



**22<sup>nd</sup>**



**Annual Report  
2014 - 2015**

**NETTLINX LIMITED**

**Your Power to Communicate**

**22<sup>nd</sup>  
ANNUAL REPORT  
2014-2015**



**NETTLINX LIMITED**



## NETTLINX LIMITED

### BOARD OF DIRECTORS

Dr. Manohar Loka Reddy	– Chairman, Promoter and Non-Executive
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
Mr. Chandra Sekhar Pogula	– Whole Time Director & CEO
Mrs. Radhika Kundur	– Additional Director and Non-Executive Director

### Chief Financial Officer

S.Mahaganesh

### Company Secretary

E.Venkat Reddy

**Corporate Identification Number: L67120TG1994PLC016930**

### Registered Office

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

### 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 – 500 063 Telangana

### Bankers

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

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

#### Risk Management Committee:

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

#### Internal Compliants Committee:

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



## NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Company M/s. Nettlinx Limited will be held on Monday, the 28<sup>th</sup> September, 2015 at 10.30 AM, at ICWAI Bhavan, beside Dena Bank, Post Office Road, Sanath Nagar, Hyderabad-500018, Telangana 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 31<sup>st</sup> March 2015, the Reports of the Board of Directors and the Auditors thereon.

#### Item No. 2 – Appointment of Director

To appoint a Director in place of Mr. Chandra Sekhar Pogula (holding DIN: 00007536) who retires by rotation and, being eligible, offers himself for re-appointment.

#### Item No.3 – Ratifying the appointment of Statutory Auditors of the Company

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 Rules framed there under, 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, made at the 21<sup>st</sup> Annual General Meeting (AGM), to hold office until the conclusion of the 24th AGM of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, as may be mutually agreed between the board of directors of the company and the auditors.”

### SPECIAL BUSINESS

#### Item No. 4 - Appointment of Mrs. Radhika Kundur (holding DIN: 07135444) as Director of the Company

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

“**RESOLVED THAT** Mrs. Radhika Kundur (holding DIN 07135444), who was appointed as an Additional Director of the Company with effect from 25<sup>th</sup> March, 2015 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) , and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member of the Company signifying his intention to propose Mrs. Radhika Kundur as a candidate for the office of a Director of the company, be and hereby appointed as a Director of the company liable to retire by rotation.”

#### Item No. 5 Adoption of new Articles of Association:

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and other applicable provisions or Rules if any, the new set of Articles of Association as placed before the meeting and initialed by the Chairman for the purpose of identification be and is hereby approved and adopted as new Articles of Association (as prescribed under the Table-F of the Companies Act, 2013) of the Company in the place of and exclusion of the existing Articles of Association.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and expedient to give effect to the aforesaid Resolution.”

#### Item No. 6 Increase in Remuneration of Mr.Chandra Sekhar Pogula, Whole Time Director & CEO:

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

**NETTLINX LIMITED**

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act, and applicable provisions of Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 for such part of the period where relevant Sections and Schedule were in force, and subject to the approval of the Central Government and such other authorities as may be necessary, consent of the members of the Company be and is hereby accorded for increase of remuneration from ₹ 24,00,000/- per annum to ₹ 36,00,000/- per annum, payable for financial year in which adequate profit is earned, to Mr. Chandra Sekhar Pogula (holding DIN 00007536), Whole Time Director & CEO of the Company with effect from August 8, 2015.

“RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that

such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or any such other competent authority.”

“RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Whole Time Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to Mr.Chandra Sekhar Pogula, Whole Time Director & CEO, the above remuneration excluding commission amount payable on profits earned as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any”.

By the order of the Board of Directors

for **Nettlinx Limited**

Sd/-

**Dr. Manohar Loka Reddy**  
Chairman  
DIN: 00140229

Place : Hyderabad

Date : 07/08/2015

**NOTES:**

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (the Act) in respect of the items of Special Business as set out above is annexed hereto.
2. **A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or other authority shall be deposited at the Registered Office of the Company at '5-9-22, Flat No.303,3rd Floor, My home Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana' not less than 48 hours before the commencement of the meeting.**

**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 carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person 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 **Friday, 18<sup>th</sup> September, 2015 to Monday, 28<sup>th</sup> September, 2015 (both days inclusive)** for the purpose of payment of payment of dividend, if any, for the financial year ended 31<sup>st</sup> March, 2015 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 shareholdings are under multiple folios.
  - (d) Despatch of share certificates for consolidation.



- (e) Request for nomination forms for making nominations as per the provisions of the Companies Act.
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 Transfer Agent, M/s. Venture Capital and Corporate Investments Pvt. Ltd.,
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. **Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting form an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.**
15. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of ₹ 1,00,000 (Rupees One Lakh).
16. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following:
- The Annual Report for the year ended 31<sup>st</sup> March, 2015 and Notice of the AGM inter alia indicating the manner and process of e-voting along with the Attendance Slip and Proxy Form are 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.
17. Members may also note that the Notice of the 22<sup>nd</sup> AGM and the Annual Report for 2015 will also be available on the Company's website [www.nettlinx.com](http://www.nettlinx.com) for download. 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](mailto:secretarial@nettlinx.org)

## NETTLINX LIMITED

18. Members are requested to note that the Company's Equity Shares are compulsorily traded in demat form for the investors, effective from 26<sup>th</sup> March 2001. Members are requested to open Depository Account in their names with a Depository participant to dematerialize their holdings. This would be necessary for facilitating the transfers of Company's Equity shares in all Stock Exchanges connected to the Depository System.
19. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
20. (a) In accordance with the provision of section 108 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to participate through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its members. The company has engaged the services of Central Depository Services Limited (CDSL) to provide e-voting facilities and enabling the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com) during the following voting period:
- Commencement of e-voting : From 09.00 A.M on 24/09/2015**
- End of e-voting : Up to 05.00 P.M on 27/09/2015**
- E-voting shall not be allowed beyond 05.00 P.M on **27/09/2015**). During the E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cutoff date, may cast their vote electronically. The cut-off date for eligibility for e-voting is 18/09/2015.
- (b) The company has engaged the services of CDSL as the Authorized Agency to provide e-voting facilities.
- (c) The company has appointed Mr. Veeranjanyulu of VCSR & Associates., Company Secretaries as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.
- (d) 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.
- (e) "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](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. 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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

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 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.

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>• 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 8 digits of the sequence number in the PAN field.-</li> <li>• 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.</li> </ul>
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.-</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in</li> </ul>

- (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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

1. 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 (2) OF THE COMPANIES ACT, 2013**

The following Statement, as required under Section 102 of the Companies Act, 2013, sets out all material facts relating to the items of Special Business mentioned in the accompanying Notice:

#### **ITEM NO. 4**

The Board of Directors of the company had appointed Mrs. Radhika Kundur as an Additional Director of the Company with effect from 25<sup>th</sup> March, 2015. In accordance with the provisions of section 161 of the Companies Act, 2013, Mrs. Radhika Kundur holds office only upto the date of the forthcoming AGM and is eligible to be appointed as a Director. A notice under Section 160(1) of the Act has been received from the member of the Company signifying intention to propose Mrs. Radhika Kundur as a Director.

The Directors are of the view that the appointment of Mrs. Radhika Kundur, as Director will be beneficial to the operations of the Company and hence said resolution being placed before the members as recommended by the Board for their approval.

Except Mrs. Radhika Kundur being appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the resolution at item Nos.4 for approval of the members.

**Details of Directors seeking appointment / re-appointment in the 22<sup>nd</sup> Annual General Meeting  
(Pursuant of Clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	<b>Mrs. Radhika Kundur</b>
Director Identification Number (DIN)	07135444
Date of Birth	20/03/1979
Nationality	Indian
Date of Appointment on Board	25 <sup>th</sup> March, 2015
Relationship with other Directors	Nil
Qualification	B.Sc. & PG Diploma in Business Administration from BITE
Shareholding in Nettlinx Limited (as on 31 <sup>st</sup> March, 2015)	Nil
Expertise in specific functional areas	Over 10 years of work experience in IT
List of Directorships held in other Companies (as on 31 <sup>st</sup> March, 2015)	Nil
Memberships / Chairmanship of the Committees of Directors of other Companies (as on 31 <sup>st</sup> March, 2015)	Nil

There are no inter-se relationships between the Board Members.

**Item No.5:**

**Adoption of new Articles of Association**

Taking into consideration of the implementation of the Companies Act, 2013 ("New Act"), the Board in its meeting held on 07<sup>th</sup> August, 2015 decided to adopt new set of Articles of Association to bring the regulations in line with the new Act.

It is therefore proposed to adopt a new set of Articles of Association in line with Table F of the Companies Act, 2013.

The proposed Article of Association would be available for inspection at the Registered office of Company on all working days between 11:00 a.m to 1.00 p.m. up to the date of declaration the result of 22<sup>nd</sup> Annual General Meeting. The said Articles of Association are also available on the web site of the Company [www.nettlinx.com](http://www.nettlinx.com). Any shareholders wanting to have a hard copy of the new Articles of Association may write to the Company at its administrative office address.

**Item No.6:**

**Increase in Remuneration of Sri.Chandra Sekhar Pogula, Whole Time Director & CEO:**

Members to note that the nomination and Remuneration Committee has recommended the increase in existing limits of remuneration

payable to Sri.Chandra Sekhar Pogula, Whole Time Director & CEO of the company to the extent of ₹ 36,00,000/- (Thirty Six Lakhs Rupees) per Annum.

Thus Approval of Members by way of Special resolution is sought, pursuant to the provisions of section 197 and schedule V, of the Companies Act, 2013, were in respect of inadequacy of profits, the company pay with approval of members, remuneration not exceeding ₹ 36,00,000/- per annum as per Table A of Section II of Part II of Schdule V under Companies Act,2013.

Except, Sri.Chandra Sekhar Pogula, none of the Directors/ Key Managerial Personnel of the company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the special resolutions set out Item No.6 of the Notice for Approval by Members by way of Special Resolution.

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

Sd/-

**Dr. Manohar Loka Reddy**

Place : Hyderabad  
Date : 07/08/2015

Chairman  
DIN: 00140229

**DIRECTOR'S REPORT**

To

The Members,

Your Directors have pleasure in presenting their 22<sup>nd</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2015.

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

The Board's Report shall be prepared based on the stand alone financial statements of the company.

Particulars	(₹ in Lakhs)	
	For the year ended 31.03.2015	For the year ended 31.03.2014
Revenue from Operations	563.71	500.45
Other Income	86.01	182.33
<b>Total Revenue</b>	<b>649.78</b>	<b>682.78</b>
Expenses	582.90	631.01
Depreciation	37.83	48.52
<b>Profit / (Loss) Before exceptional and extraordinary items and Tax</b>	<b>0.00</b>	<b>0.00</b>
Less: Exceptional and extraordinary items	0.00	0.00
<b>Profit/ ( loss) Before Taxation</b>	<b>0.00</b>	<b>0.00</b>
Less: - Current Tax	5.56	0.65
(Mat Tax Credit )	(5.56)	(0.65)
- Income Tax (Earlier years)		
- Deferred Tax	2.56	5.35
<b>Profit / (loss) After Tax</b>	<b>31.60</b>	<b>8.55</b>

**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 ₹ 563.71 Lakhs compared to ₹ 500.45 in the

previous year. The Profit after tax for the year increased to ₹ 31.60 Lakhs compared to ₹ 8.55 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 Fiscal year 2015 – 2016 to achieve the targeted numbers. During the Fiscal year 2015 – 2016, The plan is to profitably balance out and integrate Top line growth with reasonable bottom lines :

**4. FUTURE OUTLOOK:**

Renewed thrust with a larger Sales force to tap the growing market during Q 2, Q 3 & Q 4 will take up the Top line under stand alone to a level of ₹ 7 Crores, up from the previous year's ₹ 5.63 Cr, 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 ₹ 50 Lakhs by the end of March 2016.

**Standalone**

In the ISP segment, There is immense competition in both the twin states of Telangana State & AP State. On one hand, Home grown and dominant localized State level A & B category ISPs are fighting for larger market shares with bigger brand presence & reach. On the other side, National TELCOs are also directly marketing all their Voice, Data & Video service offerings in the same markets. Margins are shrinking with incremental fixed costs. Fall in Internet Bandwidth buying prices is getting negated with higher demand from end consumers from the point of view of both quality & quantity of bandwidth, which poses a challenge in optimizing usage of Internet bandwidth management. State Govts on both sides are exploring the possibility of providing Free WiFi in select Cities & principal towns. This may add

to the existing fierce competition. Additionally, Giant New Players are 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 the 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**

With an objective of profitable diversification under the Nettlinx Holding Company, Nettlinx Realty Pvt Ltd 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 land at GachiBowli at Hyderabad.

