

11th ANNUAL REPORT

2016-2017

NETTLINX REALTY PRIVATE LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 11th Annual General Meeting of the Members of M/s. NETTLINX REALTY PRIVATE LIMITED will be held on Friday the 22nd September, 2017 at 10.00 A.M. at 5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad, Telangana- 500063, India to transact the following business:


ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017, the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To ratify the Appointment of M/s. Niranjana & Narayan, Chartered Accountants (FRN: 005899S), Hyderabad who were appointed as statutory Auditors of the company to hold office from the conclusion of this 09th Annual General Meeting until the conclusion of 14th Annual General Meeting of the company subject to ratification by the members of the company at every annual general meeting held after 09th AGM and to fix their remuneration and for the purpose, to consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to provision of section 139 and other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of Companies(Audit and Auditors Rules, 2014(including the statutory modification or re-enactment thereof for time being in force, the consent of members of the company be and is hereby given to ratify the appointment of Niranjana & Narayan, Chartered Accountants (FRN: 005899S), Hyderabad, who were appointed as statutory Auditors of the company to hold office from the conclusion of this 11th Annual General Meeting until the conclusion of 14th Annual General Meeting of the company subject to ratification by the members of the company at every annual general meeting held after this meeting, at such remuneration as may be decided by the Board of the Directors of the company.”

By and behalf of the Board of Directors

For NETTLINX REALTY PRIVATE LIMITED


Chandra Sekhar Pogula Dr. Manohar Loka Reddy
Director Managing Director
DIN: 00007536 DIN: 00140229

Date: 10.07.2017
Place: Hyderabad



NOTES:


1. The Explanatory Statement pursuant to Sec.102 of the Companies Act, 2013 which sets out details relating to Special Business to be transacted at the meeting is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
3. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent 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 proxy for any other person or shareholder.
4. 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.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of 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. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. Explanatory Statement Pursuant To Section 102 of The Companies Act, 2013 for Item No.3 is annexed herewith.

By and behalf of the Board of Directors

For NETTLINX REALTY PRIVATE LIMITED

Date: 10.07.2017
Place: Hyderabad


Chandra Sekhar Pogula
Director
DIN: 00007536


Dr. Manohar Loka Reddy
Managing Director
DIN: 00140229



DIRECTORS REPORT

To
The Members,

Your Directors have pleasure in presenting their 11th Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

1. Financial summary or highlights/Performance of the Company :

Particulars	Rs.	
	2016-17	2015-2016
Total Income	0	0
Profit/(Loss) Before Interest and Depreciation	(42,10,096)	(4140236)
Finance Charges	8263143	5360084
Gross Profit/(Loss) before depreciation	(12473239)	(9500320)
Provision for Depreciation	(584824)	706932
Net Profit/(Loss) Before Exceptional items &Tax	(13058063)	(10270252)
Exceptional items	0	0
Current Tax	0	0
MAT Credit Entitlement	0	0
Deferred Tax Charge(liability)	64187	81907
Tax pertaining to earlier years	0	0
Net Profit/(Loss) for the year	(12,993,876)	(10125345)

2. Brief description of the Company's working during the year/State of Company's affair:

Your Directors take pleasure in reporting that The company has not started its working during the Financial year and expected to start up its operation in the ensuring Year.

3. Change in the nature of business, if any:

There was no change in the nature of Business during the year.

4. Dividend:

Keeping in view the expansion plans of the Company, the Board has not recommended any dividend this year.

5. Reserves:

The Company has incurred net loss of Rs. 12993876 for the period 2016-17 and the same was transferred to the head of Profit & Loss to Reserves & Surplus Account.



6. Share Capital:

During the year under review, The Authorised Share Capital of the company is Rs. 5000000 divided into 5,00,000 equity shares of Rs. 10 (Rupees Ten Only) each as on 31st March, 2017.

The Issued, Subscribed and Paid up Capital of the Company as on March 31, 2017 is Rs. 31,00,000 divided into 3,10,000 equity shares of Rs. 10 (Rupees Ten Only).

