

NETTLINX REALTY PRIVATE LIMITED
CIN: U45102TG2006PTC051182
 5-9-22, 3rd Floor, My Home Sarovar Plaza, Secretariat Road, Saifabad
 Hyderabad - 500 063
BALANCE SHEET AS AT 31.03.2020

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	7,28,233	10,05,978
(e) Financial assets			
(i) Investments	3	23,30,084	19,45,755
(f) Deferred tax assets (net)	4	1,06,06,161	1,05,19,544
(g) Other non-current assets			
Total Non-current assets (1)		1,36,64,478	1,34,71,277
Current assets			
(a) Inventories	5	12,37,31,089	10,64,01,464
(b) Financial assets			
(i) Cash and cash equivalents	6	4,91,559	40,737
(iv) Bank balances other than above			
(v) Loans & Advances	7	1,63,96,480	1,63,96,480
(c) Current tax assets			
(d) Other current assets	8	11,61,790	11,61,790
Total Current assets (2)		14,17,80,918	12,40,00,471
Total Assets (1+2)		15,54,45,396	13,74,71,748
EQUITY AND LIABILITIES			
SHARE HOLDER'S FUNDS			
(a) Equity share capital	9	37,99,790	31,00,000
(b) Other equity	10	9,55,02,006	(8,77,59,551)
Total Equity (1)		9,93,01,796	(8,46,59,551)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11		12,09,11,447
Total Non-current liabilities (2)			12,09,11,447
Current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities other than those specified in	12	5,41,20,000	9,77,07,794
(b) Other current liabilities	13	10,95,975	23,44,228
(c) Provisions	14	9,27,625	11,67,829
Total Current liabilities (3)		5,61,43,600	10,12,19,851
Total Equity and Liabilities (1+2+3)		15,54,45,396	13,74,71,748
Corporate information and significant accounting policies	1		
See accompanying notes form integral parts of Financial Statements	2 to 18		
Check			

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

 P. VENUMADHAVA RAO
 Partner
 Membership No.202785
 UDIN: 20202785AAAAB05688



For and on behalf of the Board of Directors

For NETTLINX REALTY PRIVATE LIMITED


 MANOHAR LOKA REDDY
 Director
 DIN:00140229


 J. V. HANUMANTHA RAO
 Director
 DIN : 02682027



Place: Hyderabad
 Date : 21-07-2020

NETTLINX REALTY PRIVATE LIMITED

CIN: U45102TG2006PTC051182

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

Profit & Loss Statement for the year ended 31st March 2020

Particulars	Note	Year Ended March 31, 2020	Year Ended March 31, 2019
I Revenue from operations			
II Other income (net)			
III Total Income (I + II)		-	-
IV Expenses			
(a) Changes in inventories and finished goods & stock in process			
(b) Employee benefit expenses	15	36,44,324	38,80,351
(c) Finance costs	16	-	1,27,64,236
(d) Depreciation and amortization expense	02	2,77,744	7,27,328
(e) Other expenses	17	1,56,965	11,53,754
Total Expenses(IV)		40,79,033	1,85,25,669
V Profit/(loss) before exceptional items and tax (I - IV)		(40,79,033)	(1,85,25,669)
VI Exceptional items			
VII Profit/(loss) before tax (V - VI)		(40,79,033)	(1,85,25,669)
VIII Tax Expense			
(a) Current tax			
(b) Deferred tax	18	15,041	(4,12,253)
Total Tax Expense		15,041	4,12,253
IX Profit after tax (VII - VIII)		(40,94,074)	(1,81,13,416)
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities		(3,90,991)	(13,54,450)
(ii) Income tax on items that may not be reclassified to profit or loss		1,01,658	3,52,157
		(2,89,333)	(10,02,293)
IX Total Comprehensive Income for the year (VII + VIII)		(43,83,406)	(1,91,15,708)
X Earnings Per Share (*)			
(i) Basic			
(ii) Diluted			
XI Weighted average equity shares used in computing earnings per equity share			
(i) Basic			
(ii) Diluted			
Corporate information and significant accounting policies	1		
See accompanying notes form integral parts of Financial Statements	2 to 18		

For M/s. NIRANJAN & NARAYAN

Chartered Accountants

Firm Regn.No.005899S

P.VENUMADHAVA RAO

Partner

Membership No.202785

UDIN: 20202785AAAAA05688

Place: Hyderabad

Date : 21-07-2020



For and on behalf of the Board of Directors

For NETTLINX REALTY PRIVATE LIMITED

MANOHAR LOKA REDDY

Director

DIN:00140229

J. V. HANUMANTHA RAO

Director

DIN : 02682027



Nettlinx Reality Limited
Notes to the standalone
All amounts are in ` lakhs unless otherwise stated

