit- others, specify...				
5.	Others, please specify				
6.	Total	31,60,000	2,40,000	6,07,500	40,07,000 PA

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appealmade, if any(give Details)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

Not Applicable

Annexure-D
PARTICULARS OF EMPLOYEES

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

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

Executive Director	Ratio to Median Remuneration
Mr.Chandra Sekhar Pogula	40.57%

No Remuneration was paid to other Directors.

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

Director, Chief Financial Officer, Chief Executive Officer, Company Secretary	percentage increase in remuneration in the financial year
Mr.Chandra Sekhar Pogula, CEO & WTD	50%
Mr.S.Mahaganesh, Chief Financial Officer	43.3%
Mr.Sai Ram Gandikota, Company Secretary	Not Applicable

(iii) the percentage increase in the median remuneration of employees in the financial year: 27.14

(iv) the number of permanent employees on the rolls of company: 57

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

On an average, employees received an annual increase of 33.27%. The individual increments varied from 54.55% to 12.00 %, based on individual performance.

In order to ensure that remuneration reflects company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

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

Aggregate Remuneration of Key Managerial Personnel(KMP) in FY 2015-2016 (₹. in Lakhs)	₹.40.07 Lakhs
Remuneration of KMP's (as % of Revenue)	5.23%
Profit before tax(PBT) (₹. in Lakhs)	123.00 Lakhs
Remuneration of KMP (as % of PBT)	32.57%

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

Particulars	31st march, 2016	31st march, 2015	% change
Market Capitalisation (₹.in Lakhs)	3760	2752	36.66
Price Earnings Ratio	3.26219	1.166	279.5

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

Particulars	31st march, 2016	1999	% change
Market Price (BSE)	32.80	10	328
MSEI	32.80	10	328

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During the course of the year, the Total increase was approximately 40 %, after accounting for promotions and other event based compensation revisions, increase in the managerial remuneration for the year was 50%.

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

Particulars	Mr.Chandra Sekhar Pogula, CEO & WTD	Mr.S.Mahaganesh, Chief Financial Officer	Mr.Sai Ram Gandikota, Company Secretary
Remuneration in FY 15-16	31,60,000/-	6,07,500/-	2,40,000/-
Total Revenue (₹. in Lakhs)	766.57	766.57	766.57
Remuneration as (as % of Revenue)	4.12%	0.79%	0.31%
Profit before tax(PBT) (₹. in Lakhs)	123.00 Lakhs	123.00 Lakhs	123.00 Lakhs
Remuneration (as % of PBT)	25.68%	4.94%	1.95%

- (x) the key parameters for any variable component of remuneration availed by the directors: None
- (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None
- (xii) Affirmation that the remuneration is as per the remuneration policy of the company:

The company affirms remuneration is as per the remuneration policy of the company.

ANNEXURE - E

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

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2016:

1. Company Philosophy:

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

2. Size and composition of Board of Directors:

The Company is managed and controlled through a professional body of Board of Directors which is headed by Dr.Manohar Loka Reddy, Chairman. As on 31st March 2016, the Board of the Company has 6 members (including Chairman, 1 whole-time director, 1 women director and 3 Independent Non-Executive Directors). None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he is a Director.

The Board has been enriched with the advices and knowledge of the Independent Directors. None of the Independent Directors has any pecuniary or business relationship except receiving sitting fees. The composition of the Board of Directors as on 31.03.2016 and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

A. DETAILS OF MEETING OF BOARD OF DIRECTORS HELD DURING THE YEAR:

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
26 th May, 2015	8	6
07 th August, 2015	6	6
06 th November, 2015	6	6
11 th February, 2016	6	5
02 nd March, 2016	6	4
10 th March, 2016	6	5

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B. ATTENDANCE OF EACH DIRECTOR AT BOARD MEETING HELD DURING THE YEAR AND LAST ANNUAL GENERAL MEETING:

Name of Directors	Attendance at the Board Meetings held on						Attendance at the AGM held on 28 th Sept' 15
	26/05/2015	07/08/2015	06/11/2015	11/02/2016	02/03/2016	10/03/2016	
Mr. Chandra Sekhar Pogula	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Manohar Loka Reddy	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Kothuri Kameswara Rao	Yes	Yes	Yes	Yes	No	Yes	Yes
Mr. Vijay Kumar Maistry	Yes	Yes	Yes	Yes	Yes	Yes	No
Mr. Venkata Hanumantha Rao Joginapally	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Radhika Kundur	Yes	Yes	Yes	No	No	No	No
Dr. Appa Rao Mukkamala #	No	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Dr. Loka Narayan Reddy #	No	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

#resigned w.e.f. 26.05.2015

C. NUMBER OF OTHER BOARD OF DIRECTORS IN WHICH A DIRECTOR IS A MEMBER OR CHAIRPERSON

Name of Director	Date of Appointment	Category	Designation	No.of Directorship(s) held in Indian public & private Limited Companies	Committee(s) position	
					Member	Chairman
Mr. Chandra Sekhar Pogula	24/10/2009	Executive	Whole-Time Director & CEO	5	3	Nil
Dr. Manohar Loka Reddy	07/11/2005	Non-Executive	Promoter Chairman	6	Nil	Nil
Mr. Kothuri Kameswara Rao	22/05/2006 #	Non-Executive	Independent Director	2	4	4
Mr.Loka Narayan Reddy ##	29/05/1997	Non-Executive	Promoter Director	1	Nil	Nil
Mr. VijayKumar Maistry	27/10/2011 #	Non-Executive	Independent Director	6	3	Nil
Mr. Venkata Hanumantha Rao Joginapally ###	25/04/2009 #	Non-Executive	Independent Director	3	3	Nil

NETTLINX LIMITED

Mr. Appa Rao Mukkamala ##	25/04/2009 #	Non-Executive	Independent Director	4	Nil	Nil
Ms. Radhika Kundur	25/03/2016 ####	Non-Executive	Additional Directorm,	1	1	1

Reappointed on the Annual General Meeting Held on 29.09.2014.

Resigned from the company with effective from 26.05.2015.

Mr. Venkata Hanumantha Rao Joginapally appointed as Additonal Director with effective from 28.11.2015 in Nettlinx Realty Private Limited and on 01.12.2015 in Nettlinx Aqua Culture Private Limited.

Committees of the Board:

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

3. Audit Committee :

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - a. Any changes in accounting policies and practices;
 - b. Qualification in draft audit report;
 - c. Significant adjustments arising out of audit;
 - d. The going concern concept;
 - e. Compliance with accounting standards; Compliance with stock exchange and legal requirements concerning financial statements and
 - f. Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

B. COMPOSITION, MEETINGS & ATTENDANCE:

The Audit Committee continued working under Chairmanship of Mr. K. Kameswara Rao with Mr. J. V. Hanumanth Rao and Mr. M. Vijay Kumar as co-members. During the year, the sub-committee met on four occasions with full attendance of all the members.

There were four (4) Audit Committee Meetings held during the year on 26.05.2015, 07.08.2015, 06.11.2015 and 11.02.2016.

The composition of the Audit Committee as at March 31, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Attendance at the Committee Meetings held on			
		26/05/2015	07/08/2015	6/11/2015	11/02/2016
Sri.K.Kameswara Rao	Chairman	Yes	Yes	Yes	Yes
Sri.J.V.Hanumanth Rao	Member	Yes	Yes	Yes	Yes
Sri.M. Vijay Kumar	Member	Yes	Yes	Yes	Yes

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

4. NOMINATION & REMUNERATION COMMITTEE:

The Committee comprises of three non-executive independent Directors

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

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

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Sri.K.Kameswara Rao	Chairman	NED(I)	2	2
Sri.J.V.Hanumanth Rao	Member	NED(I)	2	2
Sri.M. Vijay Kumar	Member	NED(I)	2	2

NED (I) : Non Executive Independent Director

C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
 - General understanding of the company's business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- 2.1 The proposed appointee shall also fulfil the following requirements:
 - shall possess a Director Identification Number;
 - shall not be disqualified under the companies Act, 2013;
 - shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
 - shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
 - shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.
3. Criteria of independence:
 - 3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
 - 3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

4. Other directorships/ committee memberships:

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

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

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

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

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

5. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

A) COMPOSITION:

The Details of composition of the Committee are given below:

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

NED (I) : Non Executive Independent Director

ED: Executive Director

B. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

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

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2015-16:

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2016
Pending at the beginning of the year	0
Received during the year	1
Disposed of during the year	1
Remaining unresolved at the end of the year	Nil

6. REMUNERATION OF DIRECTORS:

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

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

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Policy:

1. Remuneration to Executive Director and key managerial personnel

- 1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
- 1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
 - (i) Basic pay
 - (ii) Perquisites and Allowances
 - (iii) Stock Options
 - (iv) Commission (Applicable in case of Executive Directors)
 - (v) Retrial benefits
 - (vi) Annual performance Bonus
- 1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

2. Remuneration to Non – Executive Directors

- 2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.
- 2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3. Remuneration to other employees

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

B. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2015-16 AND OTHER DISCLOSURES:

Name of the Director	Salary	Perks & other Benefits	Performance Bonus/ Commission	Sitting Fee/Each Meeting	Total
Mr.Chandra Sekhar Pogula	36,00,000 P.A with Effect from 07.08.2016	Nil	Nil	Nil	₹.31,60,000/-
Dr. Manohar Reddy Loka	Nil	Nil	Nil	Nil	Nil
Mr. Kothuri Kameswara Rao	Nil	Nil	Nil	2500	₹.12,500/-
Mr. Vijay Kumar Maistry	Nil	Nil	Nil	2500	₹.15,000/-
Mr. Venkata Hanumantha Rao Joginapally	Nil	Nil	Nil	2500	₹.15,000/-
Ms. Radhika Kundur	Nil	Nil	Nil	2500	₹..7,500/-

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D. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 10.03.2016, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

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

REMUNERATION POLICY:

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

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

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

- 2.1 "Director" means a director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Remuneration policy for Directors, key managerial personnel and other employees:

1. Scope:

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 "Director" means a director appointed to the Board of the company.
- 2.2 "key managerial personnel" means
 - (i) The Chief Executive Office or the managing director or the manager;
 - (ii) The company secretary;

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(iii) The whole-time director; (iv) The chief finance Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

E. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 10/03/2016 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

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

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

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

The meeting recognized the significant contribution made by Mr. Chandra Sekhar Pogula in directing the Company towards the success path and placing the Company globally in Internet Service Providing.

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

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

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

7. RISK MANAGEMENT COMMITTEE:

A.) COMPOSITION:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. Kothuri Kameswara Rao	Chairman	NED(1)
Mr.Chandra Sekhar Pogula	Member	ED
Mr.M.Vijay Kumar	Member	NED(1)

NED (I) : Non Executive Independent Director

ED : Executive Director

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

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

8. Internal Complaints Committee:

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

Name	Designation	Category
Ms. Radhika Kundur	Chairperson	NED
Sri. Chandra Sekhar Pogula	Member	WTD
Sri. J. V. Hanumanth Rao	Member	NED (I)

9. DETAILS ON GENERAL BODY MEETINGS:

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2014-15	28.09.2015	10.30 A.M	ICWAI Bhavan, beside Dena Bank, Post Office Road, Sanath Nagar, Hyderabad-500018, Telangana	1. Appointment Of Ms. Radhika Kundur As Director Of The Company. 2. Adoption of New Articles of Association. 3. Increase in Remuneration of Mr. Chandra Sekhar Pogula (DIN: 00007536), Whole Time Director & CEO Of The Company.
2013-14	29.09.2014	10.30 A.M	ICWAI Bhavan, beside Dena Bank, Post Office Road, Sanath Nagar, Hyd-500018, T.S	1. Appointment Of Mr. Kothuri Kameswara Rao As An Independent Director Of The Company. 2. Appointment Of Mr. Venkata Hanumantha Rao Joginapally As An Independent Director Of The Company.