7. Directors and Key Managerial Personnel

The Board of Directors of the company is duly constituted with Dr.Manohar Loka Reddy, Managing Director, Mr. Chandra Pogula Sekhar and Venkata Hanumantha Rao Joginapally as Directors of the company.

During the Year under review, Dr.Manohar Loka Reddy (holding Din: 00140229), was reappointed as Managing Director of the company for a period of Five years with effect from 27.04.2016 on last Annual General Meeting of the company held on 26.09.2016 whose term was expired on 26.04.2016.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013.

8. Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year 7(Seven) Board Meetings were convened and held on, 27.04.2016, 23.05.2016, 18.08.2016, 09.11.2016, 14.02.2017, 02.03.2017, 10.03.2017. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

9. Details of Subsidiary/Joint Ventures/Associate Companies

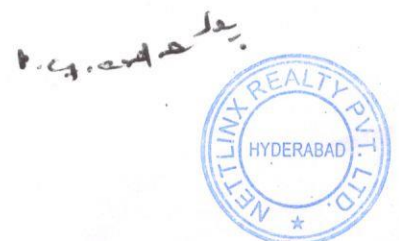
Your Company does not have any subsidiary / associate /joint venture/ for the period ended 2016-17.

10. Auditors:

The Auditors, M/s. Niranjana & Narayan, Chartered Accountants (FRN: 005899S), Hyderabad, who were appointed at 09th Annual General Meeting of the company held on 23.09.2015 held in the Financial Year 2015-2016 as statutory Auditors of the company who shall hold office till the conclusion of this 14th Annual General Meeting subject to ratification by the members of the company at every Annual General Meeting held after 09th Annual General Meeting. Hence, It is proposed to ratify the Appointment of M/s. Niranjana & Narayan, Chartered Accountants (FRN: 005899S), Hyderabad as Auditors of the Company in the forth coming annual general meeting be held in the financial year 2017-18.

11. 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.



12. Risk management policy:

An enterprise risk management frame work is being developed at the organisation level which will be implemented in your company. The Risk frame work will identify key & critical difficulties and mitigate plans and review of the same at regular intervals to bring it to a state level of acceptable risks from critical risks.

13. 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 MGT 9 as a part of this Annual Report as ANNEXURE I.

14. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

15. 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

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and companies operations in future.

16. Deposits

Your Company has not accepted any deposits from the public covered under Chapter V of the Act, during the year under review.

17. Particulars of loans, guarantees or investments under section 186

Details of Loans: NIL

Details of Investments:

LGS Global Limited: 515000 Equity Shares of Rs.10 Each

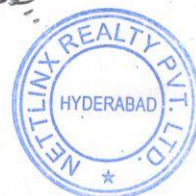
Details of Guarantee / Security Provided: NIL

18. Particulars of contracts or arrangements with related parties:

The Company has not entered any contracts in which the directors/ their relatives are interested.

19. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:



a) **Conservation of energy**

Particulars required under section 134(3) of the Companies Act, 2013 read with Companies (accounts) Rules, 2014 is not applicable as the Company is not energy conservative; however your company is taking necessary steps save the energy.

b) **Foreign exchange earnings and Outgo**

During the year, the total foreign exchange used was Rs. NIL and the total foreign exchange earned was Rs. NIL.

20. Corporate Social Responsibility (CSR)

As per the Provisions of Section 135 of the Companies Act, 2013 the constitution of CSR committee of the board is not applicable, hence not constituted.

21. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company invests in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

22. Obligation of Company Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

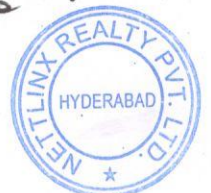
In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

However the Company does not have women staff at work place, the adoption of policy & setting up of committee is not applicable.

23. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



- (d) the directors had prepared the annual accounts on a going concern basis; and
(e) 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.

24. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

25. Related Party Transactions:

All related party transactions entered during the financial Year were on arms length basis and in ordinary course of business of the company.

26. Particulars of Employees:


No Employee is drawing the remuneration exceeding the limits prescribed under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

27. Acknowledgements:

The directors wish to thank the company's valued customers for their patronage, the bankers, shareholders, government authorities, regulatory bodies and other business constituents for the support extended and look forward to their continued support. The Directors would also like to place on record their appreciation to the staff of the Company for their dedicated efforts and commitment.

By and behalf of the Board of Directors

For NETTLINX REALTY PRIVATE LIMITED


Chandra Sekhar Pogula Dr. Manohar Loka Reddy
Director Managing Director
DIN: 00007536 DIN: 00140229

Date: 10.07.2017
Place: Hyderabad



Annexure I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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	U45102TG2006PTC051182
2.	Registration Date	16/09/2006
3.	Name of the Company	NETTLINX REALTY PRIVATE LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad, Hyderabad, Telangana- 500063, India .
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A



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	Land sales on Fee or Contract basis	997223	100%

III. **PARTICULARS OF HOLDING/SUBSIDIARY/ASSOCIATE COMPANIES:**

S. No.	Name and Address of the company	CIN	HOLDING/SUBSIDIARY/ASSOCIATE	% of shares of the Company	Applicable Section
1	NETTLINX LIMITED	L67120TG1994PLC016930	HOLDING	100	2(46)

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]			No. of Shares held at the end of the year [As on 31-March-2017]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/ HUF	-	10	10	-	10	10	-
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-
d) Bodies Corp.	-	309990	309990	-	309990	309990	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-



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Total shareholding of Promoter (A)	-	310000	310000	310000	100	310000	310000	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-

P-9, and 2-54



ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

P. S. and Co. 12/1



B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Nettlinx Limited	309990	99.99	-	4199998	99.99	-	-
2	Chandra Sekhar Pogula	5	0	-	5	0	-	-
3	Manohar Loka Reddy	5	0	-	5	0	-	-

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

SN	Particulars	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
	There is no change in promoter shareholding				

D) Shareholding Pattern of top ten Shareholders: Total No. of Share holders of the Company is 3 (Three) out of which 3 (Three) are the Promoter category as mentioned above.

(Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

SN	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



P. S. and Co.

E) Shareholding of Directors and Key Managerial Personnel:

SN	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
	Chandra Sekhar Pogula				
	At the beginning of the year	5	0	5	0
	Additions during the year				
	At the end of the year	5	0	5	0
	Manohar Loka Reddy				
	At the beginning of the year	5	0	5	5
	Additions during the year	-	-	-	0
	At the end of the year	5	0	5	-
					0

P. V. S. Reddy



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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	1,331,412	79,88,5892	0	81,21,7304
i) Principal Amount	756075.30			7,56,075.30
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	7,56,075.30	7,98,85,892		80,64,1967
Change in Indebtedness during the financial year				
* Addition		13,283,676		1,32,83,676
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	6,01,516	93,169,568		9,37,71,084
ii) Interest due but not paid				
iii) Interest accrued but not due	39,985			39,985
Total (i+ii+iii)	6,41,502	93,169,568		93,811,070

P. S. R. and Co. 30/11/16



IV. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Manohar Loka Reddy (with Effect from 27.04.2016)	----	---	
1	Gross salary	3600000	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	3600000	-	-	-

P. G. and A. 10%



B. Remuneration to other Directors:

SN.	Particulars of Remuneration	-----	-----	-----	Name of Directors	-----	-----	Total Amount
1	Independent Directors							
	Fee for attending board committee meetings	-			-			-
	Commission	-			-			-
	Others, please specify	-			-			-
	Total (1)	-			-			-
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-			-			-
	Commission	-			-			-
	Others, please specify	-			-			-
	Total (2)	-			-			-
	Total (B)=(1+2)	-			-			-
	Total Managerial Remuneration	-			-			-
	Overall Ceiling as per the Act	-			-			-

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C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd

SN	Particulars of Remuneration	Key Managerial Personnel				
		CEO	CS	CFO	Total	
1	Gross salary	-	-	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission	-	-	-	-	
	- as % of profit	-	-	-	-	
	others, specify...	-	-	-	-	
5	Others, please specify	-	-	-	-	
	Total	-	-	-	-	

دراصل



V. 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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By and behalf of the Board of Directors

For NETTLINX REALTY PRIVATE LIMITED

Chandra Sekhar Pogula
Chandra Sekhar Pogula
Director

Dr. Manohar Loka Reddy
Dr. Manohar Loka Reddy
Managing Director
DIN: 00007536

Date: 10.07.2017
Place: Hyderabad





NETTLINX REALTY PVT. LTD.

LIST OF EQUITY SHAREHOLDERS OF THE COMPANY AS ON FINANCIAL YEAR ENDED MARCH 31, 2017:

Sl. No	Ledger Folio No.	Name of shareholder	Type of shares	Number of shares held	Amount Per share	Amount (in Rs)	Percentage Of holding
1	1	M/s.Nettlinx Limited	Equity	3,09,990	10/-	30,99,900	99.9968%
2	2	Manohar Loka Reddy(Nominee Of Nettlinx Limited)	Equity	5	10/	50	0.0016%
3	3	Chandra Sekhar Pogula(Nominee Of Nettlinx Limited)	Equity	5	10/-	50	0.0016%
TOTAL				3,10,000		31,00,000	100%

Note: The Company has not issued preference shares or debentures during the reporting period.

For **M/S. NETTLINX REALTY PRIVATE LIMITED**


CHANDRA POGULA SEKHAR

Director

DIN: 00007536

Address: 10-1-18/11, Shyam Nagar, A.C. Guards,
Hyderabad-500004,
Telangana, India.



NIRANJAN & NARAYAN
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of NETTLNX 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 2017 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 2017 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.

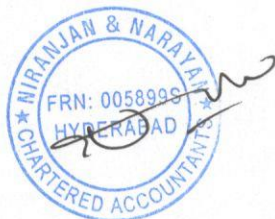
2. As required by Section 143 (3) of the Act, we report that:

(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;



NIRANJAN & NARAYAN
CHARTERED ACCOUNTANTS

(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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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: 24th May 2017
Place: Hyderabad

NIRANJAN & NARAYAN
CHARTERED ACCOUNTANTS

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, 2017

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 ;



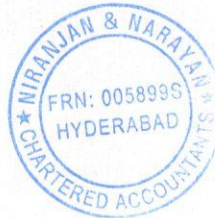
NIRANJAN & NARAYAN
CHARTERED ACCOUNTANTS

- (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: 24th May 2017
Place: Hyderabad

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, 2017

Particulars	Note No	As at 31st March 2017 ₹	As at 31st March 2016 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	3,100,000	3,100,000
(b) Reserves and Surplus	3	(30,618,982)	(17,625,106)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	93,169,568	79,885,892
(b) Deferred tax liabilities (Net)	5	222,787	286,975
(c) Other Long term liabilities	6	54,320,000	45,070,000
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	7	601,516	3,931,412
(b) Trade payables			-
(c) Other current liabilities	8	21,693,243	20,411,809
(d) Short term provisions	9	1,703,590	989,375
Total		144,191,722	136,050,357
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,710,631	2,295,456
(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	11	21,646,480	14,996,480
(e) Other non-current assets	12	1,161,790	1,161,790
(2) Current assets			
(a) Current investments	13	34,345,036	34,345,036
(b) Inventories	14	85,208,798	82,208,798
(c) Trade receivables		-	-
(d) Cash and cash equivalents	15	80,758	995,627
(e) Short-term loans and advances		-	-
(f) Other current assets	16	38,228	47,170
Total		144,191,721	136,050,357
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
DIN:00140229