Several years back it has bought land at Nagpur identifying its potential and to take advantage of Nagpur becoming a major multi modal cargo hub and this land is very close to the SEZ. The Company has initiated the process of considering possible tieup with leading Companies to jointly leverage this land bank for possible conversion in to residential / commercial property development projects.

The initial investments on these two lands got appreciated manifold owing to huge demand and land rates going up north. In Both these specific locations where the land is situated, exponential residential apartments are coming up from multiple developers. we should be able to monetize over a period of 2 – 3 years as we are going to ink development agreements with leading Companies.

##### **Nettlinx Aqua Culture Pvt Ltd**

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 Govt 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.

#### **5. 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.

#### **6. RESERVES:**

₹ 4,83,10,111.00 is the reserves standing as at 31st March, 2015.

#### **7. SHARE CAPITAL:**

During the year under review, there is no change in the Share Capital of the Company.

The Authorised 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, 2015 is ₹ 11,46,33,120 divided into 1,14,63,312 equity shares of ₹10 (Rupees Ten Only) each.

#### 8. DIVIDEND:

In view of inadequate profits, your Board could not recommend any dividend for the financial year 2014-2015.

#### 9. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review. As such no amount of principal or interest was outstanding on the date of the Balance Sheet.

#### 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

##### DIRECTORS:

- a) In accordance with the provisions of Companies Act, 2013, Sri. Chandra Sekhar Pogula, Executive Director of the Company would retire by rotation and, being eligible, offer himself for re-appointment.
- b) In view of new legislative changes, the shareholders have reappointed Sri K Kameswara Rao, Sri. J V Hanumantha Rao, Sri. M.Vijay Kumar and Sri. M. Appa Rao, non executive directors as Independent directors of the Company in the previous Annual General meeting in accordance with Section 149 of the Companies Act, 2013 and clause 49 of the listing agreement for a period of five years.
- c) Sri. Chandra Sekhar Pogula has been appointed as Whole-time Director & CEO for remaining tenure of his Appointment who shall be liable to retire by rotation.
- d) Mrs. Radhika Kundur was appointed as an Additional Director in the meeting of the Board of Directors held on 25<sup>th</sup> March, 2015 whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has

received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation.

- e) Due to their preoccupations and personal reasons, Mr. Loka Narayan Reddy and Mr. Appa Rao Mukkamala have resigned from the Board with effect from 26<sup>th</sup> May, 2015.
- f) As required under Section 134 (3) (d) of the Companies Act, 2013, All independent directors have given declarations that they meet the criteria of independence as laid down under section 149 (6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.
- g) Other Disclosures:

##### Board Evaluation

Pursuant to Section 134 (3) (p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees and Stakeholders Relationship Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

##### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

##### Meetings

During the year Six Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



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

During the period under review, Sri. Sanku Mahaganesh, Manager (Accounts and Finance) has been appointed as Chief Financial Officer of the Company w.e.f. 27<sup>th</sup> May, 2015.

Mr. Emani Venkat Reddy has been appointed as Company Secretary of the company w.e.f. 01<sup>st</sup> August, 2015.

### **11. PARTICULARS OF EMPLOYEES:**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure-A** to this report.

### **12. AUDITORS:**

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 21<sup>st</sup> AGM to the conclusion of 24<sup>th</sup> AGM, subject to ratification by the members at every AGM. The statutory auditors have also confirmed their eligibility under section 139(1) of the Companies Act, 2013. Members are requested to ratify their appointment as Statutory Auditors and to authorize the Board to fix their remuneration.

### **13. AUDITORS' REPORT:**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

### **14. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT 9 is given as **Annexure-B** to this report.

### **15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale

and complexity of its operations. The scope and authority of the Internal Audit function is finalized and professional mandate is yet to be issued. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairperson & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### **16. 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.

### **17. 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](http://www.nettlinx.com).

**18. RISK MANAGEMENT POLICY :**

The Risk Management Policy in place in the company enables the company to proactively take care of the internal and external risks of the company and ensures smooth business operations.

The company's risk management policy ensures that all its material risk exposures are properly covered, all compliance risks are covered and the company's business growth and financial stability are assured. Board of Directors decide the policies and ensure their implementation to ensure protection of company from any type of risks.

**19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS 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. To and monitor significant related party transactions, company has also framed a policy on the related party transactions and the same is available on the company's website [www.nettlinx.com](http://www.nettlinx.com). 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.

**20. 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.

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

Particular of loans given, investment made, guarantees given and securities provided along with the purpose for which loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial Statement (Please refer to Note 10,16 and 29 to the standalone financial Statement).

**22. 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-C and Annexure-D respectively together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

**23. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

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.Koaylakar Manoj Kumar as Secretarial Auditor who is a partner of M/s AGR & Associates, Company Secretaries in Whole-time Practice, to carry out Secretarial Audit for the financial year 2015. The Secretarial Audit report is annexed herewith as "(Annexure E)" & "(Annexure E1)".

*The report is self-explanatory and do not call for any further comments.*

**24. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company Proposes to have in place an Anti Sexual Harassment Policy, during the year 2015-2016, in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) will be covered under this policy. During the year Company has not received any complaint of harassment.

**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**

**27. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Since your company does not meet applicable requirements i.e. net worth of Rs.500 Crores or more, or Turnover of Rs.1000 Crore or more, or net profit of Rs.5 Crores or more during the Financial Year, in pursuance of section 135 of the Companies Act, 2013 relating to corporate Social Responsibility, the company need not adopt any Corporate Social Responsibility (CSR) policy.

**26. HEALTH AND SAFETY/ INDUSTRIAL RELATIONS:**

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

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

**27. 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.

**28. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE 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**

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

Place: Hyderabad  
Date : 07/08/2015

**ANNEXURE INDEX**

<b>Annexure</b>	<b>Content</b>
A	Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
B	Annual Return Extracts in MGT 9
C	Corporate Governance Report
D	Management Discussion & Analysis Report
E	MR-3 Secretarial Audit Report
F	Format of declaration by Independent Director

## ANNEXURE - A

**Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received [₹]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
1	CHANDRA SEKHAR POGULA	CEO	24,00,000	B.Sc & PGDM in Sales & Marketing	30 YEARS	51	15/02/2006	SuperMax Corporation USA

**Notes:**

- > All appointments are / were non-contractual.
- > Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis.
- > None of the above employees is related to any Director of the Company employed for part of the financial year.

**Annexure - B****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**
**as on financial year ended on March 31<sup>st</sup>, 2015**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L67120TG1994PLC016930
2.	Registration Date	25/01/1994
3.	Name of the Company	NETTLINX LIMITED
4.	Category/Sub-category of the Company	Category - Company Limited by Shares Sub-Category - Indian Non-Government Company
5.	Address of the Registered office & 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
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & 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

# NETTLINX LIMITED

**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)

S. 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

## 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 [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individul/ HUF	6516902	0	6516902	56.85	6493033	0	6493033	56.64	0.21
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1)</b>	6516902	0	6516902	56.85	6493033	0	6493033	56.64	0.21
<b>(2) Foreign</b>									
a) NRIs – Individual	44800	0	44800	0.391	44800	0	44800	0.39	0
b) Other Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	00	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2)</b>	44800	0	44800	0.391	44800	0	44800	0.39	0
<b>Total shareholding of Promoter</b>									
<b>(A)= (A) (1) + (A) (2)</b>	6561702	0	6561702	57.241	6537833	0	6537833	57.03	0.211

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	800	800	0.01	0	800	800	0.01	0.01
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>1</b>	<b>800</b>	<b>800</b>	<b>0.01</b>	<b>0</b>	<b>800</b>	<b>800</b>	<b>0.01</b>	<b>0.01</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	1033577	204800	1238377	10.80	606230	204800	811030	7.08	3.72
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1027771	512930	1540701	13.44	838818	498616	1337434	11.67	1.77
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1846073	153611	1999684	17.44	2506534	123611	2630145	22.94	5.5
c) Others (specify)	102948	19100	122048	1.07	126970	19100	146070	1.10	0.03
<b>Sub-total (B)(2):-</b>	<b>4010369</b>	<b>890441</b>	<b>4900810</b>	<b>42.75</b>	<b>4078552</b>	<b>846127</b>	<b>4924679</b>	<b>42.79</b>	<b>11.02</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>4010369</b>	<b>891241</b>	<b>4901610</b>	<b>42.7569</b>	<b>4078552</b>	<b>846927</b>	<b>4925479</b>	<b>42.8</b>	<b>11.0231</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>10572071</b>	<b>891241</b>	<b>11463312</b>	<b>100</b>	<b>10616385</b>	<b>846927</b>	<b>11463312</b>	<b>100</b>	<b>0</b>



**NETTLINX LIMITED**
**ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year(31.03.2015)			% change in share holding during the year
		No. of Shares	% of total Shares of the company % of	Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Dr. Loka Narayan Reddy	39,23,224	34.22	0	39,23,224	34.22	0	0
2	P Kalpana Reddy	2,27,700	1.99	0	2,28,100	1.99	0	+0.01
3	Saranya Loka Reddy	5,99,386	5.23	0	5,99,386	5.23	0	0
4	Dr Manohar Loka Reddy	16,43,392	14.34	0	16,08,823	14.03	0	-0.31
5	Jaya Reddy	25,000	0.22	0	25,000	0.22	0	0
6	Shilpa Loka Reddy	98,200	0.86	0	98,200	0.86	0	0
7	Rohith Loka Reddy	44,800	0.39	0	44,800	0.39	0	0
8	Dr Manohar Loka Reddy (HUF)	0	0	0	10,300	0.09	0	+00.09
	<b>Total</b>	<b>65,61,702</b>	<b>57.24</b>	<b>0</b>	<b>65,37,833</b>	<b>57.03</b>	<b>0</b>	<b>-0.21</b>

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

Names	Shareholding at the beginning of the year				Cumulative Shareholding during the year			
	No. of Shares	Percent	Date of transaction	Increase in Shareholding	Decrease in Shareholding	No. of Shares	Percent	Remarks
Dr. Manohar Loka Reddy	16,43,392	14.34	20.08.2014	300	-	1643692		
(Details of transaction with reference to point d)			11.09.2014	-	15632	1628060		Market Purchase/ Transfer
			16.10.2014	-	30000	1598060		
			20.02.2015	7307	-	1605367		
			28.02.2015	3456	-	1608823		
			31.03.2015	-	-	1608823	14.03	
Mrs.P. Kalpana Reddy	2,27,700	1.99	24.06.2014	100	-	227800		

			23.02.2015	206	-	228006		
			23.02.2015	94	-	228100	1.99	
Dr .Manohar Loka Reddy (HUF)	0		06.06.2014	1918	-	1918		
			06.06.2014	500	-	2418		
			05.08.2014	-	2418	0		
			08.08.2014	100	-	100		
			11.08.2014	3820	-	3920		
			11.08.2014	5925	-	9845		
			12.08.2014	2250	-	12095		
			12.08.2014	275	-	12370		
			13.08.2014	550	-	12920		
			13.08.2014	550	-	13470		
			13.08.2014	-	550	12920		
			11.09.2014	21448	-	34368		
			11.09.2014	15632	-	50000		
			11.09.2014	-	50000	0		
			19.12.201	19650	-	19650		
			06.01.2015	-	3150	16500		
			13.01.2015	-	6700	9800		
			28.02.2015	500	-	10300		
			31.03.2015	-	-	10300		

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

Sl. No.	For each of the Top 10 Shareholders	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	NORTHEAST BROKING SERVICES LIMITED	675783	5.90	684232	5.97
2	P PRAMEELLA REDDY	152564	1.33	187564	1.64
3	KUNINTE MANIMALA	Nil	Nil	155696	1.36
4	POGULA VIJAYA LAKSHMI	150000	1.31	150000	1.31
5	SASIDHAR POSIM REDDY	136650	1.19	134700	1.18
6	MADDI VIJAYA BHASKER REDDY	115030	1	115030	1
7	CHALLA CORPORATION LTD	100000	0.87	100000	0.87
8	DINESH REDDY YELTI	Nil	Nil	96149	0.84
9	PADMAJA JUVVADI	70995	0.62	70995	0.62
10	MITTAPALLI SARAT BABU	62245	0.54	62245	0.54