				3. Appointment Of Mr. Vijay Kumar Maistry As An Independent Director Of The Company. 4. Appointment of Mr.Appa Rao Makkamala as Independent Director of the company. 5. Increase in Remuneration and Change in Designation of Mr.Chandra Sekhar Pogula From COO to CEO
2012-13	30.09.2013	03.30 P.M	ICWAI Bhavan, beside Dena Bank, Post Office Road, Sanath Nagar, Hyderabad-500018, Telangana.	1. Appointment of Mr. Chandra Sekhar Pogula as Whole Time Director of the company.

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the financial year 2015-16.

10. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers. These financial statements, press releases are also posted on the Company's website, at www.nettlinx.com. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

11. Disclosures:

Materially Significant related party transactions

There was no materially significant transaction with related parties entered into by the Company with its promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts contained the transactions in which Directors are interested is placed at the Board Meetings. Disclosures on transactions with related parties as required under Accounting Standards have been incorporated in the notes to the Accounts.

Details of non-compliance by the company, penalties, and strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years:

There was no instance of levy of any penalties during the last three years.

Pecuniary relationship or transactions of Non-Executive Directors

Non-executive Directors do not have any material pecuniary relationship or transactions with the company, its promoters or its management which in the judgment of the board may affect independence of judgment of the director.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant the relevant provision of the Companies Act, 2013 read with applicable Accounting Standards, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory

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compliances. The Company's business processes have a strong monitoring and reporting process resulting in financial discipline and accountability.

CEO / CFO Certification

The CEO and the CFO have issued certificate pursuant to the provisions of SEBI Listing obligations certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

Code of Conduct

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Code has been posted on the Company's website www.nettlinx.com

Vigil Mechanism / Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. The Company has a Fraud Risk Management Policy (FRM) to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Prevention of insider trading:

The Company has adopted a Code of Conduct for Prevention of unfair Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

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

Means of Communication

Quarterly Results	The quarterly results of the Company are generally published in a leading English Newspaper & in a local language Newspaper.
Newspapers in which Published	Business Standard (English) and Andhra Prabha (Telugu)
Website where the results and other official news releases are displayed	www.nettlinx.com

12. General Shareholder Information:

A) ANNUAL GENERAL MEETING:

Day, Date and Time: Wednesday, 28th September, 2016 at 11.00 a.m

Venue: Registered office: '5-9-22, Flat No.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana-500063

FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2016-17 (TENTATIVE SCHEDULE)

Financial year to which the Annual General Meeting relates: 2015-16

Financial calendar: 16-17

Market Information

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchange.

NETTLINX LIMITED

Name & Address of the Stock Exchanges	Stock Code/Scrip Code	ISIN Number for NSDL/ CDSL(Dematerialised share)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	511658	INE027D01019
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. Telephone : +91 22 6112 9000 Fax : +91 22 2654 4000	511658	INE027D01019

Share Price on BSE vis-à-vis BSE Sensex April, 2015 – March, 2016

Month	BSE Sensex Close	High	Share Price Low	Close	No. of shares traded during the month	Turnover (Rs)
Apr, 2015	21.20	28.80	20.80	26.40	206	8,67,729
May, 2015	28.25	28.25	19.70	22.00	129	6,66,677
Jun, 2015	22.05	24.50	14.60	21.80	171	2,38,859
Jul, 2015	18.30	24.70	18.30	22.40	152	10,18,223
Aug, 2015	24.50	27.00	18.00	23.50	143	6,37,682
Sep, 2015	23.95	23.95	19.30	21.00	35	2,07,045
Oct, 2015	19.95	20.00	18.10	18.10	34	4,13,239
Nov, 2015	17.25	21.25	17.25	21.25	11	2,33,794
Dec, 2015	22.00	22.25	20.20	21.25	33	3,90,140
Jan, 2016	22.00	27.60	22.00	27.60	178	1,53,4241
Feb, 2016	28.95	34.00	28.50	31.50	235	5,79,0196
Mar, 2016	31.50	33.50	29.50	32.80	81	2,31,1456

Share Transfer System / Dividend and Other Related Matters

Share transfers

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

Nomination facility for shareholding

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

Permanent Account Number (PAN)

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

NETTLINX LIMITED

Pending Investors' Grievances

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

Sl. No.	Nature of Queries /Compliant	Pending as on April 1, 2015	Received during the year	Redressed during the year	Pending as on March 31, 2016
1	Transfer/Transmission of Duplicate Share Certificate	2	10	10	Nil
2	Non-receipt of Dividend	Nil	Nil	Nil	Nil
3	Dematerialisation/ Rematerialisation of Shares	Nil	Nil	Nil	Nil
4	Complaints received from:	No	No	No	No
	SEBI	No	No	No	No
	Stock Exchanges/ NSDL/CDSL	No	No	No	No
	ROC/MCA/Others	No	No	No	No
	Advocates	No	No	No	No
	Consumer Forum/ Court Case	No	No	No	No
5	Others	No	1	1	No
	Grand Total	Nil	Nil	Nil	Nil

Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

Dematerialisation of Shares and Liquidity

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2016, is given below:

Particulars	No. of Shares	Percentage
Demat Segment		
NSDL	9409772	82.09
CDSL	1220313	10.65
Sub-total	10630085	92.73
Physical Segment	8,33,227	7.27
Total	1,14,63,312	100

NETTLINX LIMITED

Distribution of Shareholding as on March 31, 2016

No. of shares slab	No. of share holders	%	No. of shares							
			Physical	% share capital	NSDL	% of share capital	CDSL	% of share capital	Total No. of Shares	% of Shares capital
1-50	362	16.25	7	0.76	186	22.38	169	35.50	362	16.25
51-100	712	31.96	488	52.99	143	17.21	81	17.02	712	31.96
101-200	245	11.00	105	11.40	93	11.19	47	9.87	245	11.00
201-300	98	4.40	33	3.58	44	5.29	21	4.41	98	4.40
301-400	55	2.47	21	2.28	25	3.01	9	1.89	55	2.47
401-500	168	7.54	57	6.19	80	9.63	31	6.51	168	7.54
501-1000	245	11.00	103	11.18	91	10.95	51	10.71	245	11.00
1001-2000	121	5.43	38	4.13	51	6.14	32	6.72	121	5.43
2001-3000	62	2.78	31	3.37	24	2.89	7	1.47	62	2.78
3001-4000	24	1.08	7	0.76	11	1.32	6	1.26	24	1.08
4001-5000	27	1.21	10	1.09	11	1.32	6	1.26	27	1.21
5001-10000	43	1.93	13	1.41	23	2.77	7	1.47	43	1.93
>10000	66	2.96	8	0.87	49	5.90	9	1.89	66	2.96
Total	2228	100	921	100	831	100	476	100	2228	100%

Shareholding Pattern as on March 31, 2016

Particulars	No. of shares held	Percentage to Total issued Shares
Promoters	65,86,652	57.46
Bank, Financial Institutions, Insurance Companies & Mutual Funds	800	00.06
Bank	Nil	Nil
Financial Institutions	Nil	Nil
Insurance Companies	Nil	Nil
Mutual Funds/UTI	Nil	Nil
Central & State Governments	Nil	Nil
Foreign Institutional Investors	Nil	Nil
NRIs/Foreign Nationals	21,950	0.19
Directors	1,45,000	1.26
Public and Others	47,09,710	41.09
Total	11463312	100.00

NETTLINX LIMITED

Statement showing Shareholding of more than 1% of the Capital as on March 31, 2016

Sl. No.	Name of the shareholders	No. of Shares	Percentage of Capital
1	SMARTLINX VOIP NETWORKS PVT LTD	433300	3.78
2	NORTHEAST BROKING SERVICES LIMITED	397810	3.47
3	NORTHEAST BROKING SERVICES LTD	188900	1.65
4	P PRAMEELLA REDDY	202564	1.77
5	KUNINTE MANIMALA	184193	1.61
6	VIJAYA LAKSHMI POGULA	150000	1.31
7	NORTHEAST BROKING SERVICES LIMITED CLIENT BENEFICIARY ACCOUNT	341370	2.98
8	SASIDHAR POSIM REDDY	134700	1.18
9	CHANDRA SEKHAR POGULA	115000	1
	Total	21,47,837	18.74

Outstanding GDRs/ADRs/Warrant or any convertible instruments, conversion date and likely impact on Equity: The Company has neither issued any of these instruments during the year nor any such outstanding instrument is pending for conversion.

During the year under review, no resolution has been passed through the exercise of postal ballot.

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

Quarter	Date of Board Meeting
1 st Quarter	07/08/2015
2 nd Quarter	06/11/2015
3 rd Quarter	11/02/2016
4 th Quarter	30/05/2016

E-Voting Facility to members

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL). Pursuant to the amendments made in clause 35B of the Listing Agreement by SEBI, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

FINANCIAL CALENDAR 2016:

AGM – Date, time and venue	Wednesday, 28th September, 2016 at 11.00 a.m
Financial Calendar (Tentative) 2016-17	
1 st Quarter	30/06/2016 - by 2 nd week of August, 2016
2 nd Quarter	30/09/2016 - by 2 nd week of November, 2016
3 rd Quarter	30/12/2016 - by 2 nd week of February, 2017
4 th Quarter	31/03/2017 - by 4 th week of May, 2017
Book Closure Date	21/09/2016 to 28/09/2016 (both days inclusive)

NETTLINX LIMITED

Listing of Eq. shares on stock exchanges	Bombay Stock Exchange Ltd & MSEI Limited
Stock Code	511658
Registrar & Transfer Agents	Venture Capital and Corporate Investments Pvt. Ltd., Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana Tel:91-40-23818475/23818476/2386808023 Fax:040 – 23868024 E – Mail: info@vccilindia.com
Posting of Annual Reports	03/09/2016
Last date for receipt of Proxy Forms	25th September, 2016
Probable date of dispatch of warrants	Not applicable

ADDRESS FOR CORRESPONDENCE

S.No.	Shareholders Correspondence for	Addressed to
1	Transfer/Dematerialization/Consolidation/Split of Shares, Issue of Duplicate Share Certificate, Change of Address of members and beneficial owners and any other query relating to the shares of the Company	Venture Capital and Corporate Investments Pvt. Ltd., Regd. Off: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana Tel: 91-40-23818475/23818476/2386808023 Fax: 040 – 23868024 E – Mail: info@vccilindia.com
2	Investor Correspondence/Query on Annual Report	M/s. Nettlinx Limited 5-9-22, Flat NO.303, 3rd Floor Myhome Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana-500063. Ph: 91-040-23232200/23231621, Fax: 23231610 E – Mail: secretarial@nettlinx.org Website: www.nettlinx.com

Depository Services:

For guidance on depository services, Shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd.
Trade World, 4th Floor
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai-400013.
Tel : 091-022-24994200
Fax:091-022-24972993/24976351
Email : info@nsdl.co.in

Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street, Mumbai - 400023.
Tel : 091-022-22723333, Fax : 091-022-22723199
Email: investors@cdslindia.com

By order of the Board of Directors
For Nettlinx Limited

Date: 11.08.2016
Place: Hyderabad

Sd/-
Dr. Manohar Loka Reddy
Chairman
DIN: 00140229

ANNEXURE-F**MANAGEMENT DISCUSSION & ANALYSIS REPORT****1. FORWARD-LOOKING STATEMENTS**

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

2. INDUSTRY STRUCTURES & DEVELOPMENTS:

As the transportation is growing rapidly, the prospects for Retreading are also considerably in increasing mode. The demand for cost effective Retreading products creates ample scope for good growth to our Company.

3. OPPORTUNITIES & THREATS:

The Company enjoys goodwill from its customers for providing superior quality products. As our marketing network is spread throughout the country, vast opportunities are available for increasing our market share. The excess availability of the products in the domestic market is affecting the Company's net realization. The manufacturers of our products by our competitors in the SSI field are posing us a problem with their low prices because of Excise Duty exemption for them. We are able to counter this with our better quality.

4. OUTLOOK:

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

5. RISKS AND CONCERNS:

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

6. INTERNAL CONTROL SYSTEMS

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

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

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements etc. appearing separately. Highlights for the year 2015-16 are as under:

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Sales for the year 2015-2016	766.57
Current tax	2.18
Profit after tax (in lakhs)	122.46
Paid up equity share capital as on 31 st March, 2016	11463312

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2015-16 appearing separately.