CHANDRA SEKHAR POGULA
Director
DIN :00007536

Place: Hyderabad
Date : 24-05-2017



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-2017

Particulars	Note No	As at	As at
		31st March 2017	31st March 2016
		₹	₹
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I + II)		-	-
<i>IV. Expenses:</i>			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	17	3,912,293	3,758,697
Financial costs	18	8,263,143	5,360,084
Depreciation and amortization expense	19	584,824	706,932
Other expenses	20	297,803	381,540
Total Expenses		13,058,063	10,207,252
V. Profit before exceptional and extraordinary items and tax (III - IV)		(13,058,063)	(10,207,252)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(13,058,063)	(10,207,252)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(13,058,063)	(10,207,252)
X. Tax expense:			
(a) Current tax expense for current year		-	-
(Less): MAT credit		-	-
(b) Deferred tax Asset	21	64,187	81,907
(C) Deferred tax Liability		-	-
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	(12,993,876)	(10,125,345)
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)		(12,993,876)	(10,125,345)
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

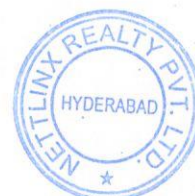


MANOHAR LOKA REDDY
Managing Director
DIN:00140229



CHANDRA SEKHAR POGULA
Director
DIN :00007536

Place: Hyderabad
Date : 24-05-2017



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

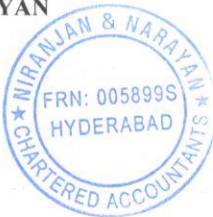
Profit and Loss statement for the year ended 31st March-2017

Particulars	Note No	As at	As at
		31st March 2017	31st March 2016
		₹	₹
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I +II)		-	-
<i>IV. Expenses:</i>			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expense	17	3,912,293	3,758,697
Financial costs	18	8,263,143	5,360,084
Depreciation and amortization expense	19	584,824	706,932
Other expenses	20	297,803	381,540
Total Expenses		13,058,063	10,207,252
V. Profit before exceptional and extraordinary items and tax (III - IV)		(13,058,063)	(10,207,252)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(13,058,063)	(10,207,252)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(13,058,063)	(10,207,252)
X. Tax expense:			
(a) Current tax expense for current year		-	-
(Less): MAT credit		-	-
(b) Deferred tax Asset	21	64,187	81,907
(C) Deferred tax Liability		-	-
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	(12,993,876)	(10,125,345)
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)		(12,993,876)	(10,125,345)
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
DIN:00140229


CHANDRA SEKHAR POGULA
Director
DIN :00007536



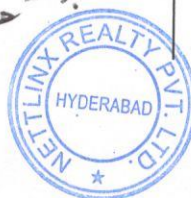
Place: Hyderabad
Date : 24-05-2017

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 2017	As at 31st March 2016
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 March 2017	31 st March 2016
			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 Reatined Earnings Opening Balance Reatined Earnings Current Profit/(Loss)	- (17,625,106) - (12,993,876)	(30,618,982)	(17,625,106)
	Total		(30,618,982)	(17,625,106)
Note 4	Un-Secured Nettlinx Limited Nettlinx Aqua Culture Pvt.Ltd		93,169,568 -	62,098,518 17,787,374
			93,169,568	79,885,892
Note 5	(b) Deferred tax liabilities (Net) Add: Deferred tax liability(Current Year)	286,975 -64,187	222,787	286,975
			222,787	286,975
Note 6	(c) Other Long-term Liabilities Advances form Customers Bhaiji Infracprojects Pvt.Ltd Pan Habbits M.Krupavathi - A/c R.v.Infra Refundble Deposits		44,870,000 5,500,000 200,000 3,750,000	44,870,000 - 200,000
			54,320,000	45,070,000
Note 7	(4) Current Liabilities (a) Short-term borrowings Unsecured loans Secured HDFC Bank Car Loan Account Honda Jazz Hdfc Car Loan Account		176,534 424,982	656,397 675,016
	Un-Secured Dr.Manohar Loka Reddy Chandra Sekhar Pogula		- -	2,100,000 500,000
			601,516	3,931,412
Note 8	(c) Other current liabilities Staff Advances Audit Fees Payable Salaries Payable Interest On Loan Payable		- 56,750 139,483 21,492,428	12,526 56,750 274,497 20,064,978