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	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.	<b>Mr. Chandra Sekhar Pogula</b>	0	0	0	0
	At the beginning of the year	125000	1	115000	1
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	115000	1	115000	0
2.	<b>Dr. Manohar Loka Reddy</b>				
	At the beginning of the year	16,43,392	14.34	16,08,823	14.03
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	16,08,823	14.03	16,08,823	14.03
3.	<b>Mr. Kothuri Kameswara Rao</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	0	0	0	0
4.	<b>Dr. Loka Narayan Reddy</b>				
	At the beginning of the year	39,23,224	34.22	3923224	34.22
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	39,23,224	34.22	3923224	34.22

5.	<b>Mr. Vijay Kumar Maistry</b>				
	At the beginning of the year			30000	0
	Date wise Increase / Decrease in Promoters Shareholding 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	30000	0.02
6.	<b>Mr. Venkata Hanumantha Rao Joginapally</b>	0	0	0	0
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year				
7.	<b>Dr. Appa Rao Mukkamala</b>				
	At the beginning of the year	0	0	433300	3.78
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	433300	3.78
8.	<b>Mrs. Radhika Kundur</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	0	0	0	0
9.	<b>Mr. Sanku Mahaganesh</b>				
	At the beginning of the year	610	0.05	610	0.05
	Date wise Increase / Decrease in Promoters Shareholding 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	610	0.05

## NETTLINX LIMITED

### V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	69,86294.00	Nil	Nil	69,86294.00
ii) Interest due but not paid	73,458.00	Nil	Nil	73,458.00
iii) Interest accrued but not due	Nil			
<b>Total (i+ii+iii)</b>	70,59,752.00	Nil	Nil	70,59,752.00
<b>Change in Indebtedness during the financial year</b>	-	-		
* Addition	30,00,000.00	Nil	Nil	30,00,000.00
* Reduction	-			
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>	-			
i) Principal Amount	99,76,734.09	Nil	Nil	99,76,734.09
ii) Interest due but not paid	90,078.00	Nil	Nil	90,078.00
iii) Interest accrued but not due	-			
<b>Total (i+ii+iii)</b>	1,00,66,812.09	Nil	Nil	1,00,66,812.09

**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
		Chandra Sekhar Pogula Whole-Time Director	Managing Director	Whole-Time Director	Whole-Time Director	
1	<b>Gross salary</b>	24,00,000	0	0	0	24,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission- as % of profit-others, specify	0	0	0	0	0
5	<b>Others, please specify</b>	0	0	0	0	0
	<b>Total (A)</b>	0	0	0	0	0
	<b>Ceiling as per the Act</b>					0

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Manohar Loka Reddy	Kothuri Kameswara Rao	Loka Narayan Reddy	Appa Rao Mukkamala	Vijay Kumar Maistry	Venkata Hanumantha Rao Joginapally	
1	<b>Independent Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify							
	Sitting Fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>							

2	<b>Other Non-Executive Directors</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	10000	Nil	Nil	10000	5000	25000
	Commission							
	Others, please specify							
	<b>Total (2)</b>							
	<b>Total (B)=(1+2)</b>		10000	Nil	Nil	10000	5000	25000
	<b>Total Managerial Remuneration</b>	Nil	10000	Nil	Nil	10000	Nil	Nil
	<b>Overall Ceiling as per the Act</b>	₹ 1,00,000 per meeting	₹ 1,00,000 per meeting	₹ 1,00,000 per meeting	₹ 1,00,000 per meeting	₹ 1,00,000 per meeting	₹ 1,00,000 per meeting	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :  
Not Applicable**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			NOT APPLICABLE		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			NOT APPLICABLE		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			NOT APPLICABLE		

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

Sd/-

**Dr.Manohar Loka Reddy**

Chairman

DIN:00140229

Sd/-

**Mr.Chandra Sekhar Pogula**

CEO & Director

DIN:00007536

Place: Hyderabad

Date :07/08/2015

## ANNEXURE-C

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2015**1. Company Philosophy:**

The Company's Corporate Governance philosophy aims at assisting the management of the Company in the efficient conduct of its business and in meeting its responsibilities to all the stakeholders and to provide customer satisfaction through best quality at lowest price. It is towards this end that efforts are made to maintain high standards of disclosure to the shareholders and internal compliance guidelines for better Corporate Governance.

**2. Size and composition of Board of Directors:**

The current policy is to have an appropriate mix of Executive and Independent Non-Executive Directors. As on date the Board comprises of nine (8) members, one of whom are Executive Directors and five are Independent Non-Executive Directors. Four of the executive directors are the Founders. The Board periodically evaluates the need for change in the composition and size.

Category	No. of directors
Non-Executive & Independent Directors	4
Other Non-Executive Directors (Promoter Group) including the Chairman	3
Executive Directors	1
Total	8

The Chairman of the Board is a Non Executive Director and Promoter

As required under Section 149(1) of the Companies Act, 2013 and Clause 49(ii) of Listing Agreement, Mrs. Radhika Kundur, a lady Director, has been appointed.

**Other Relevant details of Directors:**

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	Chairmen and promoter	6	Nil	Nil
Mr. Kothuri Kameswara Rao	22/05/2006	Non-Executive	Independent Director	2	Nil	4
Mr. Loka Narayan Reddy	29/05/1997	Non-Executive	Promoter Director	1	Nil	Nil
Mr. Vijay Kumar Maistry	27/10/2011	Non-Executive	Independent Director	6	3	Nil
Mr. Venkata Hanumantha Rao Joginapally	25/04/2009	Non-Executive	Independent Director	1	3	Nil
Dr. Appa Rao Mukkamala	25/04/2009	Non-Executive	Independent Director	6	Nil	Nil
Mrs. Radhika Kundur	25/03/2015	Non-Executive	Additional Director	1	Nil	1



**Board Meetings held during the year:**

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
26 <sup>th</sup> May, 2014	7	4
06 <sup>th</sup> August, 2014	7	5
13 <sup>th</sup> November, 2014	7	4
06 <sup>th</sup> February, 2015	7	5
12 <sup>th</sup> March, 2015	7	4
25 <sup>th</sup> March, 2015	7	5

Name of Directors	Attendance at the Board Meetings held on						Attendance at the AGM held on 29 <sup>th</sup> Sept'14
	26/05/2014	06/08/2014	13/11/2014	06/02/2015	12/03/2015	25/03/2015	
Mr. Chandra Sekhar Pogula	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Dr. Manohar Loka Reddy	Yes	Yes	No	Yes	Yes	Yes	Yes
Mr. Kothuri Kameswara Rao	Yes	Yes	Yes	Yes	No	No	Yes
Dr. Loka Narayan Reddy	No	No	No	Yes	Yes	No	No
Mr. Vijay Kumar Maistry	Yes	Yes	Yes	Yes	No	Yes	Yes
Mr. Venkata Hanumantha Rao Joginapally	No	Yes	Yes	No	Yes	Yes	Yes
Dr. Appa Rao Mukkamala	No	No	No	No	No	Yes	No
Mrs. Radhika Kundur	No	No	No	No	No	No	No

**3. Committees of the Board:**

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

**(a) Audit Committee**

The Audit Committee continued working under Chairmanship of Mr. K. Kameswara Rao with Mr. J. V. Hanumantha 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.

The composition of the Audit Committee as at March 31, 2015 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			
		26/05/2014	06/08/2014	13/11/2014	06/02/2015
Sri.K.Kameswara Rao	Chairman	Yes	Yes	Yes	Yes
Sri.J.V.Hanumanth Rao	Member	No	Yes	Yes	No
Sri.M. Vijay Kumar	Member	Yes	Yes	Yes	Yes

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. Some of the important functions performed by the Committee are:

#### Financial Reporting and Related Processes

- Overview of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

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.

#### (b) Nomination and Remuneration Committee

The Committee was constituted to review the remuneration package of Managing Director/Executive Directors and to recommend suitable revision in the same, if any to the Board of Directors. During the financial year 2014-15, one committee meeting was held for review of Remuneration of working Directors.

The following is the constitution of the remuneration committee as on 31/03/2015:

Name of Director	Category	Attendance at the Committee Meetings held on
		06/08/2014
Sri K. Kameswara Rao	Chairman	Yes
Sri J. V. Hanumanth Rao	Member	Yes
Sri M. Vijay Kumar	Member	Yes

#### Remuneration of Directors:

The Company pays remuneration by way of salary, perquisites and other allowances to the Managing Director/Whole-time Directors as approved by the Board and Shareholders of the Company.

The remuneration is fixed considering various factors such as qualification, experience, expertise, and prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration structure comprises of Basic Salary, Commission, perquisites and allowances, Contribution to Provided Fund and other funds in accordance with the Provisions of the Companies Act, 2013. The Non-Executive Director does not draw any remuneration from the Company except sitting fees for each meeting of the Board attended by them.

Name of the Director	Salary	Perks & other Benefits	Performance Bonus/ Commission	Sitting Fee/Each Meeting	Total Amount Paid ( During Year)
Mr.Chandra Sekhar Pogula	24,00,000	Nil	Nil	Nil	Rs.24,00,000/-
Dr.Manohar Loka Reddy	Nil	Nil	Nil	Nil	Nil
Mr. Kothuri Kameswara Rao	Nil	Nil	Nil	2500	Rs.10,000/-
Dr. Loka Narayan Reddy	Nil	Nil	Nil	Nil	Nil
Mr. Vijay Kumar Maistry	Nil	Nil	Nil	2500	Rs.10,000/-
Mr. Venkata Hanumantha Rao Joginapally	Nil	Nil	Nil	2500	Rs.5000/-
Dr. Appa Rao Mukkamala	Nil	Nil	Nil	2500	Nil
Mrs. Radhika Kundur	Nil	Nil	Nil	2500	Nil

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

**(c) Stakeholders' Relationship Committee**

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;

- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

During the year, No complaints were received from shareholders, out of which No complaints have been attended/resolved. The balance complaints were under various stages of investigation. As on March 31, 2015, no investor grievance has remained unattended/ pending for more than thirty days. The Company had no share transfers pending as on March 31, 2015.

The composition of the Stakeholders' Relationship Committee as at March 31, 2015 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			
		26/05/2014	06/08/2014	13/11/2014	06/02/2015
Sri K. Kameswara Rao	Chairman	Yes	Yes	Yes	Yes
Sri. Chandra Sekhar Pogula	Member	Yes	Yes	Yes	Yes

**(d) Risk Management Committee :**

Business Risk Evaluation and Management is an on-going process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

The composition of the Risk Management Committee as at March 31, 2015 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			
		26/05/2014	06/08/2014	13/11/2014	06/02/2015
Sri K.Kameswara Rao	Chairman	Yes	Yes	Yes	Yes
Sri M. Vijay Kumar	Member	No	Yes	Yes	No
Sri. Chandra Sekhar Pogula	Member	No	Yes	Yes	No

#### Internal Complaints Committee:

The company has on 07.08.2015, 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
Smt. Radhika Kundur	Chairman
Sri. Chandra Sekhar Pogula	Member
Sri. J. V. Hanumantha Rao	Member

#### Independent Directors' Meeting

During the year under review, the Independent Directors met on 06<sup>th</sup> February 2015, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- 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 were present at the Meeting.

#### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship Committee and Risk Management Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**4. Disclosures:****(a) 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.

(b) 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.