8. HUMAN RESOURCES:

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

9. CAUTIONARY STATEMENT:

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

For Nettlinx Limited

Date : 11/08/2016
Place : Hyderabad

Sd/-
Chandra Sekhar Pogula
CEO & WTD
DIN:00007536

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

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

I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, and the Company Secretary as on March 31, 2016.

For Nettlinx Limited

Place : Hyderabad
Date : 11/08/2016

Sd/-
Chandra Sekhar Pogula
CEO & Whole Time Director
DIN:00007536

CEO AND CFO CERTIFICATION

To
The Board of Directors,
Nettlinx Limited,
Hyderabad.

Dear Members of the Board,

We, Chandra Sekhar Pogula, Chief Executive Officer and S. Mahaganesh, Chief Financial Officer of Nettlinx Limited, in the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and all the notes on Accounts and Board's Report:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. (1) There has not been any significant change in internal control over financial reporting during the year under reference;;
- (2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- (3) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Nettlinx Limited

Sd/-

Date : 11.08.2016
Place : Hyderabad

Chandra Sekhar Pogula
CEO & Whole Time Director

Sd/-

S. Mahaganesh
CFO

INDEPENDENT AUDITOR'S REPORT

On the standalone Financial Statement

To the Members of
Nettlinx Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Nettlinx Limited ("the Company"), which comprise the Balance Sheet as on March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management and Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 133 of the Act, read with rule 7 of companies (Accounts) Rules, 2014.

This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion whether the Company has in place an adequate internal Financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the 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 statement.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2016 and its profit and its Cash Flow for the year ended on that date.

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 sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, We further 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the

NETTLINX LIMITED

Company so far as appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014::
 - i. The Company has, in accordance with the generally accepted accounting

practice, disclosed the impact of pending litigations on its financial position in its financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For M/s. DEVA & CO
Chartered Accountants
Firm Reg.No.000722S

Place : Hyderabad
Date : 30.05.2016

Sd/-
(Jainik M Soni)
Partner
Membership No. 149967

NETTLINX LIMITED

Annexure to the independent Auditors Report

The Annexure referred to in our report to the members of Nettlinx Limited ('The Company') for the year ended 31st March 2016. We report that:

- i. In respect of the fixed assets of the Company:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) These Fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company.
- ii. In respect of the inventory of the Company:
 - (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) No material discrepancies were noticed on such verification.
- iii. In respect of loans, secured or unsecured, garanted or taken by the company to / from companies, firms or other parties covered by the clause 76 of section 2 of the Companies Act,2013:
 - (a) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
 - (b) The company is regular in receipt of interest on such loans.
 - (c) There is no overdue for more than 5lakhs rupees.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. In our opinion and according to the information given to us, the Company has not accepted deposits. Therefore, the provisions of the clause (v) of paragraph 3 of the Order are not applicable to the Company.
- vi. As per the notification no.G.S.R.425 (E) dated 30th June 2014 issued by Ministry of corporate affairs, as per clause 3(B) (iii) of the Companies (Cost Records and Audit) Rules,2014 company is falling under the category for maintaining the cost records but company's turnover is less than the threshold limit prescribed under the rule. And as per notification G.S.R. 425 (E) dated 30th June 2014 issued by Ministry of corporate affairs, as per clause 4 of the companies (Cost Records and Audit) Rules,2014 cost audit is not mandatory for the company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues where ever applicable to it with the appropriate authorities and there were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess which have not been deposited on account of any dispute.
- viii. In our opinion and on verification of records, the company has not defaulted in repayment of dues to its bankers and financial institutions.
- ix. In our opinion, the term loans have been applied for the purpose for which they were raised.
- x. In our opinion, Based upon audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion, based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals

NETTLINX LIMITED

mandated by the provisions of section 197 read with Schedule V to the Companies Act.

- xii. In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion, based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. In our opinion, based upon the audit procedures performed and information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected by him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For M/s. DEVA & CO
Chartered Accountants
Firm Reg.No.000722S

Sd/-
(Jainik M Soni)
Partner
Membership No. 149967

Place : Hyderabad
Date : 30.05.2016

Annexure – “B” to the Auditors’ 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 31 March 2016 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 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,

NETTLINX LIMITED

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. DEVA & CO
Chartered Accountants
Firm Reg.No.000722S

Place: Hyderabad
Date : 30.05.2016

Sd/-
(Jainik M Soni)
Partner
Membership No. 149967

BALANCE SHEET AS AT MARCH 31, 2016

S.No	Particulars	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
EQUITY AND LIABILITIES:				
A. Share Holders' Funds:				
	(a) Share Capital	2	11,46,33,120	11,46,33,120
	(b) Reserves & Surplus	3	6,05,55,728	4,83,10,111
B. Non Current Liabilities				
	(a) Long Term Borrowings	4	1,35,60,886	-
	(b) Other Long Term Liabilities	5	51,65,671	53,44,574
	(c) Long Term Provisions	6	18,89,717	16,61,210
C Current Liabilities				
	(a) Short Term Borrowings	7	1,06,26,517	99,76,734
	(b) Trade Payables	8	64,48,746	50,36,177
	(c) Other Current Liabilities	9	72,06,143	46,76,934
			<u>22,00,86,528</u>	<u>18,96,38,860</u>
ASSETS:				
A. Non Current Assets				
	(a) Fixed Assets: Tangible Assets	10	2,56,03,952	2,27,64,851
	(b) Non Current Investments	11	6,81,25,260	6,81,25,260
	(c) Deferred Tax Assets (Net)	35	53,69,868	52,09,361
	(d) Long Term Loans & Advances	12	1,17,86,518	1,02,03,337
	(e) Other Non Current Assets	13	82,09,031	74,51,900
B. Current Assets				
	(a) Current Investments	-	-	-
	(b) Inventories-Traded Finished Goods	14	6,06,589	6,68,816
	(c) Trade Receivables	15	1,38,73,234	1,06,31,936
	(d) Cash & Cash Equivalents	16	6,62,603	3,52,530
	(e) Short Term Loans & Advances	17	6,56,28,482	5,00,29,487
	(f) Other Current Assets	18	2,02,20,991	1,42,01,380
			<u>22,00,86,528</u>	<u>18,96,38,860</u>
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 39		

As per our report of even date

For M/s. DEVA & Co.,

Chartered Accountants

Firm Regn.No.000722S

For and on behalf of the Board of Directors

Sd/-
(JAINIK M SONI)
Partner
Membership No.149967

Sd/-
(MANOHAR LOKA REDDY)
Chairman
DIN:00140229

Sd/-
(CHANDRA SEKHAR POGULA)
CEO & Director
DIN:00007536

Place : Hyderabad.
Datet : 30-05-2016

Sd/-
(G SAI RAM)
Company Secretary and Compliance Officer

Sd/-
(S.MAHAGANESH)
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

S.No.	Particulars	Note	Current Year ₹	Previous Year ₹
I.	Revenue from Operations	19	6,82,25,125	5,63,71,090
II.	Other Income	20	84,32,729	86,07,680
III.	Total Revenue (I + II)		7,66,57,854	6,49,78,770
IV.	Expenses:			
	(a) Changes in inventories of stock in trade	21	62,227	23,192
	(b) Employee Benefits expense	22	1,73,40,682	1,51,24,761
	(c) Finance Costs	23	20,39,291	11,92,417
	(d) Depreciation and amortization Expenses	10	34,91,265	37,83,900
	(e) Operation and other expenses	24	4,14,20,922	4,19,50,148
	Total Expenses		6,43,54,388	6,20,74,418
V.	Profit /(Loss) Before Tax (III-IV)		1,23,03,466	29,04,352
VI.	Tax Expense:			
	(1) Current Tax	25,08,535		5,53,425
	Less: MAT Credit	(22,90,178)	(2,18,357)	(553,425)
	(2) Deferred Tax - Asset	35	1,60,507	2,56,216
VII.	Profit /(Loss) for the year		1,22,45,616	31,60,568
VIII.	Earning/(Loss) Per Share			
	Basic		1.07	0.28
	Diluted		1.07	0.28
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 39		

As per our report of even date

For M/s. DEVA & Co.

Chartered Accountants

Firm Regn.No.000722S

For and on behalf of the Board of Directors

Sd/-
(JAINIK M SONI)
Partner
Membership No.149967

Sd/-
(MANOHAR LOKA REDDY)
Chairman
DIN:00140229

Sd/-
(CHANDRA SEKHAR POGULA)
CEO & Director
DIN:00007536

Place : Hyderabad.
Datet : 30-05-2016

Sd/-
(G SAI RAM)
Company Secretary and Compliance Officer

Sd/-
(S.MAHAGANESH)
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR 2015-2016

(₹. in lakhs)

	Current Year	Previous Year
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net Profit/(loss) before tax as per Statement of Profit a</i>	123.03	29.04
Adjusted For:		
Depreciation and Amortisation Expense	34.91	37.84
Bad Debt written off	14.74	14.11
Interest Income	(50.58)	(40.79)
Operating profit before working capital changes	<u>122.10</u>	<u>40.20</u>
Adjusted For:		
Trade and Other Receivables	(92.61)	(3.97)
Inventories	0.62	0.23
Trade and Other Payables	39.74	(03.30)
Interest Expenses	12.03	9.82
Net Cash from Operating Activities	<u>81.89</u>	<u>42.98</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(63.30)	(29.02)
Investment in subsidiary		167.08
Movement in Loans and Advances	(157.60)	(151.72)
Net Cash Flow from Investing Activities	<u>(220.90)</u>	<u>44.37</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Long term Borrowings	135.61	1.73
Short Term Borrowings (net)	6.50	0.56
Net cash Flow from/(used) in Financing Activities	<u>142.11</u>	<u>2.29</u>
Net (Decrease)/ Increase in Cash and Cash equivalents	3.10	0.22
Opening Balance of Cash and Cash Equivalents	3.53	4.02
Closing Balance of Cash and Cash Equivalents	6.63	3.53

As per our report of even date

For M/s. DEVA & Co.,

Chartered Accountants

Firm Regn.No.000722S

For and on behalf of the Board of Directors

Sd/-
(JAINIK M SONI)
Partner
Membership No.149967

Sd/-
(MANOHAR LOKA REDDY)
Chairman
DIN:00140229

Sd/-
(CHANDRA SEKHAR POGULA)
CEO & Director
DIN:00007536

Place : Hyderabad.
Datet : 30-05-2016

Sd/-
(G SAI RAM)
Company Secretary and Compliance Officer

Sd/-
(S.MAHAGANESH)
Chief Financial Officer

COMPANY BACKGROUND:

Nettlinx Limited is a Category B licensed ISP, with operations in Andhra Pradesh started in 1999. Currently Nettlinx has its operations across major cities in Telangana and Andhra Pradesh.

Nettlinx Limited provides a portfolio of high quality Internet solutions for data voice and security to cater to the corporate customer needs. Leveraging its technological and Regional presence, Nettlinx is able to bring value and strong support to the customers. Nettlinx has strategic and long lasting relationships with major Telecom Operators in India.

The Company is backed by over 15 years of experience, not to mention an uncompromising standard in the provision of best-in-class products and uninterrupted services. The Company delivers maximum uptime, expertise and specialist knowledge to assist both individuals and businesses in harnessing the benefits of Internet technology for real business productivity.

1. SIGNIFICANT ACCOUNTING POLICIES:

The accounts have been prepared primarily on the historical cost convention and in accordance with the relevant provisions of the Companies Act, 2013 and the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The significant accounting policies followed by the company are stated below.

(a) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements the reported amounts of revenues and expenses during the reporting year.

Differences between actual and estimates are recognized in the periods in which the results are known / materialized.

(b) FIXED ASSETS

Fixed Assets are stated at their historical cost of acquisition or construction, less accumulated depreciation/amortization and impairment loss. Costs include all costs incurred to bring the assets to their working condition and location. Assets retired from the active use and held for disposal are stated at lower of cost or net book value or net realizable value.