2. NOTES TO ACCOUNTS:

Note	Particulars		As at 31st March 2017	As at 31st March 2016
	HP Finance Charges		4,582	3,058
	Provision For Income Tax		-	-
	Total		21,693,243	20,411,809
Note 9	(d) Short-term Provision			
	TDS PAYABLE U/C - 192 B		880,000	450,000
	TDS PAYABLE U/C - 194 J		10,000	10,600
	TDS PAYABLE U/C - 194 A		813,590	518,775
	TDS PAYABLE U/C - 194 C		-	10,000
	Total		1,703,590	989,375
Note 10	(1) Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets			
	Office Equipment		-	-
	Vehicle-Santafe		899,164	1,348,744
	Vehicle-Jazz		811,467	946,711
	Total		1,710,631	2,295,455
Note 11	(d) Long term loans and advances			
	Advances for Land		21,646,480	14,996,480
	Total		21,646,480	14,996,480
Note 12	Other non-current assets			
	MAT Credit Entitlement Account		1,161,790	1,161,790
Note 13	(2) Current assets			
	(a) Current investments			
	Investment in Equity shares of LGS Global Ltd (515000 no's of Equity shares (face value Rs.10/-))		34,345,036	34,345,036
	Total		34,345,036	34,345,036
Note 14	(b) Inventories			
	LANDS ACCOUNT		85,208,798	82,208,798
	Total		85,208,798	82,208,798
Note 15	(d) Cash and cash equivalents			
	Cash-in-hand		39,639	965,221
	Bank balance with Bank Current accounts			
	HDFC Bank A/c-00210340003319		9,138	11,375
	ICICI Bank Ltd. A/c -000805009310		23,554	10,604
	Oriental Bank of Commerce		8,428	8,428
	Total		80,758	995,627
Note 16	(f) Other current assets			
	Prepaid Insurance		35,229	47,170
	staff Advances		3,000	-
	Total		38,229	47,170

For NETTLINX REALTY PRIVATE LIMITED


MANOHAR LOKA REDDY
 Managing Director
 DIN:00140229


CHANDRA SEKHAR POGULA
 Director
 DIN:00007536


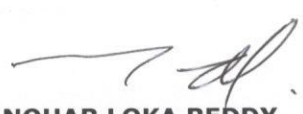
Place : Hyderabad
 Date : 24-05-2017

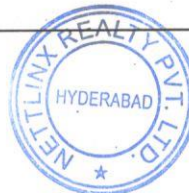


NETTLINX REALTY PRIVATE LIMITED

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

2. NOTES TO ACCOUNTS:

	Particulars	As at 31st March 2017	As at 31st March 2016
	II. Direct Income		₹
	Sale of Land	-	-
	Total	-	-
	Direct Expenses		
	cost of land	-	-
		-	-
Note 17	Employee benefit expense		
	Salaries	3,905,593	3,739,812
	Staff Welfare	6,700	18,885
	Total	3,912,293	3,758,697
Note 18	Financial costs		
	Interest Exp ICD	8,135,917	5,190,031
	HP Finance Charges	127,226	170,053
		8,263,143	5,360,084
Note 19	Depreciation and amortization expense		
	Depreciation	584,824	706,932
	Total	584,824	706,932
Note 20	Other expenses		
	Audit Fees	28,750	28,750
	Bank Charges	5,737	4,774
	HP Finance Charges	-	27,278
	Insurance Vehicles	79,524	31,825
	Legal & Professional Charges	100,000	124,100
	Local Conveyance Exp	33,086	67,860
	D mat	4,000	-
	office Expenses	21,070	2,809
	Postage & Telegram	590	641
	Rates & Taxes	5,500	390
	Telephone Expenses(Mobile)	3,608	549
	Travelling Expenses	15,938	18,321
	Vehicle Maintenance Exp-A/c	-	74243
	Total	297,803	381,540
Note 21	X. Tax expense:		
	(1) Current tax	-	-
	(Less): MAT credit	-	
	(1) Deferred tax liability		81,907
	(2) Deferred tax Asset	(64,187)	
	Total	(64,187)	81,907
<p>For NETTLINX REALTY PRIVATE LIMITED</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>MANOHAR LOKA REDDY Managing Director DIN:00140229</p> </div> <div style="text-align: center;">  <p>CHANDRA SEKHAR POGULA Director DIN:00007536</p> </div> </div> <p>Place : Hyderabad Date :24-05-2017</p>			



