

NETTLINX REALTY PRIVATE LIMITED

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

Balance Sheet as at 31st March, 2015

Particulars	Note No	As at 31st March 2015 ₹	As at 31st March 2014 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	3,100,000	3,100,000
(b) Reserves and Surplus	3	(7,496,705)	(1,743,150)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	69,533,356	65,285,604
(b) Deferred tax liabilities (Net)	5	368,882	272,030
(c) Other Long term liabilities	6	59,070,000	61,070,000
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	7	2,100,000	713,750
(b) Trade payables	8	5,317	27,908
(c) Other current liabilities	9	16,541,441	12,024,992
(d) Short term provisions	10	734,464	684,327
Total		143,956,755	141,435,460
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	11	1,995,921	3,546,012
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	12	9,796,480	6,359,830
(e) Other non-current assets	13	1,161,790	1,161,790
(2) Current assets			
(a) Current investments	14	48,345,036	48,517,216
(b) Inventories	15	81,198,798	80,140,448
(c) Trade receivables		-	-
(d) Cash and cash equivalents	16	1,426,908	1,218,284
(e) Short-term loans and advances	17	-	458,361
(f) Other current assets	18	31,825	33,518
Total		143,956,755	141,435,460
The accompanying notes from an integral part of the financial statements			

As per our report of even date
For M/s. NIRANJAN & NARAYAN
Chartered Accountants
Firm Regn.No.005899S



P.VENUMADHAVARAO
Partner
Membership No.202785



For NETTLINX REALTY PRIVATE LIMITED



MANOHAR LOKA REDDY
Managing Director



CHANDRA SEKHAR POGULA
Director

Place: Hyderabad
Date : 21-05-2015



NETTLINX REALTY PRIVATE LIMITED

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

Profit and Loss statement for the year ended 31st March, 2015

Particulars	Note No	As at	As at
		31st March 2015	31st March 2014
		₹	₹
I. Revenue from operations		-	2,712,550
II. Other Income		4,415,859	1,817,620
III. Total Revenue (I +II)	20	4,415,859	4,530,170
<i>IV. Expenses:</i>			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade	21	-	2,712,550
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	22	3,051,216	3,013,430
Financial costs	23	4,266,280	5,331,380
Depreciation and amortization expense	24	757,125	448,736
Other expenses	25	1,644,769	1,090,492
Total Expenses		9,719,390	12,596,588
V. Profit before exceptional and extraordinary items and tax (III - IV)		(5,303,531)	(8,066,418)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(5,303,531)	(8,066,418)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(5,303,531)	(8,066,418)
X. Tax expense:			
(a) Current tax expense for current year		-	-
(Less): MAT credit		-	-
(b) Deferred tax			146,991
		96,852	146,991
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	(5,400,383)	(8,213,409)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(5,400,383)	(8,213,409)
The accompanying notes from an integral part of the financial statements			

As per our report of even date
For M/s. NIRANJAN & NARAYAN

Chartered Accountants
Firm Regn.No.005899S



P.VENUMADHAVARAO
Partner
Membership No.202785



For NETTLINX REALTY PRIVATE LIMITED



MANOHAR LOKA REDDY
Managing Director



CHANDRA SEKHAR POGULA
Director



Place: Hyderabad
Date : 21-05-2015

NETTLINX REALTY PRIVATE LIMITED

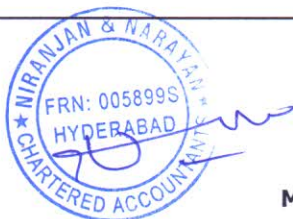
5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad
Hyderabad - 500 063