(c) DEPRECIATION ON FIXED ASSETS

The Depreciation has been provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 on all the assets.

(d) REVENUE RECOGNITION

Revenue has been recognized on accrual basis. Revenue from Online information and database access or retrieval recognized as the service is performed on the basis of actual usage of the company network in accordance with contractual obligation and is recorded net of service tax. The amount charged to subscribers for specialized features which entitle them to access the network of the company and where all other services or products paid for separately, are recognized when such features are activated. The company presents revenues net of indirect taxes in its statement of profit and loss.

(e) IMPAIRMENT

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charges to the profit and loss statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is revised if there has been a change in estimate of recoverable amount.

(f) INVESTMENTS

Current Investments are valued at lower of cost and fair value. Long term investments are valued at cost. Provision is made to recognize decline other than temporary in the carrying amount of the long term investments. Cost for overseas investments comprises of the Indian Rupee value of consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

(g) INVENTORIES

Inventories are valued at lower of cost or net realizable value. Cost of inventories, includes all costs of purchases and other costs incurred bringing the inventories to their present location and condition. Costs of Inventories are determined under FIFO basis.

(h) EMPLOYEE BENEFITS

Employee benefit in the form of provident fund is a defined contribution scheme and the contribution scheme and the contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are

no other obligations other than the contribution payable to the respective authorities.

Gratuity is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year.

Short term compensated absences are provided for based on estimates. The actuarial valuation is done at the end of the year.

Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

(i) TAXES ON INCOME

Tax expense for the year consists of deferred tax. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized for the profit and loss account in the year of change. This year the company has recognized and carried forward Deferred Tax Asset only to the extent of reasonable certainty that sufficient future taxable income will be available against which Deferred Tax Asset can be realized.

(j) FOREIGN CURRENCY TRANSACTIONS

Transactions made during the year in foreign currency are recorded at exchange rate prevailing at the time of transaction. Realized gains or losses on foreign exchange transactions are recognized in the statement of profit and loss.

(k) LEASE RENTALS

Rental Income under operating lease is recognized

on accrual basis over the lease term in the statement of profit and loss.

(l) EARNINGS PER SHARE

The company reports basic and diluted earnings per share in accordance with AS 20 on "Earnings per share". Basic earnings per share are computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effect of all dilutive preferential equity instruments, except where results are anti-dilutive

(m) CASH FLOW STATEMENT

The cash flow statement is prepared under the indirect method set out in AS 3 on "Cash flow Statement" and presents cash flows by operation, investing and financing activities of the Company.

(n) PROVISIONS AND CONTINGENT LIABILITIES

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

(o) BORROWING COST

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Note 2 Share Capital		
Authorised Capital		
2,00,00,000 Equity Shares of ₹.10/- each	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid up Capital		
1,14,63,312 Equity Shares of ₹.10/- each fully paid up	11,46,33,120	11,46,33,120

(a) Reconciliation of Shares outstanding at the beginning and the end of the year
There is no change in Equity Share Capital during the year ended March 31, 2016 and March 31, 2015.

(b) Terms/rights attached to Equity Shares

The Company has only one class of Equity share having a par value of ₹.10/- each. Each holder of equity share is entitled to one vote per share.

(c) Details of share holders holding more than 5% of equity shares in the Company

	As at 31st March, 2016		As at 31st March, 2015	
	₹		₹	
Name of Share Holder	No.of Shares	% Holding	No.of Shares	% Holding
Dr.Loka Narayan Reddy	39,23,224	34.22	39,23,224	34.22
Dr. Manohar Loka Reddy	15,98,823	13.95	16,43,392	14.34
Saranya Loka Reddy	5,99,386	5.23	5,99,386	5.23

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Note 3 Reserves and Surplus		
(a) Capital Reserve	1,50,00,000	1,50,00,000
(b) Securities Premium Account	2,45,99,575	2,45,99,575
(c) General Reserve	1,30,00,000	1,30,00,000
(d) Surplus/deficit in the Statement of Profit and Loss		
Opening Balance:	(42,89,464)	(53,35,621)
Retained Earnings		(21,14,412)
Profit for the Year	1,22,45,616	31,60,569
	6,05,55,728	(42,89,464)
		4,83,10,111

	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Note 4 Other Long Term Liabilities		
Secured		
- HDFC Bank - Term Loan Account- (Refer Note - 26)	1,35,60,886	
	1,35,60,886	-

Note 5 Other Long Term Liabilities	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Trade Payables		
- to Related Party (Refer Note No.27)	17,60,840	17,60,840
- to Others	<u>20,77,090</u>	<u>20,77,090</u>
	30,20,903	38,37,930
Rental Deposit	5,50,000	5,50,000
Trade Deposit Received		71,427
Service Tax Payable (Refer note No 28)	15,94,768	8,85,217
	<u>51,65,671</u>	<u>53,44,574</u>
Note 6 Long Term Provisions	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Provision for Employee Benefits		
Gratuity	14,41,000	12,98,761
Leave Encashment	<u>4,48,717</u>	<u>3,62,449</u>
	<u>18,89,717</u>	<u>16,61,210</u>
Note 7 Short Term Borrowings	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Secured		
- HDFC Bank - CC Account- (Refer Note 29)	99,90,345	99,76,734
- Vehicle Loan- (Refer Note -30)	<u>6,36,172</u>	<u>-</u>
	<u>1,06,26,517</u>	<u>99,76,734</u>
Note 8 Trade Payables	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Trade Payables (Refer Note No 31)	<u>64,48,746</u>	<u>50,36,177</u>
	<u>64,48,746</u>	<u>50,36,177</u>
Note 9 Other Current Liabilities	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Current maturities of long-term debt		
Interest accrued and due on borrowings and CC A/c	1,02,038	90,078
Advance received from Customers	9,23,410	13,04,798
Other Statutory Liabilities	11,65,171	6,11,510
Liability for Expenses	6,72,379	3,11,677
Employee related liabilities	18,34,610	18,05,446
Provision for Tax	<u>25,08,535</u>	<u>5,53,425</u>
	<u>72,06,143</u>	<u>46,76,934</u>

Note 10

STATEMENT OF FIXED ASSETS & DEPRECIATION

(Amount in ₹)

GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK				
Sl. No.	Particulars	AS AT 01.04.15	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.16	AS AT 01.04.15	DURING THE YEAR	DELETIONS DURING THE YEAR	TRANSFER TO RETAINED EARNINGS	TOTAL	AS AT 31.03.16	AS AT 31.03.15
(A)	Tangible Assets											
1	Land		-	-	-	-	-	-		-	-	-
2	Buildings	1,01,62,910	-		10,162,910	17,78,533	1,72,215			19,50,748	82,12,162	83,84,377
3	Plant & Machinery	12,34,95,083	1,771,187		125,266,270	11,58,18,498	1,152,892			11,69,71,389	82,94,881	76,76,585
4	Office Equipment	51,45,222	36,13,912		8,759,134	44,41,175	3,40,659			47,81,834	39,77,300	7,04,047
5	Furniture & Fixtures	76,77,411	-		7,677,411	69,54,744	1,52,202			71,06,946	5,70,465	7,22,667
6	Vehicles	114,34,911	945,264		12,380,175	61,57,733	1,673,297			78,31,030	45,49,145	52,77,174
TOTAL		15,79,15,537	63,30,363		16,42,45,900	13,51,50,683	34,91,265	-	-	13,86,41,947	2,56,03,952	2,27,64,852
31 st March, 2015		15,58,70,768	29,01,771	8,57,002	15,79,15,537	12,99,90,241	37,83,900	7,37,866	2,114,412.00	13,51,50,686	2,27,64,851	2,58,80,528

Place: Hyderabad.
Date: 30-05-2016

NETTLINX LIMITED

Note 11 Non Current Investments

As at 31st March, 2016

As at 31st March, 2015

	₹	₹
Investment in unquoted equity instruments		
(a) of subsidiaries		
Non - Trade Investments:		
i. Nettlinx Inc, USA (24,663 shares of \$15 each fully paidup)	2,17,09,360	2,17,09,360
Non-Trade Investments:		
i. Nettlinx Reality Private Limited (3,09,990 Equity Shares of Rs.10 each fully paid up)	30,99,900	30,99,900
ii. Nettlinx Aqua Culture Private Limited (42,00,000 Equity Shares of Rs.10 each fully paid up)	4,20,00,000	4,20,00,000
(b) Inter - Corporate investments		
iii. Northeast Broking Services Ltd (11,600 Equity Shares of Rs.10 each fully paid up)	1,16,000	1,16,000
iv. Northeast Commodities Private Ltd (1,20,000 Equity Shares of Rs.10 each fully paid up)	12,00,000	12,00,000
	<u>6,81,25,260</u>	<u>6,81,25,260</u>

Note 12 Long Term Loans and Advances

As at 31st March, 2016

As at 31st March, 2015

	₹	₹
Refund Receivable	9,22,954	9,22,954
Refund Receivable - 2011-2012	13,46,030	13,46,030
- 2012-2013	<u>16,18,963</u>	<u>16,18,963</u>
TDS Adjustment Account (refer note no. 32)	28,62,989	28,62,989
Refund for the year 2013-2014	18,01,351	18,01,351
Refund for the year 2014-2015	11,31,476	16,51,050
Refund for the year 2015-2016	<u>21,02,755</u>	-
	<u>1,17,86,518</u>	<u>102,03,337</u>

Note 13 Other Non Current Assets

As at 31st March, 2016

As at 31st March, 2015

	₹	₹
- In Fixed Deposits with more than 12 months maturity (100% against Bank Guarantees)	19,22,211	19,52,211
- Other Deposits		10,25,244
Long Term Trade Receivables		
Unsecured, Considered Good (Refer Note 33)	33,82,283	38,60,086
MAT Credit Entitlement	29,04,537	6,14,359
	<u>82,09,031</u>	<u>74,51,900</u>

NETTLINX LIMITED

Note 14 Inventories

As at 31st March, 2016

As at 31st March, 2015

i. Traded Goods - Valued at Cost or NRV	6,06,589	6,68,816
which ever is lower	<u>6,06,589</u>	<u>6,68,816</u>

Note 15 Trade Receivables

As at 31st March, 2016

As at 31st March, 2015

a) Outstanding for a period exceeding Six Months	38,51,577	47,79,363
Less -Bad Debts Written Off	<u>14,73,662</u>	<u>14,11,127</u>
b) Outstanding for a period less than Six Months	1,14,95,320	72,63,700
	<u>1,38,73,234</u>	<u>1,06,31,936</u>

Note 16 Cash and Cash Equivalents

As at 31st March, 2016

As at 31st March, 2015

a) Balances with Banks		
- In Current Accounts	4,01,712	1,65,655
b) Cash on hand	2,60,892	1,86,875
	<u>6,62,603</u>	<u>3,52,530</u>

Note 17 Short Term Loans and Advances

As at 31st March, 2016

As at 31st March, 2015

Loans and Advances to Related Parties(Refer Note No.27)	6,20,98,518	4,42,01,221
Advances to Suppliers	88,850	23,604
Staff Advances	26,395	38,933
Balance with Government Authority		
- Servicetax Credit receivable	32,576	15,617
- VAT Credit Receivable	61,041	1,510
Rental Deposits	11,01,850	10,29,350
Other Loans and Advances	22,19,252	47,19,252
	<u>6,56,28,482</u>	<u>5,00,29,487</u>

Note 18 Other Current Assets

As at 31st March, 2016

As at 31st March, 2015

Interest Accrued but not due on FDRs	9,42,654	7,27,158
Interest Accrued and Due	1,78,01,129	1,31,14,118
Prepaid Expenses	2,53,972	2,23,576
Other Deposits/Receivables	12,23,236	1,36,528
	<u>2,02,20,991</u>	<u>1,42,01,380</u>