**(c) 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 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 Clause 49 of the Listing Agreement 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](http://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

**5. General Shareholder Information**
**Market Information**
**Listing on Stock Exchanges**

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

Name & Address of the Stock Exchanges	Stock Code/Script Code	ISIN Number for NSDL/CDSL (Dematerialised share)
BSE Limited		
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	511658	INE027D01019

**Share Price on BSE vis-à-vis BSE Sensex April, 2014 – March, 2015**

Month	BSE Sensex Open	Share Price			No. of shares traded during the month	Turnover (₹)
		High	Low	Close		
Apr, 2014	9.70	9.70	9.60	9.60	70	673
May, 2014	9.50	9.60	8.26	8.67	8,714	81,162
Jun, 2014	9.10	12.50	9.10	12.00	39,534	4,21,358
Jul, 2014	12.25	9.37	12.00	18.50	84,161	13,92,294
Aug, 2014	19.05	27.00	18.50	20.50	3,17,160	67,72,082
Sep, 2014	20.50	31.00	18.95	30.00	2,25,625	61,15,982
Oct, 2014	30.90	34.90	29.50	34.00	1,30,861	41,94,906
Nov, 2014	34.00	34.65	26.45	28.00	48,665	13,90,517
Dec, 2014	26.95	31.40	24.40	28.70	91,015	25,54,748
Jan, 2015	26.20	31.75	20.50	27.50	1,18,197	33,96,662
Feb, 2015	27.95	29.90	20.00	23.20	9,807	2,35,052
Mar, 2015	23.20	25.95	17.20	24.00	24,559	5,57,632

## Share Transfer System / Dividend and Other Related Matters

### Share transfers

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

### Nomination facility for shareholding

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

### Permanent Account Number (PAN)

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

### Pending Investors' Grievances

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

Sl. No.	Nature of Queries/Compliant	Pending as on April 1, 2014	Received during the year 2014-2015	Redressed during the year 2014-2015	Pending as on March 31, 2015
1	Transfer/Transmission of Duplicate Share Certificate	Nil	2	2	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	No	No	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



## NETTLINX LIMITED

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, 2015, is given below:

Particulars	No. of Shares	Percentage
Physical Segment	8,45,727	7.38
Demat Segment		
NSDL	9125020	79.60
CDSL	1492565	13.02
Total	1,14,63,342	100

### Distribution of Shareholding as on March 31, 2015

No. of shares slab	Numbers	% To Total	No of Shares	% To Total
Upto -500	1640	72.79	262400	2.29
501-1000	257	11.41	229062	2
1001-2000	122	5.42	200343	1.75
2001-3000	68	3.02	173268	1.51
3001-4000	25	1.11	89052	0.78
4001-5000	29	1.29	141149	1.23
5001-10000	43	1.91	329067	2.87
>10000	69	3.06	10038971	87.57
<b>Total</b>	<b>2253</b>	<b>100</b>	<b>11463312</b>	<b>100</b>

### Shareholding Pattern as on March 31, 2015

Particulars	No. of shares held	Percentage to Total issued Shares
Promoters	65,37,833	57.03
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	19995	0.17
Directors	4,63,300	4.41
Public and Others	44,41,384	38.74
<b>Total</b>	<b>11463312</b>	<b>100.00</b>

**Statement showing Shareholding of more than 1% of the Capital as on March 31, 2015**

Sl. No.	Name of the shareholders	No. of Shares	Percentage of Capital
1	NORTHEAST BROKING SERVICES LIMITED	586710	5.12
2	APPARAO MUKKAMALA	433300	3.78
3	P PRAMEELLA REDDY	187564	1.64
4	KUNINTE MANIMALA	155696	1.36
5	VIJAYA LAKSHMI POGULA	150000	1.31
6	SASIDHAR POSIM REDDY	134700	1.18
7	MADDI VIJAYA BHASKER REDDY	115030	1
8	CHANDRA SEKHAR POGULA	115000	1
	Total	1878000	16.39

**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.

**General Body Meetings**

Particulars of last three Annual general meetings

AGM	Year ended 31st March,	Venue	Date	Time	Special Resolutions Passed
21 <sup>st</sup>	2014	ICWAI Bhavan, beside Dena Bank, Post Office Road, SanathNagar, Hyderabad-500018, Telangana	29/09/2014	10.30 A.M.	1
20 <sup>th</sup>	2013	ICWAI Bhavan, beside Dena Bank, Post Office Road, SanathNagar, Hyderabad-500018, Telangana	30/09/2013	3.30P.M	Nil
19 <sup>th</sup>	2012	ICWAI Bhavan, beside Dena Bank, Post Office Road, SanathNagar, Hyderabad-500018, Telangana	27/09/2012	3.30P.M	Nil

**Extraordinary General Meeting (EGM)**

The Company held no EGM during the year 2014-2015.

## NETTLINX LIMITED

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 <sup>st</sup> Quarter	26/05/2014
2 <sup>nd</sup> Quarter	06/08/2014
3 <sup>rd</sup> Quarter	13/11/2014
4 <sup>th</sup> Quarter	06/02/2015

### 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 22<sup>nd</sup> 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 2015:

AGM – Date, time and venue	28 <sup>th</sup> September 2015 10.30 a.m. ICWA Bhavan
Financial Calendar (Tentative) 2015-16	
1 <sup>st</sup> Quarter	30/06/2015 - by 2 <sup>nd</sup> week of August, 2015
2 <sup>nd</sup> Quarter	30/09/2015 - by 2 <sup>nd</sup> week of November, 2015
3 <sup>rd</sup> Quarter	30/12/2015 - by 2 <sup>nd</sup> week of February, 2016
4 <sup>th</sup> Quarter	31/03/2016 - by 4 <sup>th</sup> week of May, 2016
Book Closure Date	18/09/2015 to 28/09/2015 (both days inclusive)
Listing of Eq. shares on stock exchanges	Bombay Stock Exchange Ltd
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	05.09.2015
Last date for receipt of Proxy Forms	25.09.2015
Probable date of dispatch of warrants	

**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 my home Sarovar Plaza, Secretariat, Saifabad, Hyderabad, Telangana-500063. Ph: 91-040-23232200 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

for **Nettlinx Limited**

**Dr. Manohar Loka Reddy**  
Chairman  
DIN : 00140229

Place: Hyderabad  
Date : 07/08/2015

**Compliance with Code of Business Conduct and Ethics**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended December 31, 2014.

for **Nettlinx Limited**

**Dr. Manohar Loka Reddy**  
Chairman  
DIN:00140229

Place: Hyderabad  
Date : 07/08/2015

**ANNEXURE-D****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:**

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

**3. OPPORTUNITIES & THREATS:**

The Company enjoys goodwill from its Customers . Our Corporate objective is to create mutual long term sustainable value through a collaborative approach driven by the vision of becoming a preferred Internet choice for distinguished Clientele demanding Quality , Value for Money & Flexibility translating into a perfect Win Win for either Entities. This formula is working fine in favor of our Organisation . Additionally , We are operating in Niche business segments & geographic locations with in Telangana State & AP State without directly taking any of those large companies head on. We continue to optimistically protect and retain our current base and progressively increase the sales revenue and market share moving forward .

New technologies like WiFi & Free WiFi to Citizens envisaged by Govts , although may pose a little challenge to startwith , In reality these may not be any threat to us as these service offerings may have challenges from the point of view of logistics and technological obstacles and will have lots of limitations and therefore may not be commercially viable . This would in reality enlarge the usage in the market place creating a level playing field in the long run.

**4. OUTLOOK:**

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

**5. RISKS AND CONCERNS:**

The Company's products are largely intended for sale in the domestic market. Apart from normal risks as are applicable to designated 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 2014-15 are as under:

	(₹ Lakhs)
Sales for the year 2014-2015	563.71
Provision for taxation	5.53
Profit after tax	31.60
Paid up equity share capital as on 31 <sup>st</sup> March, 2015	11463312

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2014-15 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.

Place: Hyderabad  
Date : 07/08/2015

**Chandra Sekhar Pogula**  
CEO & Director  
DIN:00007536

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

FOR THE FINANCIAL YEAR ENDED March 31, 2015

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

To,  
The Members  
**Nettlinx Limited**  
5-9-22, Flat No.303, 3rd Floor Myhome Sarovar Plaza,  
Secretariat, Saifabad  
Hyderabad, Telangana- 500063.

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

Based on my 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 authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (1) The Companies Act, 2013 (the “**Act**”) and the rules made there under and other applicable provisions of the Companies Act, 1956 which are still in force;
- (2) The Securities Contracts (Regulation) Act, 1956 (‘**SCRA**’) and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- (4) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘**SEBI Act**’):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (5) Telangana Shops & Establishment Act, 2014;
- (6) The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
- (7) Employees’ State Insurance Act, 1948
- (8) The Payment of Bonus Act, 1965
- (9) The Payment of Gratuity Act, 1972

## NETTLINX LIMITED

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

The Listing Agreements entered into by the Company with BSE Limited;

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

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

I 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.

I report further that, during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

for **AGR Reddy & Co.**  
**Company Secretaries**

Sd/-

**Manoj Kumar Koyalkar**

M. No.: 19445

C.P. No.: 10004

Place : Hyderabad

Date : 07/08/2015

\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.



**'ANNEXURE A'**

To,  
The Members  
**Nettlinx Limited**  
5-9-22, Flat No.303, 3rd Floor Myhome Sarovar Plaza,  
Secretariat, Saifabad  
Hyderabad, Telangana- 500063

I 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **AGR Reddy & Co.**  
**Company Secretaries**

Sd/-  
**Manoj Kumar Koyalkar**  
M. No.: 19445  
C.P. No.: 10004

Place: Hyderabad  
Date : 07/08/2015

**Annexure - F****DECLARATION BY THE WHOLE TIME DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,  
The Members  
Nettlinx Limited.

I hereby declare that all the Directors and the designated employees in the senior management of the Company have affirmed compliance with their respective codes for the Financial Year ended March 31, 2015.

For **Nettlinx Limited**

Sd/-

**Chandra Sekhar Pogula**  
Whole Time Director & CEO  
DIN:00007536

Place: Hyderabad  
Date : 07/08/2015

**CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 (V) OF THE LISTING AGREEMENT**

To  
The Board of Directors,  
Nettlinx Limited.

We have reviewed the financial statements and the cash flow statement of Nettlinx Limited for the year ended March 31, 2015 and to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, 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's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date : 07/08/2015

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

Sd/-  
**S.Mahaganesh**  
CFO

**AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members,  
Nettlinx Limited

We have examined the compliance of conditions of Corporate Governance by Nettlinx Limited, for the financial year ended March 31, 2015 as stipulated in clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination was carried out in accordance with the Guidance Note of Certification of Corporate Governance (as stipulated in Clause 49 of the listing Agreement<sup>0</sup>, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**(JAINIK M SONI)**  
Partner  
Membership No. 149967

Place: Hyderabad  
Date :07/08/2015

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Nettlinx Limited**  
**Report on the Financial Statements**

We have audited the accompanying financial statements of **Nettlinx Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and 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 and cash flows 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.

### **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 2015 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) order, 2015("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 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, 2015, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2015 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 – Also Refer Note 29 to the 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

Sd/-  
**(JAINIK M SONI)**

Place:Hyderabad  
Date :26/05/2015  
Partner  
Membership No.149967

### 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 31<sup>st</sup> March 2015. 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) Fixed assets have been physically verified by the management at reasonable intervals, According to the information and explanations given to us no material discrepancies were noticed on such verification.

ii. In respect of the inventory of the Company:

- (a) Physical verification of inventory has been conducted at reasonable intervals by the management of the Company.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is proper in maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under Section 189 of the Act:

- a) The company has granted loans to subsidiary. In respect of the said loan, the outstanding amount as at the year-end is 442.01 lakhs.
- b) 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.

- c) In respect of the said loans, interest amounting to Rs. 40.79 lakhs is overdue as at March 31, 2015.
  - d) The company has not taken any loans during the year from companies, firms or other parties covered in the register 189 of the companies act, 2013.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. In our opinion, and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v. In our opinion and according to the information and explanations 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 30<sup>th</sup> 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 30<sup>th</sup> 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) The Company has been irregular sometimes in depositing undisputed

## NETTLINX LIMITED

statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues 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) 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.

viii. The accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

ix. In our opinion and on verification of records, the company has not defaulted in repayment of dues to its bankers and financial institutions.

x. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.

xi. In our opinion, the term loans have been applied for the purpose for which they were raised.

xii. To the best of our knowledge and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

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

**(Jainik M Soni)**  
Partner  
Membership No.149967

Place: Hyderabad  
Date : 26/05/2015

**BALANCE SHEET AS AT MARCH 31<sup>st</sup> 2015**

S.No	Particulars	Note No.	As at	As at
			31st March, 2015 ₹	31st March, 2014 ₹
<b>EQUITY AND LIABILITIES:</b>				
<b>A. Share Holders' Funds:</b>				
	(a) Share Capital	2	11,46,33,120	11,46,33,120
	(b) Reserves & Surplus	3	4,83,10,111	4,72,63,954
<b>B. Non Current Liabilities</b>				
	(a) Long Term Borrowings			
	(b) Other Long Term Liabilities	4	53,44,574	51,22,981
	(c) Long Term Provisions	5	16,61,210	20,55,565
<b>C Current Liabilities</b>				
	(a) Short Term Borrowings	6	99,76,734	1,00,32,379
	(b) Trade Payables	7	50,36,177	53,66,177
	(c) Other Current Liabilities	8	46,76,934	34,40,310
			<u>18,96,38,859</u>	<u>18,79,14,486</u>
<b>ASSETS:</b>				
<b>A. Non Current Assets</b>				
	(a) Fixed Assets: Tangible Assets	9	2,27,64,851	2,58,80,528
	(b) Non Current Investments	10	6,81,25,260	5,14,17,460
	(c) Deferred Tax Assets (Net)	35	52,09,361	49,53,145
	(d) Long Term Loans & Advances	11	1,02,03,337	85,96,106
	(e) Other Non Current Assets	12	74,51,900	79,33,111
<b>B. Current Assets</b>				
	(a) Current Investments		-	-
	(b) Inventories-Traded Finished Goods	13	6,68,816	6,92,008
	(c) Trade Receivables	14	1,06,31,936	85,93,535
	(d) Cash & Cash Equivalents	15	3,52,530	4,01,612
	(e) Short Term Loans & Advances	16	5,00,29,487	5,24,64,760
	(f) Other Current Assets	17	1,42,01,382	2,69,82,222
			<u>18,96,38,859</u>	<u>18,79,14,486</u>
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 39		