2. NOTES TO ACCOUNTS:

Note	Particulars	As at	
		31st March 2015	31st March 2014
Note 1	AUTHORIZED CAPITAL: (500,000 Equity shares of Rs. 10/- each)	₹ 5,000,000	₹ 5,000,000
Note 2	(a) Share Capital Issued, subscribed and paid-up Capital (310,000 Equity Shares of Rs. 10/- each)	3,100,000	3,100,000
	i) Details of share holders holding more than 5% of equity shares in the Company	31 st March2014	31 st March2014
		No.of Shares	No.of Shares
	1).NETTLINX LIMITED Share % Holding - 99%	3,09,990	3,09,990
Note 3	b) Reserve & Surplus Profit and Loss Account Opening Balance Retained Earnings Current Profit/(Loss)	 (1,743,150) (353,172) (5,400,383)	 (1,743,150)
	Total	(7,496,705)	(1,743,150)
Note 4	Non-Current Liabilities (a) Long-term borrowings Secured HDFC Bank Car Loan Account Swift Hdfc Car Loan Account Un-Secured Nettlinx Limited Nettlinx Aqua Culture Pvt.Ltd	 1,069,761 - 44,201,221 24,262,374	 500,091 194,688 36,408,691 28,182,134
		69,533,356	65,285,604
Note 5	(b) Deferred tax liabilities (Net) Add: Deferred tax liability(Current Year)	272,030 96,852	 272,030
		368,882	272,030
Note 6	(c) Other Long-term Liabilities Advances form Customers Balaji Enterprises Bhaiji Infracprojects Pvt.Ltd Y Brant Digital M.Krupavathi - A/c	 44,870,000 14,000,000 200,000	 44,870,000 16,000,000 200,000
		59,070,000	61,070,000
Note 7	(4) Current Liabilities (a) Short-term borrowings Unsecured loans Dr.Manohar Loka Reddy Chandra Sekhar Pogula Saranya Loka Reddy Venkateswar Rao N	 1,600,000 500,000 - -	 100,000 - 420,000 193,750
	Total	2,100,000	713,750
Note 8	(b) Trade payables Sundry Creditors & Other payables	 5,317	 27,908
Note 9	(c) Other current liabilities Staff Advances Audit Fees Payable Salaries Payable Hp Finance Charges Payble Legal Charges Payble	 3,283 56,000 969,340 - -	 2,425 28,000 101,214 5,104 -

2. NOTES TO ACCOUNTS:

Note	Particulars	As at 31st March 2015	As at 31st March 2014
	Telephone Expenses Payable		6,600
	Interest On Loan Payable	15,512,818	11,841,282
	Bank Book Overdrafts		
	HDFC Bank A/c-00210340003319	-	40,367
	Total	16,541,441	12,024,992
Note 10	(d) Short-term Provision		
	TDS PAYABLE U/C - 192 B	256,657	108,786
	TDS PAYABLE U/C - 194 J	58,400	55,000
	TDS PAYABLE U/C - 194 A	410,907	520,541
	TDS PAYABLE U/C - 194 C	8,500	-
	Total	734,464	684,327
Note 11	(1) Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets		
	Office Equipment	197,594	395,188
	Vehicle - Innova Car	-	353,172
	Vehicle-Santafe	1,798,327	2,247,908
	Vehicle-Swift	-	549,744
	Total	1,995,921	3,546,012
Note 12	(d) Long term loans and advances		
	Advances for Land	9,796,480	6,359,830
	Total	9,796,480	6,359,830
Note 13	Other non-current assets		
	MAT Credit Entitlement Account	1,161,790	1,161,790
Note 14	(2) Current assets		
	(a) Current investments		
	Investment in Equity shares of LGS Global Ltd (514912 no's of Equity shares (face value Rs.10/-))	48,345,036	48,517,216
Note 15	(b) Inventories		
	LANDS ACCOUNT	81,198,798	80,140,448
	Total	81,198,798	80,140,448
Note 16	(d) Cash and cash equivalents		
	Cash-in-hand	1,364,415	1,200,846
	Bank balance with Bank Current accounts		
	HDFC Bank A/c-00210340003319	62,493	-
	ICICI Bank Ltd. A/c -000805009310	-	9,011
	Oriental Bank of Commerce	-	8,428
	Total	1,426,908	1,218,284
Note 17	Short-Term Loans & Advances		
	Staff Advances	-	1,361
	Others	-	457,000
	Total	-	458,361
Note 18	(f) Other current assets		
	Prepaid Insurance	31,825	33,520
	Total	31,825	33,520