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 31-03-2017

DESCRIPTION OF ASSET	ADDITIONS DURING THE YEAR			TOTAL VALUE AS ON 31-03-17	Rate of Dep.	Depr. For the year	W.D.V. As on 31-03-17
	W.D.V AS ON 01-04-16	BEFORE SEPTEMBER	AFTER SEPTEMBER				
VEHICLES	2,331,911	0	0	2,331,911	15%	349,787	1,982,124
Office Equipment	273,124	0	0	273,124	10%	27,312	245,812
TOTAL	2,605,035	0	0	2,605,035		377,099	2,227,936

Place: Hyderabad
Date : 24-05-2017



MANOHAR LOKA REDDY
Managing Director
DIN:00140229

Chandra Sekhar Pogula

CHANDRA SEKHAR POGULA
Director
DIN : 00007536

For NETTLINX REALTY PRIVATE LIMITED

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, 2017

Description of the Asset	Rate %	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As on 01.04.2016	Additions during the year	Deletions during the year	As at 31.03.2017	Upto 01.04.2016	During the year	Deletions during the year	Retained Ear TRFR	Total 31.03.2017	As at 31.03.2017	As at 31.03.2016
Vehicles	8Y	5,039,979	0	0	5,039,979	2,744,523	584,825		0	3,329,348	1,710,631	2,295,456
Office Equipment	5Y	397,350	0	0	397,350	397,350	0		0	397,350	0	0
TOTAL		5,437,329	0	0	5,437,329	3,141,873	584,825			3,726,698	1,710,631	2,295,456

Place: Hyderabad
 Date : 24-05-2017

For NETTLINX REALTY PRIVATE LIMITED



(MANOHAR LOKA REDDY)
 Managing Director
 DIN: 00140229

(CHANDRA SEKHAR POGULA)
 Director
 DIN: 00007536



Netlinx Realty Private Limited

Statement Showing the computation of Deferred Tax Calculations


	31st March 2017
Particulars	Amount
a) WDV as per companies act	584,825
b) WDV as per income tax act	377,099
c) Timing difference	(207,726)
d) Deferred tax liability(30%of c)	(62,318)
e) Educational cess	(1,870)
f) Deferred Tax Liability Previously recognized Deferred Tax Liability	(64,187)
	286,975
Deferred Tax Liability (Net)	222,788


Liability
Previous year Liability
Deferred tax Charge to P&L

31st March 2016
Amount
706,932
441,861
(265,071)
(79,521)
(2,386)
(81,907)
368,882
286,975

Liability
Previous year Liability
Deferred tax Asset Charge to P&L

For NETTLINX REALTY PRIVATE LIMITED


(MANOHAR LOKA REDDY)
Managing Director


(CHANDRA SEKHAR POGULA)
Director



Place: Hyderabad
Date :24-05-2017

COMPUTATION OF TOTAL INCOME
ASSESSMENT YEAR : 2017-2018
ACCOUNTING YEAR : 2016-2017

Name : NETTLINX REALTY PRIVATE LIMITED
Address : 5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretairat Road, Saifabad, Hyd
Status : Private Limited
PAN : AACCN3770B
Ward :