As per our report of even date

for **DEVA & CO.,**  
Chartered Accountants  
Firm Reg. No.000722S  
Sd/-

**(Jainik M Soni)**  
Partner  
Membership No.149967

Place: Hyderabad  
Date : 26/05/2015

for and on behalf of the Board of Directors

Sd/-  
**(Dr. Manohar Loka Reddy )**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director and Compliance Officer

Sd/-  
**(S. Mahaganesh)**  
Chief Financial Officer



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

S.No.	Particulars	Note No.	Current Year ₹	Previous Year ₹
I.	Revenue from Operations	18	5,63,71,090	5,00,45,581
II.	Other Income	19	86,07,680	1,82,33,103
III.	<b>Total Revenue (I + II)</b>		<u>6,49,78,770</u>	<u>6,82,78,684</u>
IV.	<b>Expenses:</b>			
	(a) Changes in inventories of stock in trade	20	23,192	27,980
	(b) Employee Benefits expense	21	1,51,24,761	1,48,42,482
	(c) Finance Costs	22	11,92,417	14,23,688
	(d) Depreciation and amortization Expenses	10	37,83,900	48,52,378
	(e) Operation and other expenses	23	4,19,50,147	4,68,12,379
	<b>Total Expenses</b>		<u>6,20,74,416</u>	<u>6,79,58,906</u>
V.	<b>Profit /(Loss) Before Tax (III-IV)</b>		29,04,354	3,19,778
VI.	<b>Tax Expense:</b>			
	(1) Current Tax		5,53,425	60,934
	Less: MAT Credit		(5,53,425)	(60,934)
	(2) Deferred Tax - Asset	35	2,56,216	5,35,286
VII.	<b>Profit /(Loss) for the year</b>		31,60,569	8,55,063
VIII.	<b>Earning/(Loss) Per Share</b>			
	Basic		0.28	0.07
	Diluted		0.28	0.07
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 39		

As per our report of even date

for **DEVA & CO.,**  
Chartered Accountants  
Firm Reg. No.000722S  
Sd/-

**(Jainik M Soni)**  
Partner  
Membership No.149967

Place: Hyderabad  
Date : 26/05/2015

for and on behalf of the Board of Directors

Sd/-  
**(Dr. Manohar Loka Reddy )**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director and Compliance Officer

Sd/-  
**(S. Mahaganesh)**  
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015

	(₹. In lakhs)	
	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<i>Net Profit/(loss) before tax as per Statement of Profit and Loss</i>	29.04	3.19
<b>Adjusted For:</b>		
Depreciation and Amortisation Expense	37.84	48.52
Profit on sale of Building	0.00	(97.87)
Loss on sale of investment	0.00	119.50
Bad Debt written off	14.11	7.25
Interest Income	(40.79)	(52.86)
Effect of Exchange Rate Change	0.00	(4.14)
<b>Operating profit before working capital changes</b>	<u>40.20</u>	<u>23.58</u>
<b>Adjusted For:</b>		
Trade and Other Receivables	(3.97)	89.72
Inventories	0.23	0.28
Trade and Other Payables	(3.30)	(35.21)
Interest Expenses	9.82	11.30
<b>Net Cash from Operating Activities</b>	<u>42.98</u>	<u>89.67</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(29.02)	(25.95)
Investment in subsidiary	(167.08)	0.00
Sale of Fixed Assets	0.00	111.30
Sale of Investments	0.00	70.00
Movement in Loans and Advances	151.72	(196.69)
<b>Net Cash Flow from Investing Activities</b>	<u>(44.37)</u>	<u>(41.34)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Long term Borrowings	1.73	(14.20)
Short Term Borrowings (net)	(0.56)	(34.34)
<b>Net cash Flow from/(used) in Financing Activities</b>	<u>1.17</u>	<u>(48.54)</u>
<b>Net (Decrease)/ Increase in Cash and Cash equivalents</b>	(0.22)	(0.20)
Opening Balance of Cash and Cash Equivalents	4.02	4.22
<b>Closing Balance of Cash and Cash Equivalents</b>	3.53	4.02

As per our report of even date

for **DEVA & CO.,**  
Chartered Accountants  
Firm Reg. No.000722S  
Sd/-

**(Jainik M Soni)**  
Partner  
Membership No.149967

Place: Hyderabad  
Date : 26/05/2015

for and on behalf of the Board of Directors

Sd/-  
**(Dr. Manohar Loka Reddy )**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director 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, 2015

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note 2 Share Capital</b>		
Authorised Capital		
2,00,00,000 Equity Shares of ₹ 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued, Subscribed & Paid up Capital		
1,14,63,312 Equity Shares of		
₹ 10/- each fully paid up	<u>11,46,33,120</u>	<u>11,46,33,120</u>

(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, 2015 and March 31, 2014.

**(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

Name of Share Holder	As at 31st March, 2015		As at 31st March, 2014	
	No.of	% Holding	No.of	% Holding
	Shares		Shares	
Loka Narayan Reddy	39,23,224	34.22	39,23,224	34.22
Dr. Loka Manohar Reddy	16,08,823	14.03	16,43,392	14.34
Saranya Loka Reddy	<u>5,99,386</u>	<u>5.23</u>	<u>5,99,386</u>	<u>5.23</u>

**Note 3 Reserves and Surplus**

	As at 31st March, 2015		As at 31st March, 2014	
(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:	(53,35,621)		(61,90,684)	
Retained Earnings (Refer Note No.26)	(21,14,412)			
Profit for the Year	<u>31,60,569</u>	(42,89,464)	<u>8,55,063</u>	(53,35,621)
	<u>4,83,10,111</u>		<u>4,72,63,954</u>	

**Note 4 Other Long Term Liabilities**

	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
Trade Payables				
- to Related Party (Refer Note No.27)	17,60,840		14,53,091	
- to Others	<u>20,77,090</u>	38,37,930	<u>20,34,601</u>	34,87,692
Rental Deposit		5,50,000		5,50,000
Trade Deposit Received		71,427		71,427
Service Tax Payable (Refer Note No.28)		8,85,217		10,13,862
	<u>53,44,574</u>		<u>51,22,981</u>	

**NETTLINX LIMITED**

<b>Note 5 Long Term Provisions</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Provision for Employee Benefits		
Gratuity	12,98,761	10,92,000
Leave Encashment	3,62,449	9,63,565
	<u>16,61,210</u>	<u>20,55,565</u>
<b>Note 6 Short Term Borrowings</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
<b>Secured</b>		
- HDFC Bank - CC Account (Refer Note No. 29)	99,76,734	70,00,000
- Vehicle Loan		1,032,379
<b>Unsecured</b>		
- Loans		20,00,000
	<u>99,76,734</u>	<u>1,00,32,379</u>
<b>Note 7 Trade Payables</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Trade Payables (Refer Note No. 30)	50,36,177	53,66,177
	<u>50,36,177</u>	<u>53,66,177</u>
<b>Note 8 Other Current Liabilities</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Current maturities of long-term debt		
Interest accrued and due on borrowings and CC A/c	90,078	1,28,377
Advance received from Customers	13,04,798	12,15,656
Other Statutory Liabilities	6,11,510	3,38,638
Liability for Expenses	3,11,677	3,77,282
Employee related liabilities	18,05,446	11,65,701
Others	-	1,53,723
Provision for Tax	5,53,425	60,934
	<u>46,76,934</u>	<u>34,40,310</u>

(Amount in ₹)

Note No. 9 STATEMENT OF FIXED ASSETS & DEPRECIATION

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK		
	AS AT 01.04.14	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.15	AS AT 01.04.14	DURING THE YEAR	DELETIONS DURING THE YEAR	TRANSFER TO RETAINED EARNINGS	TOTAL 31.03.15	AS AT 31.03.15	AS AT 31.03.14
<b>Tangible Assets</b>											
Land											
Buildings	1,01,62,910	-		10,162,910	16,06,318	1,72,215			17,78,533	83,84,377	85,56,592
Plant & Machinery	12,09,06,134	2,588,949		1,23,495,063	11,31,33,944	1,495,559		1,188,996	11,58,18,498	76,76,585	77,72,190
Office Equipment	48,65,400	2,79,822		5,145,222	33,16,781	2,37,717		8,86,677	44,41,175	7,04,047	15,48,619
Furniture & Fixtures	76,44,411	33,000		7,677,411	67,68,163	1,64,509		22,072	69,54,744	7,22,667	
Vehicles	1,22,91,913	-	8,57,002	11,434,911	51,65,036	1,713,899	7,37,866	16,668	61,57,737	52,77,174	71,26,877
<b>TOTAL</b>	15,58,70,768	29,01,771	8,57,002	15,79,15,537	12,99,90,241	37,83,900	737,866	2,114,412	13,51,50,686	2,27,64,851	2,58,80,528
31st March, 2014	15,51,70,790	25,95,398	18,95,420	15,58,70,768	12,56,86,698	48,52,380	5,48,837	-	12,99,90,241	2,58,80,528	2,94,84,094

Refer Note No.26

**NETTLINX LIMITED**

<b>Note 10 Non Current Investments</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Investment in unquoted equity instruments		
(a) of subsidiaries		
<b>Trade Investments:</b>		
i. Nettlinx Inc, USA (24,663 shares of \$15 each fully paidup )	2,17,09,360	50,01,560
ii. Host Department, LLC USA		51,964,299
Less: Provision for Diminution		23,310,513
Less: loss on sale		11,945,986
Less: Sales consideration		16,707,800
		-
<b>Non-Trade Investments:</b>		
i. Nettlinx Realty 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) of Associates		
i. Northeast Broking Services Ltd (11,600 Equity Shares of Rs.10 each fully paid up)	1,16,000	1,16,000
ii. 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>5,14,17,460</u>
During the year the Company has additionally invested Rs. 1,67,07,800 in Nettlinx Inc		
	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
<b>Note 11 Long Term Loans and Advances</b>		
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>	29,64,993
TDS Adjustment Account (Refer Note No. 31)	28,62,989	28,62,989
Refund for the year 2013-2014	18,01,351	18,45,170
Refund for the year 2014-2015	16,51,050	-
	<u>1,02,03,337</u>	<u>85,96,106</u>
<b>Note 12 Other Non Current Assets</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
- In Fixed Deposits with more than 12 months maturity (100% against Bank Guarantees)	19,52,211	19,52,211
- Other Deposits	10,25,244	10,12,048
Long Term Trade Receivables Unsecured, Considered Good (Refer Note No. 32)	38,60,086	49,07,918
MAT Credit Entitlement	6,14,359	60,934
	<u>74,51,900</u>	<u>79,33,111</u>



<b>Note 13 Inventories</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
i. Traded Goods - Valued at Cost or NRV which ever is lower	6,68,816	6,92,008
	<u>6,68,816</u>	<u>6,92,008</u>
<b>Note 14 Trade Receivables</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
a) Outstanding for a period exceeding Six Months		
- from Related Parties (Refer Note No.27)		
- from Others	47,79,363	20,93,140
Less -Bad Debts Written Off	<u>1,411,127</u>	<u>7,24,637</u>
b) Others		
- from Related Parties (Refer Note No.27)	-	
- from Others	72,63,700	72,25,031
	<u>1,06,31,936</u>	<u>85,93,535</u>
<b>Note 15 Cash and Cash Equivalents</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
a) Balances with Banks		
- In Current Accounts	1,65,655	2,45,483
b) Cash on hand	1,86,875	1,56,129
	<u>3,52,530</u>	<u>4,01,612</u>
<b>Note 16 Short Term Loans and Advances</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Loans and Advances to Related Parties (Refer Note No.27)	4,42,01,221	3,64,08,691
Advances to Suppliers	23,604	29,004
Staff Advances	38,933	34,899
Balance with Government Authority		
- Servicetax Credit receivable	15,617	10,188
- VAT Credit Receivable	1,510	1,376
Rental Deposits	10,29,350	9,94,350
Other Loans and Advances	47,19,252	1,49,86,253
	<u>5,00,29,487</u>	<u>5,24,64,760</u>
<b>Note 17 Other Current Assets</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Interest Accrued but not due on FDRs	7,27,158	4,99,439
Interest Accrued and Due	1,31,14,118	95,79,110
Prepaid Expenses	2,23,576	1,95,873
Other Deposits/Receivables	1,36,528	1,67,07,800
	<u>1,42,01,380</u>	<u>269,82,222</u>