NOTE – 2			
PROPERTY, PLANT & EQUIPMENT			
Particulars	Vehicles	OFFICE EQUIPMENT	Total
Cost			
As at 01-04-2019	50,39,979	11,47,350	61,87,329
Additions	-	-	-
Disposals	-	-	-
As at 31-03-2020	50,39,979	11,47,350	61,87,329
Depreciation			
As at 01-04-2019	44,99,002	6,82,350	51,81,352
Charge for the year-2020	1,35,244	1,42,500	2,77,744
As at 31-03-2020	46,34,246	8,24,850	54,59,096
Net Block			
As At 31-03-2020	4,05,733	3,22,500	7,28,233
As At 31-03-2019	5,40,977	4,65,000	10,05,977



Nettlinx Realty Limited

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ` lakhs unless otherwise stated

NOTE – 3	As at 03-2020	31- 31-03-2019
Non Current Investments		
Investments carried at cost		
Unquoted Equity shares		
Investments in Equity shares of Nettlinx Technologies Pvt Ltd (99990 no's of Equity shares (face value Rs. 10/-)	9,99,900	-
Investment in Equity shares of LGS Global Ltd (474000 no's of Equity shares (face value Rs.10/-)	3,43,71,861	3,45,96,441
Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)	(3,30,41,677)	(3,26,50,686)
Unquoted equity shares		
Total	23,30,084	19,45,755
Investments carried at cost - Unquoted equity shares in Subsidiaries and Associates	3,43,71,861	3,45,96,441
Investments carried at (FVTOCI) - Unquoted equity shares in Others	(3,30,41,677)	(3,26,50,686)

NOTE – 4	As at 03-2020	31- 31-03-2019
DEFERRED TAX LIABILITY		
Related to carried forward loss	1,05,19,544	1,16,03,688
Mat Credit Entitlement		
Disallowances under IT act 1961		
Related to Temporary differences on Depreciation/Amortization	(15,041)	(4,12,253)
INDAS ADJ	1,01,658	(6,71,891)
Deferred Tax Asset		
Net Deferred Tax Asset	1,06,06,161	1,05,19,544

NOTE – 5	As at 03-2020	31- 31-03-2019
INVENTORIES		
(Valued at lower of Cost or net realizable value, unless otherwise stated)		
Land	12,37,31,089	10,64,01,464
Total	12,37,31,089	10,64,01,464



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NOTE - 6	As at 03-2020	31- 31-03-2019
CASH AND CASH EQUIVALENTS		
Baiance with Banks		
- In Current Account	40,753	31,982
Cash on Hand	4,50,806	8,756
Total	4,91,559	40,738

NOTE - 7	As at 03-2020	31- 31-03-2019
LOANS-OTHER FINANCIAL ASSETS		
Advance to land	1,63,96,480	1,63,96,480
Total	1,63,96,480	1,63,96,480

NOTE - 8	As at 03-2020	31- 31-03-2019
Other assets		
Current (Unsecured cosidered good)		
Mat Credit Entertainment	1161790	1161790
	-	-
	-	-
Total	11,61,790	11,61,790



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NOTE -9	As at 31-03-2020	As at 31-03-2019	As at 01-04-2019
SHARE CAPITAL			
Authorised:			
Authorised Capital	50,00,000	50,00,000	50,00,000
5,00,000 Equity Shares of Rs.10/- each			
Issued, Subscribed and Paid Up:			
Issued, Subscribed & Paid up Capital	37,99,790	31,00,000	31,00,000
379979 Equity Shares of Rs.10/- each fully paid up			
Total	37,99,790	31,00,000	31,00,000

a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period is set out below:

Particulars	As at 31-03-2020		As at 31-03-2019		As at 01-04-2018	
	No. of Shares	Rs.in Crores	No. of Shares	Rs.in Crores	No. of Shares	Rs.in Crores
Balance at the beginning of the reporting period	3,79,979	37,99,790	3,10,000	31,00,000	3,10,000	31,00,000
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	3,79,979	37,99,790	3,10,000	31,00,000	3,10,000	31,00,000

b) Terms / rights attached to the equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) An amount of Rs.18,83,44,753 payable to M/s Nettlix Limited, the company has allotted 69979 equity shares of Rs.10 each at a premium of Rs.2681 per share as per the Registered Valuer report. These shares are allotted for consideration other than cash.