For NETTLINX REALTY PRIVATE LIMITED

MANOHAR LOKA REDDY
Managing Director

CHANDRA SEKHAR POGULA
Director

Place : Hyderabad

Date : 21-05-2015

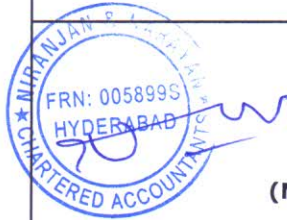


NETTLINX REALTY PRIVATE LIMITED

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Hyderabad - 500 063

2. NOTES TO ACCOUNTS:

	Particulars	As at 31st March 2015	As at 31st March 2014
Note 19	II. Other Income	₹	₹
	Gain on Sale of Shares	4,415,859	1,817,620
	Sales Accounts	-	2,712,550
		4,415,859	4,530,170
Note 20	Direct Expenses		
	Cost of Inventory Sold	-	2,712,550
		-	2,712,550
Note 21	Employee benefit expense		
	Salaries	2,869,162	2,845,155
	Incentive	-	-
	Staff Welfare	182,054	168,275
		3,051,216	3,013,430
Note 22	Financial costs		
	Interest Exp ICD	4,109,073	5,205,413
	Interest on Bank Cash Credit A/c	-	-
	HP Finance Charges	157,207	125,967
		4,266,280	5,331,380
Note 23	Depreciation and amortization expense		
	Depreciation	757,125	448,736
		757,125	448,736
Note 24	Other expenses		
	Advertising Exps	-	-
	Audit Fees	28,000	28,000
	Bank Charges	1,697	14,691
	Demat Charges	6,204	707
	Insurance Vehicles	49,432	55,721
	Legal & Professional Charges	620,400	155,000
	Local Conveyance Exp	108,346	92,886
	Loss on Sale of Investment	29,045	-
	Interest on TDS Delay Payments	46,848	60,919
	Postage & Telegram	225	-
	Penal Charges for delayed Pymt for (Purchase of Stock/Shares)	40,135	193,984
	Printing & Stationery	44,057	-
	Rates & Taxes	1,300	21,000
	Telephone Expenses(Mobile)	47,093	15,474
	Travelling Expenses	313,249	302,000
	Vehicle Maintenance Exp-A/c	308,738	150,110
		1,644,769	1,090,492
	X. Tax expense:		
	(1) Current tax	-	-
	(Less): MAT credit	-	-
	(2) Deferred tax	(96,852)	(146,991)
		(96,852)	(146,991)



For NETTLINX REALTY PRIVATE LIMITED



(MANOHAR LOKA REDDY) (CHANDRA SEKHAR POGULA)
 Managing Director Director

Place: Hyderabad
Date :21-05-2015



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

STATEMENT SHOWING DEPRECIATION AS PER COMPANIES ACT AS ON 31ST MARCH, 2015

Description of the Asset	Rate %	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 01.04.2014	Additions during the Year	Deletions during the Year	As at 31.03.2015	Upto 01.04.2014	During the Year	Deletions during the Year	Retained Ear TRFR	Total 31.03.2014	As at 31.03.2015	As at 31.03.2014
Vehicles	8Y	4,720,154	0	686,642	4,033,512	1,569,330	559,530	246,847	353,172	2,235,185	1,798,327	3,150,824
Office Equipment	5Y	397,350	0	0	397,350	2,162	197,594			199,756	197,594	395,188
TOTAL		5,117,504	0	686,642	4,430,862	1,571,492	757,124			2,434,941	1,995,921	3,546,012