Note 19 Revenue from Operations	Current Year	Previous Year
	₹	₹
a) Sale of Products		
Sale of VOIP Telephones - VAT Sales	68,025	31,000
b) Sale of Services		
Income from Bandwidth Services	5,71,55,900	5,48,32,726
Income from Web Solutions	19,10,931	15,07,364
Income from ITES (export)	90,90,269	
	<u>6,82,25,125</u>	<u>5,63,71,090</u>
Note 20 Other Income	Current Year	Previous Year
	₹	₹
Interest Income		
- from Related Parties (Refer Note No.27)	50,57,956	40,79,484
- from Others	-	-
Rental Income		
- from Related Parties (Refer Note No.27)	19,59,422	17,92,967
- from Others	<u>9,13,424</u>	<u>10,72,779</u>
Other Misc.Incomes	5,01,927	16,62,450
	<u>84,32,729</u>	<u>86,07,680</u>
Note 21 Changes in inventories of stock-in-trade	Current Year	Previous Year
	₹	₹
Inventories at the end of the year - Stock in Trade	6,06,589	6,68,816
Inventories at the beginning of the year - Stock in Trade	6,68,816	6,92,008
Net (increase)/ decrease	<u>62,227</u>	<u>23,192</u>
Note 22 Employee Benefit Expenses	Current Year	Previous Year
	₹	₹
Salaries	1,44,62,583	1,27,91,776
Contribution to Provident and Other funds	15,74,036	14,18,262
Staff Welfare	13,04,063	9,14,723
	<u>1,73,40,682</u>	<u>1,51,24,761</u>
Note 23 Finance Cost	Current Year	Previous Year
	₹	₹
Interest	12,03,026	9,81,587
Finance charges	5,14,971	40,549
Bank Charges	321,294	1,70,281
	<u>20,39,291</u>	<u>11,92,417</u>
Note 24 Operation and Other Expenses	Current Year	Previous Year
	₹	₹
Bandwidth, leased circuit charges & service charges	2,46,05,468	2,37,64,240
Rent & Maintenance	36,24,627	33,83,968

NETTLINX LIMITED

Domain Registration expenses	1,68,442	1,60,811
Power and Electricity	23,16,991	28,86,589
Postage & Telegram expenses	76,823	63,029
Advertisement & Publicity	1,00,202	1,26,319
Telephone expenses	3,94,179	2,72,578
Computers & Networking Maintenance	20,31,009	34,63,831
Watch & Ward expenses	6,96,000	6,50,007
Traveling expenses	9,29,790	6,47,770
Loss Due to Forex Fluctuations		6,92,247
Local Conveyance	9,19,153	7,99,564
Vehicle Maintenance	7,47,196	7,49,353
Rates & Taxes	2,04,469	2,05,011
Insurance-Others	2,10,846	2,21,382
Annual Membership Fee	68,280	60,089
Demat Charges(NSL)	1,37,630	1,29,039
Legal & Professional Charges	1,90,025	4,76,444
Office Maintenance Expenses	7,77,702	6,33,289
Printing & Stationary Expenses	2,99,738	2,87,730
Other Administrative Expenses	13,43,689	7,90,731
Bad Debts Written Off	14,73,662	14,11,127
Audit Fees (Refer Note No-34)	1,05,000	75,000
	<u>4,14,20,922</u>	<u>4,19,50,148</u>

Additional Information to the Financial Statements

Note 25

	Current Year	Previous Year
	₹	₹
Expenditure in Foreign Currency		
Licence fee and domain registration charges	1,38,442	1,40,810
Earnings in Foreign Exchange		
Software Services(ITES)	<u>90,90,269</u>	<u>-</u>

Note 26 Term Loan

HDFC Term Loan is secured against Property at 5-9-22,3rd floor My Home Sarovar Plaza,Secretriart road,saifabad,Hyderabad

Note 27 Related party disclosures:

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below: Transactions during the Year with Related Parties:

Name of the Related Party	Relationship
i. Nettlinx Reality Private Limited	Wholly Owned Subsidiaries
ii. Nettlinx Aquaculture Private Limited	
iii. Nettlinx Inc, USA	
i. North East Broking Services Limited	Associates
ii. North East Commodities Private Limited	
i. Chandra Sekhar Pogula - Whole time Director & CEO	Key Management Personnel
ii. G Sai Ram-Company Secretary and Compliance Officer	
iii. S Mahaganesh - Chief Financial Officer	

NETTLINX LIMITED

(ii) Details of transaction between the Company and Related Parties

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Sale of Services:		
Other Income - Rent Received		
- Northeast Broking Services Limited	14,53,913	17,31,728
- Northeast Commodities Services Limited	4,33,490	44,037
- Sai Roshni capital Pvt Ltd	77,753	17,202
Other Income - Interest		
Nettlinx Reality Private Limited	50,57,956	40,79,484
Trade Payables:		
Nettlinx Inc, USA	17,60,841	17,60,841
Short Term Loans & Advances:		
Nettlinx Reality Private Limited	6,20,98,518	4,42,01,221
Managerial Remuneration :		
Chandra Sekhar Pogula -		
CEO & Director and Compliance Officer	36,00,000	24,00,000

Note 28 Service tax payable

Liability for Service Tax Payable of ₹.8,85,217/- is pending and till now the company has not received the outstanding amount from debtors.

Note 29 Terms and Conditions of Short Term Borrowings

Cash Credit facility is secured by hypothecation of book debts, outstanding monies, receivables, claims, bills etc.

Note 30 Terms and Conditions of Vehicle Loan

Vehicle Loan Secured by hypothecation of the vehicle

Note 31 Dues to Micro, Small and Medium Enterprises

Dues to Micro, Small and Medium Enterprises is NIL as per the records of the company

Note 32 TDS Adjustment Account

Since, the Appeal is pending before the Honourable High Court of A.P., in respect of Income Tax for the Assessment years 1996-97 and 1997-98 of Northeast Spinners Limited, a company in existence prior to amalgamation with Nettlinx Limited, the balance lying in TDS Adjustment account Rs.28,62,989/- is shown in Advance Taxes.

Note 33 Long Term Receivables

Long term trade receivables includes the balance debt of ₹.32,62,114/-receivable from M/s.Integrated Broadcasting Private Limited which was in arbitration proceedings.The Company has recovered an amount of ₹.33,35,914/- out of outstanding debt of ₹.65,98,028/-(as at 31st March,2012) by withdrawing the winding up petition and entering into arbitration proceedings. As on 24th January 2015, The arbitral tribunal of sole arbitrator, Hyderabad has passed the decision in favour of the company and arbitral has ordered the respondent party i.e M/s Integrated broadcasting company private limited to pay an amount of ₹. 29,08,037 with interest at 10% p.a from the date of 05th April 2014 till the date of payment. The respondent party i.e M/s Integrated broadcasting company private limited has filled the petition in the city civil court against above order.

NETTLINX LIMITED

Note 34 Audit Fees

	Current Year	Previous Year
	₹	₹
for Statutory Audit	28,750	28,090
for Taxation Matters	23,000	22,472
for Management & Other Services	12,282	22,472
for Re-imbursement of expenses	12,190	11,236
for internal Audit Fees	30,000	84,270
(Audit fees is inclusive of service tax)	1,06,222	

Note 35 Earnings per share

	Current Year	Previous Year
	₹	₹
i) Profit /(Loss) for the year	1,22,45,616	8,55,063
ii) Weighted average number of Equity Shares	1,14,63,312	1,14,63,312
iii) Weight average number of equity shares in computing diluted earnings per share	1,14,63,312	1,14,63,312
iv) Face value of each Equity Share	10	10
v) Earning/(Loss) per share		
- Basic	1.07	0.07
- Diluted	1.07	0.07

Note 36 Deferred Tax (Asset)

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Tax effect of items constituting deferred tax assets		
Arising on Account of timing difference in Depreciation	1,60,507	2,56,216
Add: Opening Balance of Deferred Tax Asset	52,09,361	49,53,145
	53,69,868	52,09,361

Note 37 Contingent Liabilities

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Contingent Liabilities :		
Unexpired Bank Guarantees	23,00,000	21,22,765
Provisional License fee Assessment	43,30,195	43,30,195

Company has received Revised provisional license fee assessment notice from Department of Telecommunications-AP circle for the years 2005-06, 2006-07, 2007-08 and 2008-09 w.r.t ISP(IT) License for ₹.43,30,195/- which is disclosed as contingent liability for the year ended 31st March 2012. However the management feels that even this demand is not tenable and hence liability is not provided in the books of accounts.

For and on behalf of the Board of Directors

Sd/-

(MANOHAR LOKA REDDY)

Chairman
DIN:00140229

Sd/-

(CHANDRA SEKHAR POGULA)

CEO & Director
DIN:00007536

Sd/-

(G SAI RAM)

Company Secretary and Compliance Officer

Sd/-

(S.MAHAGANESH)

Chief Financial Officer

Place: Hyderabad.

Date: 30-05-2016

Note 38: Employee benefits
A) Gratuity

The Company has a defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed years of services.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and balance sheet positions:

1 Assumptions

	31.03.2016	31.03.2015
Discount Rate	8.00 %	8.00 %
Rate of increase in Compensation levels	5 % p.a.	5 % p.a.
Rate of Return on Plan Assets	0%	0%
Expected Average remaining working lives of employees (years)	29 years	29 years

2 Table Showing Changes in Present Value of Obligations (₹. 000's)

	31.03.2016	31.03.2015
Present Value of Obligation as at the beginning of the year	1299	1092
Acquisition adjustment		
Interest Cost	104	87
Past Service Cost	-	-
Current Service Cost	66	51
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	(208)	(66)
Actuarial (gain)/ loss on obligations	179	134
Present Value of Obligation as at the end of the year	1298	1298

3. Table Showing changes in the value Plan Assets(₹. 000's)

	31.03.2016	31.03.2015
Value of Provision at the beginning of the year	-	-
Acquisition Adjustments	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial Gain /(loss) on Plan Assets	-	-
Value of Provision at the end of the year	-	-

4. Tables showing Fair Value of Plan Assets(₹. 000's)

	31.03.2016	31.03.2015
Value of Provision at the beginning of year	-	-
Acquisition Adjustments	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Value of Provision at the end of year	-	-
Funded Status	-	-
Excess of actual over estimated return on plan assets	-	-

5 Actuarial Gain/Loss recognized(₹. 000's)

	31.03.2016	31.03.2015
Actuarial (gain)/loss for the year – Obligation	179	134
Actuarial (gain)/loss for the year - Plan Assets	-	-
Total (gain) / loss for the year	179	134
Actuarial (gain) / loss recognized in the year	179	134
Unrecognized actuarial (gains) / losses at the end of year	-	-

6. THE AMOUNTS TO BE RECOGNIZED IN BALANCE SHEET AND STATEMENTS OF PROFIT AND LOSS (₹. 000's)

	31.03.2016	31.03.2015
Present Value of Obligation as at the end of the year	1440	1298
Value of provision as at the end of the year	-	-
Funded Status	(1440)	(1298)
Unrecognized Actuarial (gains) / losses	-	-
Net Asset/(Liability) Recognized in Balance Sheet	(1440)	(1298)

7. EXPENSE RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS (₹. 000's)

	31.03.2016	31.03.2015
Current Service Cost	66	51
Past Service Cost	-	-
Interest Cost	104	87
Expected Return on Plan Assets	-	-
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net actuarial (gain)/ loss recognized in the year	179	134
Expenses Recognized in the statement of Profit & Loss	349	273

8. Movement in Balance Sheet (₹. 000's)

	31.03.2016
Opening Liability	1298
Expenses as above	349
Contribution Paid	(208)
Current Liabilities	(33)
Closing Liability	1407

B) Leave Encashment:

The Company has a defined policy for Leave Encashment.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and balance sheet positions:

1 Assumptions

	31.03.2016	31.03.2015
Discount Rate	8 %	8 %
Rate of increase in Compensation levels	5% p.a.	5% p.a.
Rate of Return on Plan Assets	0	0
Expected Average remaining working lives of employees (years)	29 Y	29 Y

2. Table Showing Changes in Present Value of Obligations (₹. 000's)

	31.03.2016	31.03.2015
Present Value of Obligation as at the beginning of the year	362	963
Acquisition adjustment		
Interest Cost	29	77
Past Service Cost	-	-
Current Service Cost	7	179
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	(437)	(65)
Actuarial (gain)/ loss on obligations	412	(792)
Present Value of Obligation as at the end of the year	373	362