d) The details of shareholders holding more than 5% equity shares is set below

Name of the Share Holder	As at 31-03-2020		As at 31-03-2019		As at 01-04-2018	
	No. of Shares held in the Company	% of Shares	No. of Shares held in the Company	% of Shares	No. of Shares held in the Company	% of Shares
Nettlix Limited	3,79,979	99%	3,09,990	99%	3,09,990	99%

NOTE -10

B. Other equity

Particulars	Reserves and surplus			Items of other comprehensive income			Total equity attributable to equity holders of the company
	Capital reserve	Securities premium	General reserve	Retained earnings	Others	Equity instruments through other comprehensive income	
Balance as at the April 1, 2018				6,44,17,134		(35,04,900)	(6,74,74,304)
Profit for the year				(1,86,30,089)			(1,86,30,089)
Payment of dividend (including tax on dividend)							
Other comprehensive income for the year (net of tax '22)						(16,55,159)	(16,55,159)
Money Received against share warrants				(8,30,47,223)		(51,60,059)	(8,77,59,551)
Balance as at March 31, 2019				(40,94,074)	18,76,44,964		18,35,50,890
Profit for the year							
Revaluation Reserve							
Other comprehensive income for the year (net of tax '8)						(2,89,333)	(2,89,333)
Money Received against share warrants							
Balance as at March 31, 2020				(8,71,41,296)	18,76,44,964	(54,49,392)	9,55,02,006



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Nettlinx Realty Limited

Notes to the standalone financial statements for the year ended March 31, 2020

All amounts are in ` lakhs unless otherwise stated

NOTE – 11	As at 31-03-2020	As at 31-03-2019
CURRENT BORROWINGS		
Secured and Loans Repayable on Demand		
From Banks-CC A/c	-	-
Vehicle Loans	-	-
Unsecured		
Manohar Loka Reddy		52,07,859
Loans Received from Related Parties	-	11,57,03,588
Total	-	12,09,11,447

NOTE – 12	As at 31-03-2020	As at 31-03-2019
OTHER FINANCIAL LIABILITIES		
NON-CURRENT		
CURRENT		
Advances Received from customers	5,41,20,000	5,43,20,000
Interest payable	-	4,33,87,794
Total	5,41,20,000	9,77,07,794

NOTE – 13	As at 31-03-2020	As at 31-03-2019
OTHER CURRENT LIABILITIES		
CURRENT		
Audit remuneration payable	56,750	86,250
Employee Related Expenses	10,39,225	10,81,579
Total	10,95,975	11,67,829

NOTE – 14	As at 31-03-2020	As at 31-03-2019
OTHER CURRENT LIABILITIES		
CURRENT		
TDS PAYABLE U/C - 192 B	7,80,000	8,50,000
TDS PAYABLE U/C - 194 J	-	1,00,000
TDS PAYABLE U/C - 194 A	-	12,75,988
TDS PAYABLE U/C - 194 C	1,47,625	1,18,240
Total	9,27,625	23,44,228



Nettlinx Reality Limited

Notes to the standalone financial statements for the year

All amounts are in lakhs unless otherwise stated

NOTE – 15	For the Year ended 31-03-2020	For the Year ended 31-03-2019
EMPLOYEE BENEFIT EXPENSE		
Salaries(including managerial Remuneration)	36,25,844	38,55,431
Staff Welfare Expenses	18,480	24,920
Total	36,44,324	38,80,351

NOTE – 16	For the Year ended 31-03-2020	For the Year ended 31-03-2019
FINANCE COSTS		
Interest expense on		
Financial liabilities at amortised cost:		
Interest on loan received from related parties	-	1,27,64,236
Interest on Working Capital	-	-
Total	-	1,27,64,236

NOTE – 17	For the Year ended 31-03-2020	For the Year ended 31-03-2019
OTHER EXPENSES		
Insurance	10,917	53,740
Bank charges	11,470	7,233
Auditors' Remuneration	29,500	29,500
Legal & Professional Charges	70,000	10,00,000
Communication Cost	3,810	1,000
Conveyance Expenses	8,115	19,070
Office Maintenance	16,874	-
Demat Charges	6,279	18,896
Vehicle Maintainance	-	24,315
Total	1,56,965	11,53,754



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Nettlinx Realty Private Limited