For NETTLINX REALTY PRIVATE LIMITED

Place: Hyderabad
 Date : 21-05-2015

(MANOHAR LOKA REDDY)
 Managing Director

(CHANDRA SEKHAR POGULA)
 Director



Nettlinx Realty Private Limited

Statement Showing the computation of Deferred Tax Calculations

Particulars	31st March 2015		31st March 2014	
	Amount		Amount	
a) WDV as per companies act	757,124		3,546,012	
b) WDV as per income tax act	443,687		3,070,312	
c) Timing difference	(313,437)		(475,700)	
d) Deferred tax liability(30%of c)	(94,031)		(142,710)	
e) Educational cess	(2,821)		(3,642)	
f) Deferred Tax Liability	(96,852)	Liability	(146,353)	Liability
Previously recognized Deferred Tax Liability	(272,030)	Previous year Liability	(42,835)	Previous year Liability
Deferred Tax Liability (Net)	(368,882)	Deferred tax Charge to P&L	(103,517)	Deferred tax Asset Charge to P&L

For NETTLINX REALTY PRIVATE LIMITED

Place: Hyderabad
Date : 21-05-2015

(MANOHAR LOKA REDDY)
Managing Director

(CHANDRA SEKHAR POGULA)
Director



1. NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31st MARCH, 2015

1. CORPORATE INFORMATION

Nettlinx Realty Pvt Ltd is a 100 % subsidiary of **Nettlinx Limited**.

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.

In line with this commitment, The Organization has invested substantial monies essentially in Hyderabad & Nagpur.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of Accounting

The Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Use of estimates

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of financial statements and reported amounts of income and expenses during the period.

2.3. Inventories

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty

2.4. Cash and Cash Equivalent

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5. Depreciation and amortization

The Company follows the straight-line method of charging depreciation on all its 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.

2.6. Revenue Recognition

Sale of goods

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Income from services

Revenues from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred. Revenues from turnkey contracts, which are generally time bound fixed price contracts, are recognized over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognized when probable. Revenues from maintenance contracts are recognized pro-rata over the period of the contract.

2.7. Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8. Fixed Assets

Fixed assets, are stated at cost less accumulated depreciation and impairment losses, if

any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalized and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately in the Balance Sheet. Capital work-in-progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9. Investments:-

Management intends to keep the investments for long term; hence investments are valued at cost.

2.10. Employee benefits

Contribution to defined Schemes such as Provident Fund and Employee's State Insurance Scheme are charged as incurred on accrual basis.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

2.11. Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.12. Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

Deferred Tax Computation

	Particulars	
a)	Written down value as per companies act	3546012
b)	Written down value as per income tax act	3070312
c)	Timing Difference	475700
d)	Deferred tax Liability	272030
e)	Previously recognized Deferred Tax Liability	125039
f)	Deferred tax to be charged to Profit and loss account	146991

2.13. Provisions and Contingencies:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.14. Payment To Auditors

	31 st March 2015	31 st March 2014
Statutory Audit Fees	Rs. 28,000/-	Rs.28, 000/-
Re-imbusement of Expenses	NIL	NIL

2.15. Related party Disclosures

A. List of Related parties

Party Name	Nature of associate
Nettlinx Limited	Holding company
Nettlinx Aquaculture Pvt Limited	Common Director/Shareholders are same

B. Key management Personal

1. Manohar Loka Reddy

C. Related party transactions in the ordinary course of business

	31 st March 2015	31 st March 2014
Nettlinx Aquaculture Pvt Limited.	Rs.2, 42,62,374/-	Rs. 2,81,82,134/-

D. Loans from Related Parties

	31 st March 2015	31 st March 2014
Nettlinx Limited	Rs. 4, 42,01,221/-	Rs. 3, 64, 08,691/-

Signatures on Notes 1 to 2.14

As per our report of even date

for and on behalf of the Board

For M/s. NIRANJAN & NARAYAN.