		Amount in Rs.
Income from profits and gains of business\profession		
Net Profit as per Profit and Loss account		(13,058,063)
Less: Dividend Exempt U/s 10(34)		-
		<u>(13,058,063)</u>
Add: Depreciation as per companies act	584,825	
	-	584,825
		<u>(12,473,238)</u>
Less: Depreciation as per Income Tax Act	377,099	
	-	377,099
Business Income		<u>(12,850,337)</u>
Gross Total Income/(LOSS)		<u>(12,850,340)</u>
Carry Forward Loss		-
		-
		-
Tax @ 30% (A)		-
Tax liability being higher of (A) or (B) above		-
Add : Surcharge		-
Add : Education Cess		-
Less :- Prepaid Taxes		-
Add :- Interest U/s. 234B		-
Add :- Interest U/s. 234C		-
Less :- Income tax payable U/s. 140 A		-
Balance payable		-
Net Tax Paid		-

Calculation of Minimum Alternative Tax U/s. 115 JB

Net Profit after tax as per Audited profit & loss Account	(13,058,063)	
Less :- Dividend received from Limited company		-
Loss B/f as per Books		-
Unabsorbed depreciation as per books	1,912,793	1,912,793
Book Profit		<u>(14,970,856)</u>
MAT Thereon @ 18.5 %		<u>(2,769,608)</u>
Sur charge @ 7%		<u>(193,873)</u>
	(2,963,481)	
EdS @ 3%		(88,904)
Total		<u>(3,052,385)</u>
Add :- Interest U/s. 234B	44,025	
Add :- Interest U/s. 234C	74,105	118,130
Interest		<u>3,052,385</u>
Net Tax	(2,934,255)	
MAT CREDIT Taken		<u>2,934,255</u>

For Nettlinx Realty Pvt Ltd

Director
Dt:24-05-2017



NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31st MARCH, 2017

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

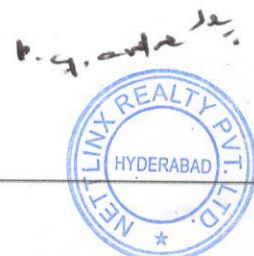
The Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013. 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

Depreciation on fixed assets is provided pro-rata to the period of use on the straight line method at the rates provided in Schedule XIV of the companies' act 2013.

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.

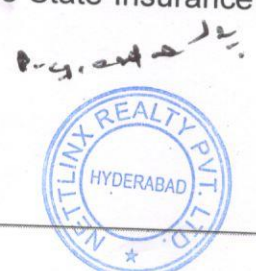
Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately in the Balance Sheet. Capital work-in-progress: Projects under which assets are not ready for their intended use and other capital work-in-progress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

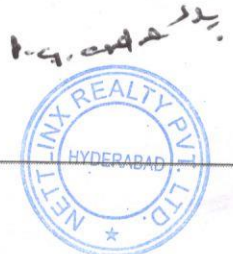
Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the 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	5,84,825
b)	Written down value as per income tax act	377,099
c)	Timing Difference	(2,07,726)
d)	Deferred tax Liability	(64,187)
e)	Previously recognized Deferred Tax Liability	286975
f)	Deferred tax to be charged to Profit and loss account	2,22,788

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.

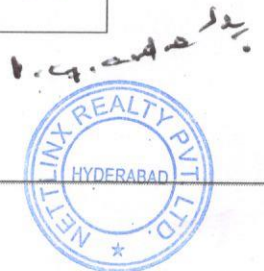
2.14. Payment To Auditors

	31 st March 2017	31 st March 2016
Statutory Audit Fees	Rs. 28,750/-	Rs.28, 750/-
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 2017	31 st March 2016
Nettlinx Aquaculture Pvt Limited.	Rs.Nil	Rs. 17,78,7374/-

D. Loans from Related Parties

	31 st March 2017	31 st March 2016
Nettlinx Limited	Rs.9,31,69,568/-	Rs. 62,098,518 /-

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 24 , 2017



MANOHAR LOKA REDDY

Managing Director



CHANDRA SEKHAR POGULA

Director