Statement Showing the computation of Deferred Tax Calculations

Note-18

Particulars	31st March 2020	
	Amount	
a) Depreciation as per companies act	2,77,744	
b) Depreciation as per income tax act	3,35,594	
c) Timing difference	57,850	
d) Deferred tax Asset (25% of c)	14,463	
e) Educational cess	579	
f) Deferred Tax Asset	15,041	Asset - Charge to P&L
Previously recognized Deferred Tax Liability	4,12,253	Previous year Liability
Deferred Tax Liability (Net)	4,27,294	Closing DT

31st March 2019	
Amount	
7,27,328	
3,89,400	
(3,37,928)	
(1,01,378)	
(3,041)	
1,04,420	Liability
3,07,833	Previous year Liability
4,12,253	Deferred tax Asset Charge to P&L

Dr	Profit & Loss A/c	(15,041)
Cr	To Deferred Tax Asset (for the year)	(15,041)

For NETTLINX REALTY PRIVATE LIMITED

(Signature)

(MANOHAR LOKA REDDY)

Director
DIN:00140229



Place: Hyderabad
Date : 21-07-2020

(Signature)

J. V. HANUMANTHA RAO
Director
DIN : 02682027



A. General Information

Nettlinx Realty Private limited ('the Company') is a Limited Company incorporated in India, registered under Companies Act 1956 having registered office at 5-9-22 Flat No.303 , 3rd Floor My Home Sarovar Plaza, Secretariat Hyderabad TG 500063 IN and its securities listed on the BSE Limited.

Nettlinx Realty Private 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 .

B. Basis of preparation of financial statements

B.1. Statement of Compliance

These financial statements are prepared in accordance with the generally accepted accounting principles (GAAP) in India and in compliance with the Indian Accounting Standards (Ind AS) Specified under section 133 of the Companies Act 2013("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 , the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other provisions to the Act, to the extent notified and applicable as well as applicable guidance notes and pronouncements of the Institute of Chartered Accountants of India (the ICAI)

The financial statements were authorized for issue by the Company's Board of Directors on 25 May, 2019.

Details of the accounting policies are included in Note 1.

B.2 Basis of preparation and presentation

These financial statements for the year ended March 31, 2020 are the first financial statement that the Company has prepared under Ind AS. For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'the Previous GAAP') used for its statutory reporting requirements in India immediately before adopting Ind AS.

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- Certain financial assets and liabilities are measured at fair value;
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- Long term borrowings are measured at amortized cost using the effective interest rate method.



B.3 Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

All amounts are in Indian Rupees except share data, unless otherwise stated.

B.4 Operating Cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out under Ind As and in the Schedule III to the Companies Act, 2013. Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

B.5 Critical accounting judgements and key sources of estimation uncertainty.

In the application of the Company's accounting policies, which are described in Note 1, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.



Useful lives of depreciable assets

Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investment in equity instruments of subsidiary and associate companies

During the year, the Company assessed the investment in equity instrument of subsidiary and associate companies carried at cost for impairment testing. These companies are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

B.6 Fair value measurement and valuation process:

The company measured financial assets and liabilities, if any, at fair value for financial reporting purposes.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

1. Significant accounting Policies

1.1 Revenue recognition

Revenue has been recognized on accrual basis. Revenue from having managed to hold and improve the land bank as above at Nagpur, The Company is exploring the possibility of developing an exclusive IT complex on a major portion of the land to attract occupants / tenants from leading National & Global corporations specially from the growing BPO & Software segment. Nagpur is a potentially growing city and has attained the status of becoming a major multi modal cargo hub. The Company has initiated the process of considering possible tie up with leading Companies to jointly leverage the balance portion of land bank for possible conversion in to residential / commercial property development projects. The company presents revenues net of indirect taxes in its statement of Profit and Loss.



Statement of profit and loss

1.2 Foreign currency Transactions.

1.3 Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets up to the commencement of commercial operations. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred. Borrowing cost includes interest incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

1.4 Taxes on Income Tax and Deferred Tax

Income Tax comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or other comprehensive income.

Provision for income tax is made on the basis of taxable income for the year at the current rates. Tax expense comprises of current tax and deferred tax at the applicable enacted or substantively enacted rates. Current tax represents amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period. Deferred tax represents the effect of temporary difference between carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable income. Deferred tax liabilities are generally accounted for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences, carried forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which such deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis. Deferred tax assets/ liabilities are not recognised for initial recognition of Goodwill or on an asset or liability in a transaction that is not a business combination and at the time of transaction affects neither the accounting profit nor taxable profit or loss. MAT credit is recognised as an asset, only if it is probable that the Company will pay normal income tax during the Specified period.