# NETTLINX LIMITED

<b>Note 18 Revenue from Operations</b>	<b>Current Year</b>	<b>Previous Year</b>
	₹	₹
a) Sale of Products		
Sale of VOIP Telephones - VAT Sales	31,000	30,476
b) Sale of Services		
Income from Bandwidth Services	5,48,32,726	4,69,87,323
Income from Web Solutions	15,07,364	13,33,082
Income from ITES (export)	-	16,94,700
	<u>5,63,71,090</u>	<u>5,00,45,581</u>
<b>Note 19 Other Income</b>	<b>Current Year</b>	<b>Previous Year</b>
	₹	₹
Interest Income		
- from Related Parties (Refer Note No.27)	40,79,484	35,14,484
- from Others		17,71,967
Rental Income		
- from Related Parties (Refer Note No.27)	17,92,967	19,90,998
- from Others	<u>10,72,779</u>	<u>4,51,177</u>
Foreign Exchange Gain		4,13,961
Profit on sale of building	-	97,86,939
Other Misc.Incomes	16,62,450	3,03,577
	<u>86,07,680</u>	<u>1,82,33,103</u>
<b>Note 20 Changes in inventories of stock-in-trade</b>	<b>Current Year</b>	<b>Previous Year</b>
	₹	₹
Inventories at the end of the year - Stock in Trade	6,68,816	6,92,008
Inventories at the beginning of the year - Stock in Trade	6,92,008	7,19,988
Net (increase)/ decrease	<u>23,192</u>	<u>27,980</u>
<b>Note 21 Employee Benefit Expenses</b>	<b>Current Year</b>	<b>Previous Year</b>
	₹	₹
Salaries	1,27,91,776	1,19,54,018
Contribution to Provident and Other funds	14,18,262	21,61,677
Staff Welfare	9,14,723	7,26,787
	<u>1,51,24,761</u>	<u>1,48,42,482</u>
<b>Note 22 Finance Cost</b>	<b>Current Year</b>	<b>Previous Year</b>
	₹	₹
Interest	9,81,587	11,30,265
Finance charges	40,549	1,89,704
Bank Charges	1,70,281	1,03,719
	<u>11,92,417</u>	<u>14,23,688</u>
<b>Note 23 Operation and Other Expenses</b>	<b>Current Year</b>	<b>Previous Year</b>
	₹	₹
Bandwidth, leased circuit charges & service chargs	2,37,64,240	1,75,27,444
Rent & Maintenance	33,83,968	32,48,383
Domain Registration expenses	1,60,811	1,39,407

## NETTLINX LIMITED

Power and Electricity	28,86,589	26,24,656
Postage & Telegram expenses	63,029	73,741
Advertisement & Publicity	1,26,319	1,16,703
Telephone expenses	2,72,578	2,75,324
Computers & Networking Maintenance	34,63,831	42,87,606
Watch & Ward expenses	6,50,007	6,04,000
Traveling expenses	6,47,770	15,67,288
Loss Due to Forex Fluctuations	6,92,247	–
Local Conveyance	7,99,564	6,83,061
Vehicle Maintenance	7,49,353	6,05,541
Rates & Taxes	2,05,011	2,34,489
Insurance-Others	2,21,382	1,75,705
Annual Membership Fee	60,089	1,21,461
Demat Charges(NSL)	1,29,039	1,32,175
Legal & Professional Charges	4,76,444	2,34,820
Office Maintenance Expenses	6,33,289	5,40,528
Printing & Stationary Expenses	2,87,730	2,80,612
Loss on Sale of Investments	Nil	1,19,49,527
Other Administrative Expenses	7,90,731	5,90,273
Bad Debts Written Off	14,11,127	7,24,636
Audit Fees (Refer Note No. 33)	75,000	75,000
	<u>4,19,50,147</u>	<u>4,68,12,379</u>

### Additional Information to the Financial Statements

	<u>Current Year</u>	<u>Previous Year</u>
<b>Note 24 Expenditure in Foreign Currency</b>		
Licence fee and domain registration charges	1,40,810	1,17,897
<b>Note 25 Earnings in Foreign Exchange</b>		
Software Services(ITES)	NIL	16,94,700
<b>Note 26 Retain earning</b>		

Pursuant to the enactment 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 Rs. 21.14 lakhs.

## NETTLINX LIMITED

### 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	
i. Nettlinx Realty Private Limited	} Relationship
ii. Nettlinx Aquaculture Private Limited	
iii. Nettlinx Inc, USA	
	} Wholly Owned Subsidiaries
i. North East Broking Services Ltd	} Associates
ii. North East Commodities Private Ltd	
i. Dr. Manohar Loka Reddy - Chairman	} Key Management Personnel
ii. Chandra Sekhar Pogula - CEO & Director and Compliance Officer	

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

Sale of Services:	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
	₹	₹
<b>Other Income - Rent Received</b>		
- Northeast Broking Services Limited	17,31,728	13,74,742
- Northeast Commodities Services Limited	44,037	6,16,256
- Sai Roshni Capital Pvt Ltd	17,202	Nil
<b>Other Income - Interest</b>		
Nettlinx Realty Private Limited	40,79,484	35,14,484
<b>Trade Payables:</b>		
Nettlinx Inc, USA	17,60,841	14,53,091
<b>Short Term Loans &amp; Advances:</b>		
Nettlinx Realty Private Limited	4,42,01,221	3,64,08,691
- Sai Roshni capital Pvt Ltd	Nil	20,00,000
<b>Managerial Remuneration :</b>		
Chandra Sekhar Pogula - CEO & Director and Compliance Officer	24,00,000	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 Dues to Micro, Small and medium enterprises**

Dues to Micro, Small and medium enterprises is Nil as per the records of the Company

**Note 31 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 ₹ 28,62,989/- is shown in Advance Taxes.

**Note 32 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.

**Note 33 Audit Fees**

	Current Year ₹	Previous Year ₹
for Statutory Audit	28,090	28,090
for Taxation Matters	22,472	22,472
for Management & Other Services	22,472	22,472
for Re-imbusement of expenses	11,236	11,236
	84,270	84,270

Audit fees is inclusive of service tax

**Note 34 Earnings per share**

	Current Year ₹	Previous Year ₹
i) Profit /(Loss) for the year	31,60,569	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	0.28	0.07
- Diluted	0.28	0.07

**Note 35 Deferred Tax (Asset)**

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Tax effect of items constituting deferred tax assets		
Arising on Account of timing difference in Depreciation	2,56,216	5,35,286
Add: Opening Balance of Deferred Tax Asset	49,53,145	44,17,859
	<u>52,09,361</u>	<u>49,53,145</u>

**Note 36 Contingent Liabilities and Commitments**

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
Contingent Liabilities :		
Unexpired Bank Guarantees	23,00,000	21,22,765
Provisional License fee Assessment	<u>43,30,195</u>	<u>43,30,195</u>

**Note 37**

Company has received Revised provisional license fee assessment notice from Department of Telecommunications-AP circle for the years 2005-06, 2006-07,2007-08and 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 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**

	31.03.2015	31.03.2014
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)	28.69 years	31.00 years

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

	31.03.2015	31.03.2014
Present Value of Obligation as at the beginning of the year	1092	648
Acquisition adjustment		
Interest Cost	87	52
Past Service Cost	-	-
Current Service Cost	51	151
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	(66)	-
Actuarial (gain)/ loss on obligations	134	241
Present Value of Obligation as at the end of the year	1298	1092

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

	31.03.2015	31.03.2014
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)**

	31.03.2015	31.03.2014
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)**

	31.03.2015	31.03.2014
Actuarial (gain)/loss for the year – Obligation	134	241
Actuarial (gain)/loss for the year - Plan Assets	-	-
Total (gain) / loss for the year	134	241
Actuarial (gain) / loss recognized in the year	134	241
Unrecognized actuarial (gains) / losses at the end of year	-	-

**6 . The Amounts to Recognized in Balance Sheet and Statements of Profit and Loss (₹ 000's)**

	31.03.2015	31.03.2014
Present Value of Obligation as at the end of the year	1298	1092
Value of provision as at the end of the year	1298	1092
Funded Status	-	-
Unrecognized Actuarial (gains) / losses	-	-
Net Asset/(Liability) Recognized in Balance Sheet	1298	1092

**7. Expense Recognized in the Statement of Profit and Loss (₹ 000's)**

	31.03.2015	31.03.2014
Current Service Cost	51	151
Past Service Cost	-	-
Interest Cost	87	52
Expected Return on Plan Assets	-	-
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net actuarial (gain)/ loss recognized in the year	134	241
Expenses Recognized in the statement of Profit & Loss	273	443

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

	<b>31.03.2015</b>
Opening Liability	1092
Expenses as above	273
Contribution Paid	(66)
Closing Liability	1298

**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**

	<b>31.03.2015</b>
Discount Rate	8 %
Rate of increase in Compensation levels	5% p.a.
Rate of Return on Plan Assets	0
Expected Average remaining working lives of employees (years)	28.69 Y

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

	<b>31.03.2015</b>
Present Value of Obligation as at the beginning of the year	963
Acquisition adjustment	
Interest Cost	77
Past Service Cost	-
Current Service Cost	179
Curtailement Cost / (Credit)	-
Settlement Cost / (Credit)	-
Benefits paid	(65)
Actuarial (gain)/ loss on obligations	(791)
Present Value of Obligation as at the end of the year	362

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

	<b>31.03.2015</b>
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	-



## NETTLINX LIMITED

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

	<b>31.03.2015</b>
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)

	<b>31.03.2015</b>
Actuarial (gain)/loss for the year – Obligation	(791)
Actuarial (gain)/loss for the year - Plan Assets	-
Total (gain) / loss for the year	(791)
Actuarial (gain) / loss recognized in the year	(791)
Unrecognized actuarial (gains) / losses at the end of year	-

### 6 . The Amounts to Recognized in Balance Sheet and Statements of Profit and Loss (₹ 000's)

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

### 7. Expense Recognized in the Statement of Profit and Loss (₹ 000's)

	<b>31.03.2015</b>
Current Service Cost	179
Past Service Cost	-
Interest Cost	77
Expected Return on Plan Assets	-
Curtailment Cost / (Credit)	-
Settlement Cost / (Credit)	-
Net actuarial (gain)/ loss recognized in the year	(792)
Expenses Recognized in the statement of Profit & Loss	(536)

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

Opening Liability	964
Expenses as above	(536)
Benefits paid	(65)
Closing Liability	362

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

**for and on behalf of the Board of Directors**

Sd/-  
**(Dr. Manohar Loka Reddy)**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director and Compliance Officer

Sd/-  
**(S. Mahaganesh)**  
Chief Financial Officer

Place : Hyderabad.  
Date : 26/05/2015

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF A GROUP UNDER THE COMPANIES ACT, 2013 AND THE RULES THERE UNDER****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, 2015, 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, 2015, and their consolidated profit / loss 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 Rs.982.54 lakhs as at 31st March, 2015, total revenues of ₹569.25 lakhs and net cash flows amounting to ₹ 2.61 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 loss of ₹ 17.21 lakhs for the year ended 31st March, 2015, 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 the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, 2015 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, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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:
- 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 – Also Refer Note 29 to the financial statements.
  - ii. 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.
  - 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