CHARTERED ACCOUNTANTS

(Reg No 005899S)



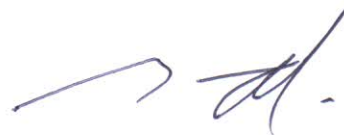
P.VENUMADHAVA RAO

PARTNER

Membership No. 202785

Place: Hyderabad

May 21 st, 2015

MANOHAR LOKA REDDY

Managing Director



CHANDRA SEKHAR POGULA

Director



NETTLINX REALTY PRIVATE LIMITED

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

DEPRECIATION STATEMENT AS PER I.T. ACT 1961 FOR THE YEAR ENDED 31-03-2015

DESCRIPTION OF ASSET	ADDITIONS DURING THE YEAR				TOTAL VALUE AS ON 31/3/2015	Rate of Dep.	Depr. For the year	W.D.V. As on 31/3/2015
	W.D.V AS ON 04-01-14	BEFORE SEPTEMBER	AFTER SEPTEMBER					
VEHICLES	₹ 2,733,122	0	0	0	2,733,122	15%	₹ 409,968	2,323,154
Office Equipment	₹ 337,190	0	0	0	337,190	10%	₹ 33,719	303,471
TOTAL	₹ 3,070,312	0	0	0	₹ 3,070,312		₹ 443,687	2,626,625

Place: Hyderabad
Date : 21-05-2014



(MANOHAR LOKA REDDY)
Managing Director

FOR NETTLINX REALTY PRIVATE LIMITED



(CHANDRA SEKHAR POGULA)
Director

NIRANJAN & NARAYAN
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Nettlinx REALITY Private Limited

Report on the (Standalone) * Financial Statements

We have audited the accompanying financial statements of Nettlinx REALITY Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2015 and the statement of profit and loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the (Standalone) * Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Company 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 financial statements are free from material misstatement.

NIRANJAN & NARAYAN
CHARTERED ACCOUNTANTS

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the 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 Company has in place an adequate internal financial controls system over financial reporting 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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 loss 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 the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) There are no branches of the company, so clause (c) of sub-section 3 of section 143 is not applicable.
- (d) The balance sheet and the statement of profit and loss dealt with by this Report are in agreement with the books of account;

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- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (f) There are no observations or comments by us on financial transactions or matters which have any adverse effect on the functioning of the company.
- (g) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (h) There is no qualification, reservation or adverse remark relating to maintenance of accounts and other matters connected therewith except those disclosed in Notes to Accounts.
- (i) The company has adequate internal financial control system in place and it is operationally effective.
- (j) Other matters prescribed in Rule 11 of Companies (Audit & auditors) Rules, 2014-
- (a) There are no pending litigations of the company.
 - (b) There are no material foreseeable losses for which company is required to make any provision under any law or accounting standard.
 - (c) There has not been any delay in transferring any amounts required to be transferred to Investor Education & Protection Fund by the company.

For **Niranjan & Narayan**
Chartered Accountants
FRN: 005899S

CA P. Venumadhava Rao
Partner
Membership no.: 202785



Date: 21st May 2015
Place: Hyderabad

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Annexure referred to in paragraph 7 Our Report of even date to the members of Nettlinx REALITY Private Limited on the accounts of the company for the year ended 31st March, 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
(b). As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- ii. The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company
- iii. The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;

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(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes

(c) 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 reporting delay in transferring such sums does not arise

- viii. The company has accumulated losses at the end of the financial year and it has incurred cash losses in the current and immediately preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year
- xi. In our opinion, and according to the information and explanations given to us, by the management, term loans were applied for the purpose for which the loans were obtained.
- xii. No fraud on or by the company has been noticed or reported during the year.

For **Niranjan & Narayan**
Chartered Accountants
FRN: 005899S



CA P. Venumadhava Rao
Partner
Membership no.: 202785



Date: 21st May 2015
Place: Hyderabad