1.5 Earnings per share

In determining Earning per Share, the Company considers net profit after tax attributable to parent and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is



computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when results will be anti dilutive.

Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date.

1.6 Property, plant and equipment (PPE)

(i) Property, plant and equipment (PPE) are stated at cost net of any taxes less accumulated depreciation, amortisation and impairment loss, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(ii) Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which It is located.

1.7 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life as per Ind As 16 and is provided on a Reduced Balance Method basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company

.Such classes of assets and their estimated useful lives are as under

Particulars	Useful life
Buildings	60
Plant and Machinery	13
Furniture & Fixtures	10
Office Equipment – Others	5
Vehicles	8

1.8 Intangible assets and amortisation

(i) Intangible assets acquired are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets.

(ii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.



(iii) There are no intangible assets assessed with indefinite useful life. The life of amortisation of the intangible assets is as follows.

(1) Software - 8 years

(iv) Amortization methods useful life and residual values are reviewed periodically at each reporting period.

(v) Any gain or loss on disposal of an item of Intangible Assets is recognised in statement of profit and loss.

1.9 Inventories

Inventories are accounted for at cost and all other costs incurred in bringing the inventory to their present location and condition, determined on weighted average basis or net realizable value, whichever is less. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

1.10 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

1.11 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

1.12 Employee benefits

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

Gratuity is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year. Short term compensated absences are provided for based on estimates. The actuarial valuation is done at the end of the year.

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



1.13 Financial instruments

a. Recognition and Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

1.14

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.

An amount of Rs.18,83,44,753 was payable to M/s Nettlinx Limited, the company has allotted 69979 equity shares of Rs.10 each at a premium of Rs.2681 per share as per the Registered Valuer report. These shares are allotted for consideration other than cash.

Payment to Auditors

	31 st March 2020	31 st March 2019
Statutory Audit Fees	Rs. 29,500/-	Rs.29,500/-
Re-imbursement of Expenses	NIL	NIL

Related party Disclosures

A. List of Related parties

Party Name	Nature of associate
Nettlinx Limited	Holding company

B. Key management Personal



1. Manohar Loka Reddy

C. Related party transactions in the ordinary course of business

31st March 2020 31st March 2019

D. Loans from Related Parties

	31 st March 2020	31 st March 2019
Nettlinx Limited	Rs. -	Rs. 11,57,03,588

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

UDIN: 20202785AAAABO5688



MANOHAR LOKA REDDY

Director



Place: Hyderabad

Jul, 21st 2020



J.V.HANUMANTHA RAO

Director

NIRANJAN & NARAYAN

CHARTERED ACCOUNTANTS

H.No.7-1-28/1/A/21, Park Avenue Colony, Shyamkaram Road, Ameerpet, Hyderabad-500016

INDEPENDENT AUDITOR'S REPORT

To

The Members of NETTLINX REALITY PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NETTLINX REALITY PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity for the year then ended and a summary of the 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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



NIRANJAN & NARAYAN

CHARTERED ACCOUNTANTS

H.No.7-1-28/1/A/21, Park Avenue Colony, Shyamkaram Road, Ameerpet, Hyderabad-500016

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2020, and its loss, total comprehensive income and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) on the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Hyderabad
Date: 21-07-2020



For NIRANJAN & NARAYAN
Chartered Accountants
(Firm's Registration No. 005899S)

P.VENUMADHAVARAO
Partner (Mem.No.202785)

UDIN: 20202785AAAABO5688

NIRANJAN & NARAYAN

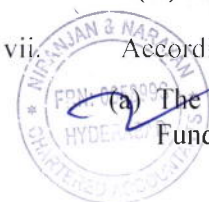
CHARTERED ACCOUNTANTS

H.No.7-1-28/1/A/21, Park Avenue Colony, Shyamkaram Road, Ameerpet, Hyderabad-500016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- iii. According to the information and explanations given to us, the Company has not granted unsecured loans covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value



NIRANJAN & NARAYAN

CHARTERED ACCOUNTANTS

H.No.7-1-28/1/A/21, Park Avenue Colony, Shyamkaram Road, Ameerpet, Hyderabad-500016

Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in payment of dues to banks, financial institutions, banks and government as on date of Balance Sheet.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NIRANJAN & NARAYAN

Chartered Accountants

(FRN. 005899S)



P.VENUMADHAVARAO

Partner

(Mem.No.202785)

UDIN: 20202785AAAAABO5688

Place: Hyderabad

Date: 21-07-2020