3. Table Showing changes in the value Plan Assets (₹. 000's)

	31.03.2016	31.03.2015
Value of Provision at the beginning of the year	-	-
Acquisition Adjustments	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial Gain /(loss) on Plan Assets	-	-
Value of Provision at the end of the year	-	-

4. Tables showing Fair Value of Plan Assets (₹. 000's)

	31.03.2016	31.03.2015
Value of Provision at the beginning of year	-	-
Acquisition Adjustments	-	-
Actual return on plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Value of Provision at the end of year	-	-
Funded Status	-	-
Excess of actual over estimated return on plan assets	-	-

5. Actuarial Gain/Loss recognized (₹. 000's)

	31.03.2016	31.03.2015
Actuarial (gain)/loss for the year – Obligation	412	(792)
Actuarial (gain)/loss for the year - Plan Assets	-	-
Total (gain) / loss for the year	412	(792)
Actuarial (gain) / loss recognized in the year	412	(792)
Unrecognized actuarial (gains) / losses at the end of year	-	-

6. THE AMOUNTS TO BE RECOGNIZED IN BALANCE SHEET AND STATEMENTS OF PROFIT AND LOSS

(₹. 000's)

	31.03.2016	31.03.2015
Present Value of Obligation as at the end of the year	373	362
Value of provision as at the end of the year	373	362
Funded Status	-	-
Unrecognized Actuarial (gains) / losses	-	-
Net Asset/(Liability) Recognized in Balance Sheet	373	362

7. EXPENSE RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS (₹. 000's)

	31.03.2016	31.03.2015
Current Service Cost	7	179
Past Service Cost	-	-
Interest Cost	29	77
Expected Return on Plan Assets	-	-
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net actuarial (gain)/ loss recognized in the year	412	(791)
Expenses Recognized in the statement of Profit & Loss	448	(536)

8. Movement in Balance Sheet. (₹. 000's)

Opening Liability	362
Expenses as above	448
Benefits paid	(437)
Current Liabilities	(4)
Closing Liability	369

Note 39 Figures for the previous year have been regrouped, recast and rearranged.

For and on behalf of the Board of Directors

Sd/-
(MANOHAR LOKA REDDY)
Chairman
DIN:00140229

Sd/-
(CHANDRA SEKHAR POGULA)
CEO & Director
DIN:00007536

Date : 30.05.2016
Place : Hyderabad.

Sd/-
(G SAIRAM)
Company Secretary and Compliance Officer

Sd/-
(S MAHAGANESH)
Chief Financial officer

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NETTLINX LIMITED
Report on the Consolidated Financial
Statements**

We have audited the accompanying consolidated financial statements of NETTLINX LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the
Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date. Our opinion is not modified in respect of this matter.

Other Matters

- (a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹.1035.16 lakhs as at 31st March, 2016 and total revenues of ₹.1459.07 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹. 166.24 lakhs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of 3 subsidiaries, whose financial statements have not been audited by us. 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 these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, 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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and there ports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies are disqualified as on 31st March, 2016 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements – Also Refer Note 29 to the financial statements.
 - The Group did not have any material foreseeable losses on long-term contracts including derivative contracts; as such the questions of commenting on any material foreseeable losses there on do not arise.
 - There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

For M/s. DEVA & CO
Chartered Accountants
Firm Reg.No.000722S

Sd/-
(JAINIK M SONI)

Partner
Membership No. 149967

Place : Hyderabad
Date : 30/05/2016

NETTLINX LIMITED

Annexure – “A” to the Auditors’ 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 Holding Company”)**, and its subsidiary companies, which are incorporated in India as of 31 March 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding 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 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the other matters paragraph below, 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,

NETTLINX LIMITED

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding 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, 2016, based on

the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. DEVA & CO
Chartered Accountants
Firm Reg.No.000722S

Sd/-
(JAINIK M SONI)
Partner
Membership No. 149967

Place: Hyderabad
Date: 30/05/2016

NETTLINX LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

S.No	Particulars	Note No.	As at 31st March, 20 16 ₹	As at 31st March, 2015 ₹
EQUITY AND LIABILITIES:				
A. Share Holders' Funds:				
	(a) Share Capital	2	11,46,33,120	11,46,33,120
	(b) Reserves & Surplus	3	7,41,45,605	5,75,21,555
	(c) Minority Interest		100	100
B. Non Current Liabilities				
	(a) Long Term Borrowings	4	1,58,45,643	10,69,761
	(b) Other Long Term Liabilities	5	51,65,671	35,83,734
	(c) Long Term Provisions	6	18,89,717	16,61,210
C Current Liabilities				
	(a) Short Term Borrowings	7	3,16,74,940	3,41,07,578
	(b) Trade Payables	8	64,48,746	50,58,248
	(c) Other Current Liabilities	9	7,37,99,053	7,02,57,590
			<u>32,36,02,595</u>	<u>28,78,92,897</u>
ASSETS:				
A. Non Current Assets				
	(a) Fixed Assets:			
	(i) Tangible Assets	10	2,78,99,407	3,28,04,892
	(ii) Intangible Assets		-	-
	(b) Non Current Investments	11	83,16,000	83,16,000
	(c) Deferred Tax Assets (Net)	28	50,82,893	48,40,479
	(d) Long Term Loans & Advances	12	1,58,60,788	1,19,88,649
	(e) Other Non Current Assets	13	53,04,494	68,37,541
B. Current Assets				
	(a) Current Investments	14	3,43,45,036	4,83,45,036
	(b) Inventories-Traded Finished Goods	15	9,60,79,507	8,18,67,614
	(c) Trade Receivables	16	4,20,04,622	2,98,87,812
	(d) Cash & Cash Equivalents	17	39,96,796	51,15,843
	(e) Short Term Loans & Advances	18	4,93,69,949	2,40,68,448
	(f) Other Current Assets	19	3,53,43,099	3,38,20,584
			<u>32,36,02,595</u>	<u>28,78,92,897</u>
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 31		

As per our report of even date

For M/s. DEVA & Co.,
Chartered Accountants
Firm Regn.No.000722S

For and on behalf of the Board of Directors

Sd/-
(JAINIK M SONI)
Partner
Membership No.149967

Sd/-
(MANOHAR LOKA REDDY)
Chairman
DIN:00140229

Sd/-
(CHANDRA SEKHAR POGULA)
CEO & Director
DIN:00007536

Place: Hyderabad.
Date : 30.05.2016

Sd/-
(G SAI RAM)
Company Secretary and Compliance Officer

Sd/-
(S.MAHAGANESH)
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

S.No	Particulars	Note	Current Year ₹	Previous Year ₹
I.	Revenue from Operations	20	21,38,78,596	10,88,57,908
II.	Other Income	21	86,85,521	1,30,46,226
III.	Total Revenue (I + II)		22,25,64,117	12,19,04,134
IV.	Expenses:			
	(a) Changes in inventories of stock in trade	22	62,227	23,192
	(b) Employee Benefits expense	23	3,65,24,570	3,45,21,670
	(c) Finance Costs	24	77,91,955	58,29,074
	(d) Depreciation and amortization Expenses	10	41,98,197	45,41,025
	(e) Operation and other expenses	25	15,73,87,176	7,87,10,375
	Total Expenses		20,59,64,126	12,36,25,336
V.	Profit/(Loss) Before Tax (III-IV)		1,65,99,992	(1,721,202)
VI.	Tax Expense:			
	(1) Current Tax	25,08,535		553,425
	(Less): MAT credit	(2,290,178)	(2,18,357)	(553,425)
	(2) Deferred Tax - Asset	28	2,42,414	1,59,364
VII.	Profit/(Loss) for the year		16,624,049	(1,561,838)
VIII.	Earning/(Loss) Per Share	27		
	Basic		1.45	(0.14)
	Diluted		1.45	(0.14)
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 31		

As per our report of even date
For M/s. DEVA & Co.,
Chartered Accountants
Firm Regn.No.000722S

For and on behalf of the Board of Directors

Sd/-
(JAINIK M SONI)
Partner
Membership No.149967

Sd/-
(MANOHAR LOKA REDDY)
Chairman
DIN:00140229

Sd/-
(CHANDRA SEKHAR POGULA)
CEO & Director
DIN:00007536

Place: Hyderabad.
Date : 30.05.2016

Sd/-
(G SAI RAM)
Company Secretary and Compliance Officer

Sd/-
(S.MAHAGANESH)
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2015-2016

(₹ In lakhs)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
<i>Net Profit/(loss) before tax as per Statement of Profit and Loss</i>	166.00	(17.21)
Adjusted For:		
Depreciation and Amortisation Expense	41.98	45.41
Interest Income	(50.58)	40.79
Operating profit before working capital changes	<u>157.40</u>	<u>68.99</u>
Adjusted For:		
Trade and Other Receivables	(83.09)	(134.11)
Inventories	(142.12)	(10.35)
Trade and Other Payables	130.14	(93.92)
Net Cash from Operating Activities	<u>62.33</u>	<u>(169.39)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(73.37)	(109.48)
Movement in Investments	140.00	1.72
Sale of Fixed Assets	0.00	2.17
Movement in Loans and Advances	(268.93)	97.75
Interest Income	5.33	33.52
Net Cash Flow from Investing Activities	<u>(196.96)</u>	<u>25.68</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Long term Borrowings (net)	138.23	0.00
Short Term Borrowings (net)	(14.79)	158.21
Net cash Flow from/(used) in Financing Activities	<u>123.43</u>	<u>158.21</u>
Net (Decrease)/ Increase in Cash and Cash equivalents	(11.20)	14.49
Opening Balance of Cash and Cash Equivalents	51.16	49.04
Closing Balance of Cash and Cash Equivalents	39.96	63.53

As per our report of even date
For M/s. DEVA & Co.,
Chartered Accountants
Firm Regn.No.000722S

For and on behalf of the Board of Directors

Sd/-
(JAINIK M SONI)
Partner
Membership No.149967

Sd/-
(MANO HAR LOKA REDDY)
Chairman
DIN:00140229

Sd/-
(CHANDRA SEKHAR POGULA)
CEO & Director
DIN:00007536

Place: Hyderabad.
Date : 30.05.2016

Sd/-
(G SAI RAM)
Company Secretary and Compliance Officer

Sd/-
(S.MAHAGANESH)
Chief Financial Officer

PRINCIPLES OF CONSOLIDATION:

- (i) (a) The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) – “Consolidated Financial Statements” notified by the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements have been prepared under historical cost convention and on accrual basis. The accounting policies have been consistently applied by the Company and are in consistent with those used in the previous year.
- (a) The subsidiaries (Which along with NETTLINX LIMITED, the parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

Name of the Company	Country of Incorporation	Percentage of ownership interest as at 31 st March 2016	Percentage of ownership interest as at 31 st March 2015
Nettlinx Inc	USA	100.00	100.00
Nettlinx Realty Private Limited	India	99.90	99.90
Nettlinx Aqua Culture Private Limited	India	100.00	100.00

The financial statements of all the subsidiaries considered in the consolidated accounts are drawn up to 31st March, 2016.

Note 1. SIGNIFICANT ACCOUNTING POLICIES:

The accounts have been prepared primarily on the historical cost convention and in accordance with the relevant provisions of the Companies Act, 2013 and the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The significant accounting policies followed by the company are stated below.

(a) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements the reported amounts of revenues and expenses during the reporting year.

Differences between actual and estimates are recognized in the periods in which the results are known / materialized.

(b) FIXED ASSETS

Fixed Assets are stated at their historical cost of acquisition or construction, less accumulated depreciation/ amortization and impairment loss. Costs include all costs incurred to bring the assets to their working condition and location. Assets retired from the active use and held for disposal are stated at lower of cost or net book value or net realizable value.

(c) DEPRECIATION ON FIXED ASSETS

The Depreciation has been provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 on all the assets.