**(Jainik M Soni)**  
Partner  
Membership No.149967

Place: Hyderabad  
Date : 26/05/2015

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31<sup>st</sup> 2015**

S.No	Particulars	Note No.	As at	As at
			31st March, 2015	31st March, 2014
			₹	₹
<b>EQUITY AND LIABILITIES:</b>				
<b>A. Share Holders' Funds:</b>				
(a)	Share Capital	2	11,46,33,120	11,46,33,120
(b)	Reserves & Surplus	3	5,75,21,555	6,15,50,977
(c)	Minority Interest		100	100
<b>B. Non Current Liabilities</b>				
(a)	Long Term Borrowings	4	10,69,761	-
(b)	Other Long Term Liabilities	5	35,83,734	36,70,713
(c)	Long Term Provisions	6	16,61,210	20,55,565
<b>C Current Liabilities</b>				
(a)	Short Term Borrowings	7	3,41,07,578	1,82,86,971
(b)	Trade Payables	8	50,58,248	58,82,556
(c)	Other Current Liabilities	9	7,02,57,590	7,91,33,030
			<u>28,78,92,897</u>	<u>28,52,13,032</u>
<b>ASSETS:</b>				
<b>A. Non Current Assets</b>				
(a) Fixed Assets:				
(i)	Tangible Assets	10	3,28,04,892	2,95,56,041
(ii)	Intangible Assets		-	-
(b)	Non Current Investments	11	83,16,000	83,16,000
(c)	Deferred Tax Assets (Net)	28	48,40,479	46,81,116
(d)	Long Term Loans & Advances	12	1,19,88,649	99,88,531
(e)	Other Non Current Assets	13	68,37,541	78,72,177
<b>B. Current Assets</b>				
(a)	Current Investments	14	4,83,45,036	4,85,17,216
(b)	Inventories-Traded Finished Goods	15	8,18,67,614	8,08,32,456
(c)	Trade Receivables	16	2,98,87,812	2,52,62,473
(d)	Cash & Cash Equivalents	17	51,15,843	49,18,749
(e)	Short Term Loans & Advances	18	2,40,68,448	3,58,43,137
(f)	Other Current Assets	19	3,38,20,584	2,94,25,136
			<u>28,78,92,897</u>	<u>28,52,13,032</u>

Significant Accounting Policies 1  
Notes on Financial Statements 2 to 38

As per our report of even date

for **DEVA & CO.,**  
Chartered Accountants  
Firm Reg. No.000722S

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

for and on behalf of the Board of Directors

Sd/-  
**(Dr. Manohar Loka Reddy )**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Place: Hyderabad  
Date : 26/05/2015

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director and Compliance Officer

Sd/-  
**(S. Mahaganesh)**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

S.No.	Particulars	Note No.	Current Year ₹	Previous Year ₹
I.	Revenue from Operations	20	10,88,57,908	8,62,69,727
II.	Other Income	21	1,30,46,226	3,28,79,012
III.	<b>Total Revenue (I + II)</b>		<u>12,19,04,134</u>	<u>11,91,48,739</u>
IV.	<b>Expenses:</b>			
	(a) Changes in inventories of stock in trade	22	23,192	27,40,530
	(b) Employee Benefits expense	23	3,45,21,670	3,13,74,330
	(c) Finance Costs	24	58,29,074	78,01,662
	(d) Depreciation and amortization Expenses	10	45,41,025	53,21,146
	(e) Operation and other expenses	25	7,87,10,375	7,40,80,855
	<b>Total Expenses</b>		<u>12,36,25,335</u>	<u>12,13,18,523</u>
V.	<b>Profit/(Loss) Before Tax (III-IV)</b>		(17,21,201)	(21,69,784)
VI.	<b>Tax Expense:</b>			
	(1) Current Tax		553,425	-
	(Less): MAT credit		(5,53,425)	60,934
	(2) Deferred Tax - Asset	28	1,59,364	3,88,295
VII.	<b>Profit/(Loss) for the year</b>		(15,61,838)	(19,41,507)
VIII.	<b>Earning/(Loss) Per Share</b>	27		
	Basic		(0.14)	(0.17)
	Diluted		(0.14)	(0.17)
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 38		
	As per our report of even date			

As per our report of even date

for **DEVA & CO.,**  
Chartered Accountants  
Firm Reg. No.000722S  
Sd/-

**(Jainik M Soni)**  
Partner  
Membership No.149967

Place: Hyderabad  
Date : 26/05/2015

for and on behalf of the Board of Directors

Sd/-  
**(Dr. Manohar Loka Reddy )**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director and Compliance Officer

Sd/-  
**(S. Mahaganesh)**  
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31<sup>st</sup> 2015**

	(₹. In lakhs)	
	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<i>Net Profit/(loss) before tax as per Statement of Profit and Loss</i>	(17.21)	(21.70)
<b>Adjusted For:</b>		
Depreciation and Amortisation Expense	45.41	53.21
Effect of Exchange Rate Change	0.00	0.95
Interest Income	40.79	69.77
<b>Operating profit before working capital changes</b>	<u>68.99</u>	<u>102.23</u>
<b>Adjusted For:</b>		
Trade and Other Receivables	(134.11)	(71.99)
Inventories	(10.35)	27.41
Trade and Other Payables	(93.92)	129.34
<b>Net Cash from Operating Activities</b>	<u>(169.39)</u>	<u>186.99</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(109.48)	(25.95)
Movement in Investments	1.72	(20.87)
Sale of Fixed Assets	2.17	18.95
Movement in Loans and Advances	97.75	(88.14)
Interest Income	33.52	28.94
<b>Net Cash Flow from Investing Activities</b>	<u>25.68</u>	<u>(87.07)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Long term Borrowings (net)	0.00	0.00
Short Term Borrowings (net)	158.21	(95.14)
<b>Net cash Flow from/(used) in Financing Activities</b>	<u>158.21</u>	<u>(95.14)</u>
<b>Net (Decrease)/ Increase in Cash and Cash equivalents</b>	14.49	4.78
Opening Balance of Cash and Cash Equivalents	49.04	44.26
<b>Closing Balance of Cash and Cash Equivalents</b>	63.53	49.04

As per our report of even date

for **DEVA & CO.,**  
Chartered Accountants  
Firm Reg. No.000722S

Sd/-  
**(Jainik M Soni)**

Partner  
Membership No.149967

for and on behalf of the Board of Directors

Sd/-  
**(Dr. Manohar Loka Reddy )**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Place: Hyderabad

Date : 26/05/2015

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director and Compliance Officer

Sd/-  
**(S. Mahaganesh)**  
Chief Financial Officer



## NETTLINX LIMITED

### 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 <sup>st</sup> March 2015	Percentage of ownership interest as at 31 <sup>st</sup> March 2014
Nettlinx Inc	USA	100.00	100.00
Nettlinx Realty Private Limited	India	99.90	99.90
Nettlinx Aquaculture 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, 2015.

### 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.

## NETTLINX LIMITED

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, 2015**

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>Note 2 Share Capital</b>		
Authorised Capital		
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
Issued, Subscribed & Paid up Capital		
1,14,63,312 Equity Shares of Rs.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, 2015 and March 31, 2014.

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

The Company has only one class of Equity shares having a par value of Rs.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

Name of Share Holder	As at 31st March, 2015 ₹		As at 31st March, 2014 ₹	
	No. of Shares	% Holding	No. of Shares	% Holding
Loka Narayan Reddy	39,23,224	34.22	39,23,224	34.22
Dr. Loka Manohar Reddy	16,43,392	14.34	16,43,392	14.34
Saranya Loka Reddy	5,99,386	5.23	5,99,386	5.23

**Note 3 Reserves and Surplus**

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
<b>(a) Capital Reserve</b>		
At the beginning and at the end of the year	1,50,00,000	1,50,00,000
<b>(b) Securities Premium Account</b>		
At the beginning and at the end of the year	2,45,99,575	2,45,99,575
<b>(c) General Reserve</b>		
At the beginning and at the end of the year	1,30,00,000	1,30,00,000
<b>(d) Foreign Currency Translation Reserve (Net)</b>	-	-
<b>(e) Surplus/deficit in the Statement of Profit and Loss</b>		
Opening Balance	89,51,402	1,08,92,909
Retained Earnings (Refer Note No.30)	(24,67,584)	
Profit / (Loss) for the Year	(15,61,838) 49,21,981	(,19,41,507) 89,51,402
	<u>5,75,21,556</u>	<u>6,15,50,977</u>

**Note 4 Long Term Borrowings**

	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
	Current	Non-Current
<b>Secured</b>		
Vehicle Loan (Refer Note No. 31)	10,69,761	-

**NETTLINX LIMITED**

<b>Note 5 Other Long Term Liabilities</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Trade Payables	20,77,090	20,35,424
Rental Deposit	5,50,000	5,50,000
Trade Deposit Received	71,427	71,427
Service Tax Payable (Refer Note No. 32)	8,85,217	10,13,862
	<u>35,83,734</u>	<u>36,70,713</u>
<b>Note 6 Long Term Provisions</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Provision for Employee Benefits		
<b>(a) Gratuity</b>	12,98,761	10,92,000
<b>(b) Leave Encashment</b>	3,62,449	9,63,565
	<u>16,61,210</u>	<u>20,55,565</u>
<b>Note 7 Short Term Borrowings</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
<b>Secured</b>		
- Cash Credit Accounts (Refer Note No. 33)	1,47,57,651	1,26,46,063
- Vehicle Loan Account	-	17,27,158
<b>Unsecured</b>		
- ICICI Bank - Temporary Over Draft	-	-
- from Directors	1,81,49,927	1,00,000
-Others	12,00,000	18,13,750
-Loans	-	2,000,000
	<u>3,41,07,578</u>	<u>1,82,86,971</u>
<b>Note 8 Trade Payable</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Trade Payables (Refer Note No. 34)	50,58,248	58,82,556
	<u>50,58,248</u>	<u>58,82,556</u>
<b>Note 9 Other Current Liabilities</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Current maturities of long-term debt		
Interest accrued but not due on borrowings	90,078	1,28,377
Advance received from Customers	5,91,74,798	6,10,85,656
Bank - Book OD	-	3,89,667
Other Statutory Liabilities	13,82,371	13,79,099
Liability for Expenses	4,23,677	3,44,548
Employee related liabilities	86,33,241	68,89,152
Provision For Income tax	5,53,425	60,934
Others	-	88,55,598
	<u>7,02,57,590</u>	<u>7,91,33,030</u>

(Amount in ₹)

**10 CONSOLIDATED STATEMENT OF FIXED ASSETS & DEPRECIATION**

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK		
	AS AT 01.04.14	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.15	AS AT 01.04.14	DURING THE YEAR	DELETIONS DURING THE YEAR	TRANSFER TO RETAINED EARNINGS	TOTAL 31.03.15	AS AT 31.03.15	AS AT 31.03.14
Tangible Assets											
Land	-	8,044,120	-	8,044,120	-	-	-	-	-	8,044,122	-
Buildings	1,01,62,910	-	-	10,162,910	16,06,318	1,72,215	-	-	17,78,533	83,84,377	85,56,592
Plant and Machinery	12,12,18,711	25,88,949	-	1,23,807,660	11,31,33,944	14,95,569	-	1,188,996	1,158,18,499	79,89,161	78,51,273
Office Equipment	52,62,750	2,79,822	-	5,542,572	33,18,943	4,35,311	-	886,677	46,40,931	9,01,641	19,43,807
Furniture and Fixtures	77,55,590	33,000	-	7,788,590	68,28,924	1,64,509	-	22,072	70,15,505	7,73,085	9,26,666
Vehicles	1,70,12,067	-	1,543,644	15,468,423	67,34,366	22,73,429	984,713	369,840	83,92,922	67,12,506	1,02,77,700
Total	16,14,12,028	1,09,45,891	15,43,644	17,08,14,275	13,18,55,989	45,41,023	984,713	24,67,585	13,76,46,390	3,28,04,892	2,95,56,038\
31st March, 2014	22,12,32,423	25,95,398	624,15,793	16,14,12,028	14,95,33,097	53,21,149	229,98,256		13,18,55,989	2,95,56,041	7,16,99,329

(Refer Note No. 30)

**NETTLINX LIMITED**

<b>Note 11 Non Current Investments</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Investment in unquoted equity instruments		
(a) of Associates		
i. Northeast Broking Services Ltd (11600 Equity Share of Rs.10 each fully paid up)	1,16,000	1,16,000
ii. Northeast Commodities Private Ltd (120000 Equity Share of Rs.10 each fully paid up)	12,00,000	12,00,000
(b) of other entities		
LG IT Solutions (70,000 shares of Rs.10/- each fully paid up with Rs.90/-premium)	70,00,000	70,00,000
	<u>83,16,000</u>	<u>83,16,000</u>
<b>Note 12 Long Term Loans and Advances</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
(a) Advance Taxes net of provisions	1,02,03,337	87,65,807
(b) MAT credit entitlement	17,85,312	12,22,724
	<u>1,19,88,649</u>	<u>99,88,531</u>
<b>Note 13 Other Non Current Assets</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
- In Fixed Deposits with more than 12 months maturity (100% against Bank Guarantees)	19,52,211	19,52,211
- Other Deposits	10,25,244	10,12,048
Long Term Trade Receivables		
Unsecured, Considered Good (Refer Note No.35)	38,60,086	49,07,918
Others		-
	<u>68,37,541</u>	<u>78,72,177</u>
<b>Note 14 Current Investments</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	₹	₹
Quoted - Investments		
i. LYCOS INTERNET LIMITED (546512 Equity shares of Rs.10/-each fully paid up)	4,83,45,036	4,85,17,216
	<u>4,83,45,036</u>	<u>4,85,17,216</u>
(Market Value of LYCOS INTERNET LIMITED Formely known as Ybrant Digital Ltd Shares is ₹ 21,55,98,984/-)		