(d) REVENUE RECOGNITION

Revenue has been recognized on accrual basis. Revenue from Online information and database access or retrieval recognized as the service is performed on the basis of actual usage of the company network in accordance with contractual obligation and is recorded net of service tax .The amount charged to subscribers for specialized features which entitle them to access the network of the company and where all other services or products paid for separately, are recognized when such features are activated. The company presents revenues net of indirect taxes in its statement of profit and loss.

(e) IMPAIRMENT

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charges to the profit and loss statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is revised if there has been a change in estimate of recoverable amount.

(f) INVESTMENTS

Current Investments are valued at lower of cost and fair value. Long term investments are valued at cost. Provision is made to recognize decline other than temporary in the carrying amount of the long term investments. Cost for overseas investments comprises of the Indian Rupee value of consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

(g) INVENTORIES

Inventories are valued at lower of cost or net realizable value. Cost of inventories, includes all costs of purchases and other costs incurred bringing the inventories to their present location and condition. Costs of Inventories are determined under FIFO basis.

(h) EMPLOYEE BENEFITS

Employee benefit in the form of provident fund is a defined contribution scheme and the contribution scheme and the contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

Gratuity is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year.

Short term compensated absences are provided for based on estimates. The actuarial valuation is done at the end of the year.

Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

(i) TAXES ON INCOME

Tax expense for the year consists of deferred tax. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized for the profit and loss account in the year of change. This year the company has recognized and carried forward Deferred Tax Asset only to the extent of reasonable certainty that sufficient future taxable income will be available against which Deferred Tax Asset can be realized.

(j) FOREIGN CURRENCY TRANSACTIONS

Transactions made during the year in foreign currency are recorded at exchange rate prevailing at the time of transaction. Realized gains or losses on foreign exchange transactions are recognized in the statement of profit and loss.

(k) LEASE RENTALS

Rental Income under operating lease is recognized on accrual basis over the lease term in the statement of profit and loss.

(l) EARNINGS PER SHARE

The company reports basic and diluted earnings per share in accordance with AS 20 on "Earnings per share". Basic earnings per share are computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effect of all dilutive preferential equity instruments, except where results are anti-dilutive

(m) CASH FLOW STATEMENT

The cash flow statement is prepared under the indirect method set out in AS 3 on "Cash flow Statement" and presents cash flows by operation, investing and financing activities of the Company.

(n) PROVISIONS AND CONTINGENT LIABILITIES

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

(o) BORROWING COST

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Note 2 Share Capital		
Authorised Capital		
2,00,00,000 Equity Shares of ₹.10/- each	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid up Capital		
1,14,63,312 Equity Shares of ₹.10/- each fully paid up	11,46,33,120	11,46,33,120

(a) Reconciliation of Shares outstanding at the beginning and the end of the year.

There is no change in Equity Share Capital during the year ended March 31, 2016 and March 31, 2015.

(b) **Terms/rights attached to Equity Shares**

The Company has only one class of Equity shares having a par value of ₹.10/- each. Each holder of equity shares is entitled to one vote per share.

(c) Details of share holders holding more than 5% of equity shares in the Company

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Name of Share Holder	No.of Shares	No.of Shares
	% Holding	% Holding
Loka Narayan Reddy	39,23,224	39,23,224
Dr. Loka Manohar Reddy	16,43,392	16,43,392
Saranya Loka Reddy	5,99,386	5,99,386

Note 3 Reserves and Surplus

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
(a) Capital Reserve		
At the beginning and at the end of the year	1,50,00,000	1,50,00,000
(b) Securities Premium Account		
At the beginning and at the end of the year	2,45,99,575	2,45,99,575
(c) General Reserve		
At the beginning and at the end of the year	1,30,00,000	1,30,00,000
(d) Foreign Currency Translation Reserve (Net)		
(e) Surplus/deficit in the Statement of Profit and Loss		
Opening Balance	49,21,981	89,51,402
Retained Earnings	-	(24,67,584)
Profit / (Loss) for the Year	1,66,24,049	(15,61,838)
	7,41,45,605	5,75,21,556

Note 4 Long Term Borrowings

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Secured		
Term Loans	1,58,45,643	10,69,761
	1,58,45,643	10,69,761

NETTLINX LIMITED

Note 5 Other Long Term Liabilities

As at 31st March, 2016

As at 31st March, 2015

	₹	₹
Trade Payables	30,20,903	20,77,090
Rental Deposit	5,50,000	5,50,000
Trade Deposit Received	—	71,427
Service Tax Payable (Refer Note No 30)	15,94,768	8,85,217
	<u>51,65,671</u>	<u>35,83,734</u>

Note 6 Long Term Provisions

As at 31st March, 2016

As at 31st March, 2015

	₹	₹
Provision for Employee Benefits		
(a) Gratuity	14,41,000	12,98,761
(b) Leave Encashment	4,48,717	3,62,449
	<u>18,89,717</u>	<u>16,61,210</u>

Note 7 Short Term Borrowings

As at 31st March, 2016

As at 31st March, 2015

Secured

- HDFC Bank - CC Account	99,90,345	1,47,57,651
- Vehicle Loan Account	19,67,585	
Vehicle Loans are secured under hypothecation of the assets purchased		

Unsecured

- Related Party	1,25,72,235	1,81,49,927
-Others	71,44,775	12,00,000
	<u>3,16,74,940</u>	<u>3,41,07,578</u>

Note 8 Trade Payable

As at 31st March, 2016

As at 31st March, 2015

	₹	₹
Trade Payables	64,48,746	50,58,248
Dues to Micro, Small and medium enterprises is Nil as per the records of the Company	<u>64,48,746</u>	<u>50,58,248</u>

Note 9 Other Current Liabilities

As at 31st March, 2016

As at 31st March, 2015

	₹	₹
Current maturities of long-term debt		
Interest accrued but not due on borrowings	1,02,038	90,078
Advance received from Customers	5,99,49,381	5,91,74,798
Other Statutory Liabilities	21,54,546	13,82,371
Liability for Expenses	69,62,921	4,23,677
Employee related liabilities	21,21,633	86,33,241
Provision For Income tax	25,08,535	5,53,425
	<u>7,37,99,053</u>	<u>7,02,57,590</u>

(Amount in ₹)

10 CONSOLIDATED STATEMENT OF FIXED ASSETS & DEPRECIATION

	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK			
PARTICULARS	ASAT 01.04.15	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	ASAT 31.03.16	ASAT 01.04.15	DURING THE YEAR	DELETIONS DURING THE YEAR	TRANSFER TO RETAINED EARNINGS	TOTAL	ASAT 31.03.16	ASAT 31.03.15
Tangible Assets											
Land	80,44,122	-	-	80,44,122	-	-	-	-	-	80,44,122	8,044,122
Buildings	1,01,62,910	-	-	10,162,910	17,78,533	1,72,215	-	-	19,50,748	82,12,162	83,84,377
Plant & Machinery	12,38,07,660	17,71,187	-	12,55,78,847	11,58,18,499	11,52,892	-	-	11,69,71,391	86,07,456	79,89,161
Office Equipment	55,42,572	36,13,912	-	91,56,484	46,40,931	5,38,253	-	-	51,79,184	39,77,300	9,01,641
Furniture & Fixtures	77,88,590	-	-	77,88,590	70,15,505	1,52,202	-	-	71,67,707	6,20,883	7,73,085
Vehicles	1,54,68,423	19,51,731	-	1,74,20,154	83,92,922	21,82,635	-	-	1,05,75,557	68,44,597	67,12,506
Total	17,08,14,277	7,336,830	-	17,81,51,107	13,76,46,390	41,98,197	-	-	14,18,44,587	3,63,06,520	3,28,04,892
31st March, 2015	16,14,12,028	1,09,45,891	15,43,644	17,08,14,275	13,18,55,989	45,41,023	9,84,713	24,67,585	13,76,46,390	3,28,04,892	2,95,56,038

Pursuant to the provisions of Companies Act 2013, the company has applied the estimated useful lives as specified in schedule - II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed assets whose lives have expired as at 1st April, 2014 have been adjusted in the opening balance of Profit & Loss account amounting to ₹.24.67 lakhs.

NETTLINX LIMITED

Note 11 Non Current Investments	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Investment in unquoted equity instruments		
(a) Inter Corporate Investments		
i. Northeast Broking Services Ltd	1,16,000	1,16,000
(11,600 Equity Share of ₹.10 each fully paid up)		
ii. Northeast Commodities Private Ltd	12,00,000	12,00,000
(1,20,000 Equity Share of ₹.10 each fully paid up)		
(b) of other entities		
LG IT Solutions	70,00,000	70,00,000
(70,000 shares of ₹.10/- each fully paid up with ₹.90/-premium)		
	<u>83,16,000</u>	<u>83,16,000</u>

Note 12 Long Term Loans and Advances	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
(a) Advance Taxes net of provisions	1,17,94,461	1,02,03,337
(b) MAT credit entitlement	40,66,327	17,85,312
	<u>1,58,60,788</u>	<u>119,88,649</u>

Since, the Appeal is pending before the Honourable High Court of A.P., in respect of Income Tax for the Assessment years 1996-97 and 1997-98 of Northeast Spinners Limited, a company in existence prior to amalgamation with Nettlinx Limited, the balance lying in TDS Adjustment account ₹.28,62,989/- is shown in Advance Taxes.

Note 13 Other Non Current Assets	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
- In Fixed Deposits		
with more than 12 months maturity		
(100% against Bank Guarantees)	19,22,211	19,52,211
- Other Deposits	-	10,25,244
Long Term Trade Receivables		
Unsecured, Considered Good (Refer Note 30)	33,82,283	38,60,086
Others		-
	<u>53,04,494</u>	<u>68,37,541</u>

Note 14 Current Investments	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Quoted - Investments		
i. LYCOS INTERNET LIMITED	3,43,45,036	4,83,45,036
(314912 Equity shares of ₹.10/- each fully paid up)	<u>3,43,45,036</u>	<u>4,83,45,036</u>

NETTLINX LIMITED

Note 15 Inventories

As at 31st March, 2016

As at 31st March, 2015

(Valued at lower of Cost or net realisable value,
as physically verified and certified by Management)

i. Traded Goods	6,06,589	6,68,816
ii. Stock In Process	9,54,72,918	8,11,98,798
	<u>9,60,79,507</u>	<u>8,18,67,614</u>

Note 16 Trade Receivables

As at 31st March, 2016

As at 31st March, 2015

b) Outstanding for a period exceeding Six Months Unsecured, Considered Good	93,77,915	33,68,236
a) Others Considered Goods	3,26,26,708	2,65,19,576
	<u>4,20,04,622</u>	<u>2,98,87,812</u>

Note 17 Cash and Cash Equivalents

As at 31st March, 2016

As at 31st March, 2015

a) Balances with Banks - In Current Accounts	36,64,549	29,32,690
b) Cash on hand	3,32,248	21,83,153
	<u>39,96,796</u>	<u>51,15,843</u>

Note 18 Short Term Loans and Advances

As at 31st March, 2016

As at 31st March, 2015

Advances to Suppliers	2,47,70,557	1,42,579
Staff Advances	26,395	38,933
Balance with Government Authority		
- Service Tax credit receivable	32,576	15,617
- VAT Credit Receivable	61,041	1,510
Others Loans and advances	2,44,79,380	2,38,69,809
	<u>4,93,69,949</u>	<u>2,40,68,448</u>

Note 19 Other Current Assets

As at 31st March, 2016

As at 31st March, 2015

Interest Accrued but not due on FDRs	9,42,654	7,27,158
Interest Accrued and Due	35,81,857	
Prepaid Expenses	3,01,142	2,55,401
Rental Deposits	11,01,850	10,29,350
Other Deposits/Receivables	2,94,15,596	3,18,08,675
	<u>3,53,43,099</u>	<u>3,38,20,584</u>

NETTLINX LIMITED

Note 20 Revenue from Operations

	Current Year ₹	Previous Year ₹
a) Sale of Products		
Sale of VOIP Telephones - VAT Sales	68,025	31,000
b) Sale of Services	-	-
Income from Bandwidth Services	5,71,55,900	5,48,32,726
Income from Web Solutions	19,10,931	15,07,364
Income from VOIP Sales		
Income from Other Operations	14,56,53,472	5,24,86,818
Income from Software Exports(ITES)	90,90,269	-
	<u>21,38,78,596</u>	<u>10,88,57,908</u>