**NETTLINX LIMITED**

<b>Note 15 Inventories</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<u>₹</u>	<u>₹</u>
(Valued at lower of Cost or net realisable value , as physically verified and certified by Management)		
i. Traded Goods	6,68,816	6,92,008
ii. Stock In Process	8,11,98,798	8,01,40,448
	<u>8,18,67,614</u>	<u>8,08,32,456</u>
<b>Note 16 Trade Receivables</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<u>₹</u>	<u>₹</u>
b) Outstanding for a period exceeding Six Months Unsecured, Considered Good	33,68,236	13,68,504
a) Others Considered Good	2,65,19,576	2,38,93,969
	<u>2,98,87,812</u>	<u>2,52,62,473</u>
<b>Note 17 Cash and Cash Equivalents</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<u>₹</u>	<u>₹</u>
a) Balances with Banks - In Current Accounts	29,32,690	35,32,027
b) Cash on hand	21,83,153	13,86,722
	<u>51,15,843</u>	<u>49,18,749</u>
<b>Note 18 Short Term Loans and Advances</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<u>₹</u>	<u>₹</u>
Advances to Suppliers	1,42,579	9,760,634
Staff Advances	38,933	36,257
Balance with Government Authority		
- Service Tax credit receivable	15,617	10,188
- VAT Credit Receivable	1,510	1,376
Others Loans and advances	2,38,69,809	2,60,34,682
	<u>2,40,68,448</u>	<u>3,58,43,137</u>
<b>Note 19 Other Current Assets</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<u>₹</u>	<u>₹</u>
Interest Accrued but not due on FDRs	7,27,158	4,99,439
Interest Accrued and Due		35,83,534
Prepaid Expenses	2,55,401	2,29,392
Rental Deposits	10,29,350	9,94,350
Other Deposits/Receivables	3,18,08,675	2,41,18,420
	<u>3,38,20,584</u>	<u>2,94,25,135</u>



**NETTLINX LIMITED**

<b>Note 20 Revenue from Operations</b>	<b>Current Year</b> ₹	<b>Previous Year</b> ₹
a) Sale of Products		
Sale of VOIP Telephones - VAT Sales	31,000	30,476
b) Sale of Services		
Income from Bandwidth Services	5,48,32,726	4,69,87,323
Income from Web Solutions	15,07,364	13,33,082
Income from VOIP Sales		
Income from Other Operations	5,24,86,818	3,62,24,146
Income from Software Exports(ITES)	-	16,94,700
	<u>10,88,57,908</u>	<u>8,62,69,727</u>
<b>Note 21 Other Income</b>	<b>Current Year</b> ₹	<b>Previous Year</b> ₹
Interest on Bank Deposits, ICD's and Loans	40,79,484	69,77,379
Rental Income	28,65,746	24,42,175
Dividend Income from Current Investments	-	-
Net gain on sale of Current Investments	4,415,859	11,604,559
Net gain on foreign currency transactions and translation	-	2,738,257
Other Misc.Incomes	16,85,137	91,16,642
	<u>1,30,46,226</u>	<u>3,28,79,012</u>
<b>Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>Current Year</b> ₹	<b>Previous Year</b> ₹
Inventories at the end of the year - Stock in Trade	6,68,816	6,92,008
Inventories at the beginning of the year - Stock in Trade	6,92,008	20,48,522
Net (increase)/ decrease	<u>23,192</u>	<u>27,40,530</u>
<b>Note 23 Employee Benefit Expenses</b>	<b>Current Year</b> ₹	<b>Previous Year</b> ₹
Salaries	3,06,62,677	2,80,68,933
Contribution to PF, ESI & Group Insurance	24,21,320	23,67,075
Staff Welfare	14,37,673	9,35,822
Staff Recruitment & Training	-	2,500
	<u>3,45,21,670</u>	<u>3,13,74,330</u>
<b>Note 24 Finance Cost</b>	<b>Current Year</b> ₹	<b>Previous Year</b> ₹
Interest	53,46,260	68,71,946
Finance charges	1,97,756	6,13,350
Bank Charges	2,85,058	3,16,366
	<u>58,29,074</u>	<u>78,01,662</u>

# NETTLINX LIMITED

## Note 25 Operation and Other Expenses

	Current Year ₹	Previous Year ₹
Bandwidth, Leased Circuit Charges & Service Charges	2,38,25,054	1,75,96,414
Rent & Maintenance	33,83,968	33,19,471
Domain Registration Expenses	1,60,811	23,08,020
Power and Electricity	29,47,918	26,59,08
Postage & Telegram Expenses	71,750	3,18,191
Advertisement & Publicity	1,26,319	116,703
Telephone Expenses	3,29,190	3,60,512
Computers & Networking Maintenance	34,71,526	42,87,606
Watch & Ward Expenses	6,50,007	6,04,000
Travelling Expenses	12,04,449	22,17,473
Loss Due to Forex Fluctuation	6,92,247	-
Local Conveyance	9,07,910	7,81,997
Loss on Sale of Shares	29,045	6,05,541
Vehicle Maintenance	10,58,091	3,84,599
Rates & Taxes	2,40,191	2,28,705
Insurance-Others	5,14,543	2,04,065
Annual Membership Fee(APNIC)	60,089	1,32,175
Demat Charges(NSL)	1,35,243	2,35,527
Legal & Professional Charges	80,59,856	38,41,553
Office Maintenance Expenses	8,19,537	1,27,810
Printing & Stationary Expenses	3,34,137	2,90,612
Loss on Sale of Investments A/c	-	1,19,49,527
Other Administrative Expenses	9,83,022	22,93,336
USCIS Fees	11,87,044	5,45,105
Payment Gateway Fees	-	12,10,823
Data Center Expenses	-	70,78,500
Management Fees	99,369	45,40,525
Other technical & operational expenses	1,62,02,826	10,20,590
System admin fees	95,77,796	36,30,000
Virtual Office fee	-	63,525
Miscellaneous Expenditure Written Off	96,311	2,73,230
Bad Debts written off	14,11,127	7,24,637
Audit Fees	1,31,000	1,31,000
	<u>7,87,10,375</u>	<u>7,40,80,855</u>

Audit fees is exclusive of service tax

## Additional Information to the Financial Statements

### Note 26 Foreign Exchange Activity Expenditure in Foreign Currency

	Current Year ₹	Previous Year ₹
Licence fee and domain registration charges	-	3,72,665
<b>Earnings in Foreign Exchange</b>		
Software Exports(ITES)	<u>-</u>	<u>16,94,700</u>

## NETTLINX LIMITED

<b>Note 27 Earnings per share</b>	<b>Current Year</b> ₹	<b>Previous Year</b> ₹
i) Profit/(Loss) after Tax	(15,61,838)	(19,41,507)
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	(0.14)	(0.17)
- Diluted	(0.14)	(0.17)
<b>Note 28 Deferred Tax Asset(Net)</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<b>Deferred Tax Asset</b>	<b>₹</b>	<b>₹</b>
Arising on Account of timing difference in Depreciation		
<b>Deferred Tax Liability</b>		
Arising on Account of timing difference in Depreciation	1,59,364	3,88,295
Opening Balance of Deferred Tax Asset	46,81,115	42,92,820
	<u>48,40,479</u>	<u>46,81,115</u>
<b>Note 29 Contingent Liabilities and Commitments</b>	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
	<b>₹</b>	<b>₹</b>
Contingent Liabilities:		
Unexpired Bank Guarantees	21,22,765	21,22,765
Provisional License fee Assessment	43,30,195	43,30,195

### Note 30 Retain earning

Pursuant to the enactment 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.

### Note 31 Terms and Conditions of Short Term Borrowings

Vehicle Loan Facility secured by hypothecation of Vehicle

### Note 32 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.

**NETTLINX LIMITED****Note 33 Terms and Conditions of Short Term Borrowings**

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

**Note 34**

Dues to Micro, Small and medium enterprises is Nil as per the records of the Company.

**Note 35 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 a counter petition in the city civil court against above order.

**Note 36**

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 37**

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 38**

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

---

**for and on behalf of the Board of Directors**

Sd/-  
**(Dr. Manohar Loka Reddy)**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director and Compliance Officer

Sd/-  
**(S. Mahaganesh)**  
Chief Financial Officer

Place : Hyderabad  
Date : 26/05/2015

**NETTLINX LIMITED**

Pursuant to first provision to sub-section (3) of section 129 of the companies act 2013, read with Rule 5 of the Companies (accounts Rules, 2014

S. No.	Particulars	Nettlinx Inc	Nettlinx Realty Private Limited	Nettlinx Aquaculture Private Limited
1	Financial period ended	March 31, 2015	March 31, 2015	March 31, 2015
2	Holding company's interest as of March 31, 2015	100.00% in capital	99.90% in equity shares	100.00% in capital
3	Net aggregate amount of profits/(losses) of the subsidiary for the above financial year so far as they concern members of Nettlinx Limited.			
	i) Dealt within the accounts of Nettlinx Limited.	Nil	Nil	Nil
	ii) Not dealt within the accounts of Nettlinx Limited.	₹ 8,49,558	₹ (54,00,383)	₹ (1,71,579)
4	Net aggregate amount of profits/(losses) of the subsidiary for the previous financial years so far as they concern members of Nettlinx Limited.			
	i) Dealt within the accounts of Nettlinx Limited.	Nil	Nil	Nil
	ii) Not dealt within the accounts of Nettlinx Limited.	₹ 7,56,428	₹ (82,13,409)	₹ (6,83,098)

**for and on behalf of the Board of Directors**

Sd/-  
**(Dr. Manohar Loka Reddy)**  
Chairman

Sd/-  
**(J.V. Hanumantha Rao)**  
Director

Sd/-  
**(Chandra Sekhar Pogula)**  
CEO & Director and Compliance Officer

Sd/-  
**(S. Mahaganesh)**  
Chief Financial Officer

Place : Hyderabad

Date : 26/05/2015

**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, 2014]**

CIN No. : 067120TG1994PLC016930

Registered Folio

No./Client ID

Name of the Company : **NETTLINX LIMITED**Registered Office : 5-9-22, 3rd Floor,  
My Home Sarovar Plaza, Secretariat Road,  
Saifabad, Hyderabad - 500 063. Telangana.  
Ph: 91-040-23232200/23231621  
Fax: 23231610 E-mail: secretarial@nettlinx.org  
Website: www.nettlinx.com

Name of the members(s) :

Registered address :

E-mail Id :

Folio No./Client Id :

DP ID :

I/We, being the members of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature : \_\_\_\_\_ or failing him

2. Name :

Address :

E-mail Id :

Signature : \_\_\_\_\_ or failing him



# NETTLINX LIMITED

3. Name : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_  
 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 22<sup>nd</sup> Annual General Meeting of the company, to be held on the Monday, the 28th September, 2015 at 10.30 AM, at ICWAI Bhavan, beside Dena Bank, Post Office Road, Sanath Nagar, Hyderabad-500018, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

### 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 <sup>st</sup> March 2015, the Reports of the Board of Directors and the Auditors thereon.		
2.	To appoint a Director in place of Mr. Chandra Sekhar Pogula (holding 00007536), 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 Mrs. Radhika Kundur (holding DIN: 07135444) as Director of the Company.		
5.	Adoption of new Articles of Association		
6.	Increase in Remuneration of Mr. Chandra Sekhar Pogula, Whole Time Director & CEO		

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

Affix  
Revenue  
Stamp

Signed this \_\_\_\_ day of Sep-2015

Signature of Shareholder  
shareholder

Signature of Proxy holder

Signature of the

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)

**22<sup>nd</sup> Annual General Meeting on Monday, the 28th September, 2015 at 10.30 AM, at ICWAI Bhavan, beside Dena Bank, Post Office Road, Sanath Nagar, Hyderabad-500018, Telangana**

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 22<sup>nd</sup> Annual General Meeting of the Nettlinx Limited held at \_\_\_\_\_, on Monday, the 28<sup>th</sup> Sep'15 at 10.30 AM.

(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**

A large rectangular area containing 20 horizontal dashed lines, intended for handwritten notes.

**NOTES**

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

-----

**BOOK - POST**

**TO**

If undelivered please return to:

**NETTLINX LIMITED**  
5-9-22, 3rd Floor,  
My Home Sarovar Plaza,  
Secretariat Road, Saifabad,  
Hyderabad - 500 063.