Note 21 Other Income

	Current Year ₹	Previous Year ₹
Interest on Bank Deposits, ICD's and Loans	50,57,956	40,79,484
Rental Income	28,72,846	28,65,746
Net gain on sale of Current Investments	-	44,15,859
Other Misc.Incomes	7,54,719	16,85,137
	<u>86,85,521</u>	<u>130,46,226</u>

Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Current Year ₹	Previous Year ₹
Inventories at the end of the year - Stock in Trade	6,06,589	6,68,816
Inventories at the beginning of the year - Stock in Trade	6,68,816	6,92,008
Net (increase)/ decrease	<u>62,227</u>	<u>23,192</u>

Note 23 Employee Benefit Expenses

	Current Year ₹	Previous Year ₹
Salaries	3,36,27,586	3,06,62,677
Contribution to PF, ESI & Group Insurance	15,74,036	24,21,320
Staff Welfare	13,22,948	14,37,673
	<u>3,65,24,570</u>	<u>3,45,21,670</u>

Note 24 Finance Cost

	Current Year ₹	Previous Year ₹
Interest	65,46,156	53,46,260
Finance charges	6,85,024	1,97,756
Bank Charges	5,60,775	2,85,058
	<u>77,91,955</u>	<u>58,29,074</u>

Note 25 Operation and Other Expenses

	Current Year ₹	Previous Year ₹
Bandwidth, Leased Circuit Charges & Service Chargs	2,46,05,468	2,38,25,054
Rent & Maintenance	36,24,627	33,83,968
Domain Registration Expenses	1,68,442	1,60,811

NETTLINX LIMITED

Power and Electricity	23,73,139	29,47,918
Postage & Telegram Expenses	77,464	71,750
Advertisement & Publicity	1,00,202	126,319
Telephone Expenses	4,12,500	3,29,190
Computers & Networking Maintenance	27,09,212	34,71,526
Watch & Ward Expenses	7,86,978	6,50,007
Travelling Expenses	9,81,662	12,04,449
Local Conveyance	10,65,565	6,92,247
Loss on Sale of Shares	-	29,045
Loss Due To Forex Fulctuins	-	907,910
Vehicle Maintenance	8,27,439	10,58,091
Rates & Taxes	2,07,599	2,40,191
Insurance-Others	4,21,164	5,14,543
Annual Membership Fee(APNIC)	87,488	60,089
Demat Charges(NSL)	1,37,630	1,35,243
Legal & Professional Charges	3,99,574	80,59,856
Office Maintenance Expenses	10,07,284	8,19,537
Printing & Stationary Expenses	3,13,252	3,34,137
Other Adminstrative Expenses	35,60,779	9,83,022
USCIS Fees	15,14,070	11,87,044
Payment Gateway Fees	70,366	-
Data Center Expenses	12,98,580	-
Management Fees	-	99,369
Other technical & operational expenses	1,99,99,512	1,62,02,826
System admin fees	890,01,017	95,77,796
Miscellaneous Expenditure Written Off	-	96,311
Bad Debts written off	14,73,662	14,11,127
Audit Fees	1,62,500	1,31,000
	<u>15,73,87,176</u>	<u>7,87,10,376</u>

Additional Information to the Financial Statements

Note 26 Foreign Exchange Acitivity

	Current Year ₹	Previous Year ₹
Expenditure in Foreign Currency		
Licence fee and domain registration charges	1,38,442	1,40,810
Earnings in Foreign Exchange		
Software Exports(ITES)	<u>90,90,269</u>	

Note 27 Earnings per share

	Current Year ₹	Previous Year ₹
i) Profit/(Loss) after Tax	1,66,24,049	(1,224,766)
ii) Weighted average number of Equity Shares	1,14,63,312	1,14,63,312
iii) Weight average number of equity shares in computing diluted earnings per share	1,14,63,312	1,14,63,312
iv) Face value of each Equity Share	10	10
v) Earnings per share		
- Basic	1.45	(0.11)
- Diluted	1.45	(0.11)

NETTLINX LIMITED

Note 28 Deferred Tax Asset(Net)

As at 31st March, 2016

As at 31st March, 2015

Deferred Tax Asset

Arising on Account of timing difference in Depreciation

Deferred Tax Liability

Arising on Account of timing difference in Depreciation

Opening Balance of Deferred Tax Asset

2,42,414

48,40,479

50,82,893

1,59,364

46,81,115

48,40,479

Note 29 Contingent Liabilities and Commitments As at 31st March, 2016

As at 31st March, 2015

Contingent Liabilities:

Unexpired Bank Guarantees

23,00,000

21,22,765

Provisional License fee Assessment

43,30,195
43,30,195

Company has received Revised provisional license fee assessment notice from Department of Telecommunications-AP circle for the years 2005-06, 2006-07,2007-08 and 2008-09 w.r.t ISP(IT) License for ₹.43,30,195/- which is disclosed as contingent liability for the year ended 31st March 2012.However the management feels that even this demand is not tenable and hence liability is not provided in the books of accounts.

Note 30 Service tax payable

Liability for Service Tax Payable of ₹.8,85,217/- is pending and till now the company has not recived the outstanding amount from debtors.

Note 31 Figures for the previous year have been regrouped, recast and rearranged.

For and on behalf of the Board of Directors

Sd/-

(MANOHAR LOKA REDDY)

Chairman

DIN:00140229

Sd/-

(CHANDRA SEKHAR POGULA)

CEO & Director

DIN:00007536

Sd/-

(G SAIRAM)

Company Secretary and Compliance Officer

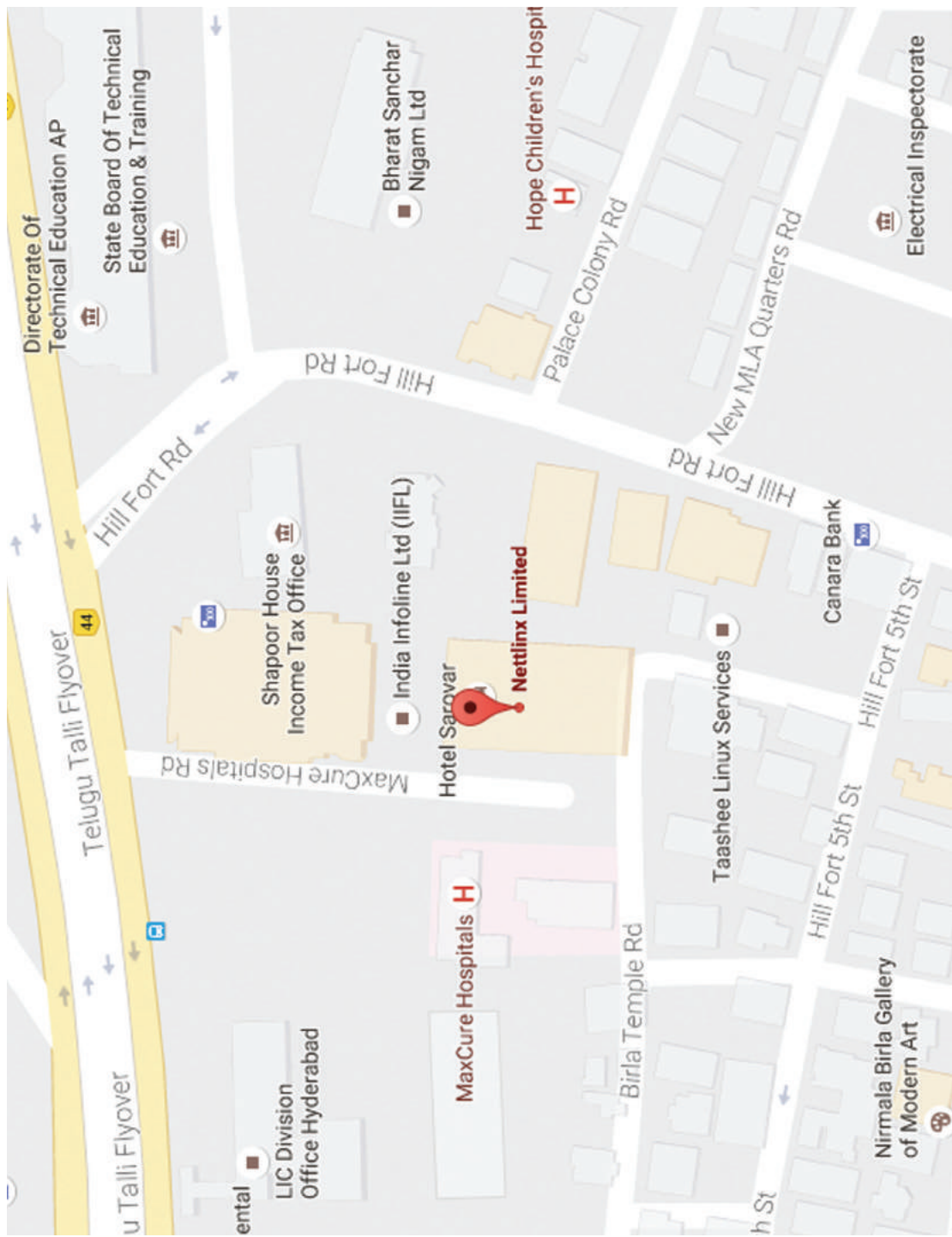
Sd/-

(S MAHAGANESH)

Chief Financial officer

Date : 30.05.2016

Place: Hyderabad.



NETTLINX LIMITED**FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE**

To
Venture Capital and Corporate Investments Pvt. Ltd.,
Regd. Off: 12-10-167, Bharat Nagar,
Hyderabad – 500 018, Telangana,

Company: NETTLINX LIMITED

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode.
Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : _____

DP ID / Client ID / Regd. Folio No. : _____

PAN No. : _____

E-mail Address : _____

Date:

Place: (Signature of Member)

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2015]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DPID

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 23rdAnnual General Meeting of the company, to be held on the Wednesday, the 28th September, 2016 at 11.00 AM, at the Registered Office of the company situated at 5-9-22, Flat NO.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Saifabad,Hyderabad, Telangana-500063 and at any adjournment thereof in respect of such resolutions as are indicated below:

NETTLINX LIMITED

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 st March 2016, the Reports of the Board of Directors and the Auditors thereon.		
2.	To appoint a Director in place of Dr. Manohar Loka Reddy (holding 00140229), who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Ratifying the appointment of Statutory Auditors of the Company		
4.	Appointment of Mr. Subramanyeswara Rao Kakarala (DIN: 07587769) as an independent director in terms of section 49 of the Companies Act, 2013:		
5.	Appointment of Mr. Kakarla kiran venkatasiva (Din: 07592337) as an independent director in terms of section 149 of the companies act, 2013		
6	Appointment of Mr. Rohith Loka Reddy (Din: 06464331) as Managing Director of the company		
7	Barrowing Of Money Upto 100 Crores		
8	Creation Of Charge On The Assets Of The Company		
9	(a) To Increase The Authorised Share Capital From Rs.20 Crores To Rs.30 Crores and (b) To Amend The Memorandum Of Association		
10	Increase In Size Of Issue Of GDRs From Rs.20 Crores To Rs.100 Crores		

* Applicable for investors holding shares in Electronic form.Affix Revenue Stamps

Affix Revenue
Stamps

Signed this ____day of Sep-2016

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder
across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

23rd Annual General Meeting of the company held on the Wednesday, the 28th September, 2016 at 11.00 AM, at the Registered Office of the company situated at 5-9-22, Flat NO.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana-500063

Full name of the members attending

(In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 23rd Annual General Meeting of the Nettlinx Limited held on Wednesday, the 28th September, 2016 at 11.00 AM, at the Registered Office of the company situated at 5-9-22, Flat NO.303, 3rd Floor, My Home Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana-500063

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

NOTES

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NOTES

[illegible]

BOOK - POST

TO

If undelivered please return to:

NETTLINX LIMITED

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