

CITY ONLINE SERVICES LIMITED

**26th
ANNUAL REPORT
2024-25**

CITY ONLINE SERVICES LIMITED

Corporate Information

Board of Directors:

- | | |
|-----------------------------|---|
| 1. Mr. S. Raghava Rao | - Chairman & Managing Director (DIN: 01441612) |
| 2. Mr. Ch. Harinath | - Whole-time Director (DIN: 01441704) |
| 3. Mr. R. Krishna Mohan | - Whole-time Director & CFO (DIN: 01678152) |
| 4. Mrs. S. Naga Durga | - Non-Executive Director (DIN: 06697556) |
| 5. **Mr. Seshu Babu Kanuri | - Non-Executive & Additional Independent Director (DIN: 05272233) |
| 6. **Mr. Rambabu Talluri | - Non-Executive & Additional Independent Director (DIN: 07507003) |
| 7. *Mr. M. Nageswara Rao | - Non-Executive & Independent Director (DIN: 03267864) |
| 8. *Mr. Thomas P. Nicodemus | - Non-Executive & Independent Director (DIN: 00444241) |
- *Ceased w.e.f. 30.09.2024.
** appointed w.e.f. 01.10.2024

Company Secretary:

Jyoti Tyagi
(appointed w.e.f 11/11/2024)

Registered Office:

701, 7th Floor, Aditya Trade,
Ameerpet, Hyderabad -500038,
Telangana
Ph No: 040-66416882, Fax: 66416891

Statutory Auditors:

M/s. Komandoor & Co LLP.
Chartered Accountants
Hyderabad

Internal Auditors:

M/s. D. Rambabu & Co
Chartered Accountants
Hyderabad

Secretarial Auditors:

M/s. Vivek Surana & Associates
Practicing Company Secretaries
Hyderabad.

BANKERS

HDFC Bank Ltd, Hyderabad
ICICI Bank Ltd, Hyderabad

AUDIT COMMITTEE:

- | | | |
|--------------------------|---|----------|
| 1. Mr. Rambabu Talluri | - | Chairman |
| 2. Mr. Seshu Babu Kanuri | - | Member |
| 3. Mr. R. Krishna Mohan | - | Member |

NOMINATION & REMUNERATION COMMITTEE:

- | | | |
|--------------------------|---|----------|
| 1. Mr. Seshu Babu Kanuri | - | Chairman |
| 2. Mr. Rambabu Talluri | - | Member |
| 3. Mrs. S. Naga Durga | - | Member |

CITY ONLINE SERVICES LIMITED

STAKEHOLDER RELATIONSHIP COMMITTEE:

- | | | |
|--------------------------|---|----------|
| 1. Mr. Rambabu Talluri | - | Chairman |
| 2. Mr. Seshu Babu Kanuri | - | Member |
| 3. Mr. R. Krishna Mohan | - | Member |

INDEPENDENT DIRECTORS:

1. Mr. Rambabu Talluri
2. Mr. Seshu Babu Kanuri

REGISTRAR & SHARE TRANSFER AGENTS

XI Softech Systems Ltd
3, Sagar Society, Road No. 3
Banjara Hills, Hyderabad – 500 034, Telangana.
Ph: 040 - 23545913, E-mail: xlfield@gmail.com

LISTED AT : BSE Limited

ISIN : INE158C01014

WEBSITE : www.cityonlines.com

INVESTOR E-MAIL ID : corp@cityonlines.com

CORPORATE IDENTITY NUMBER : L72200TG1999PLC032114

CITY ONLINE SERVICES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF MEMBERS OF CITY ONLINE SERVICES LIMITED WILL BE HELD ON MONDAY, THE 29TH DAY OF SEPTEMBER, 2025 AT 10.30 A.M. AT REGISTERED OFFICE OF THE COMPANY SITUATED AT 701, 7TH FLOOR, ADITYA TRADE CENTER, AMEERPET, HYDERABAD, TELANGANA-500038, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Assets and Liabilities as at March 31st 2025, the Statement of Profit and Loss and Cash Flow Statement for the Financial Year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. S. Naga Durga (DIN: 06697556), who retires by rotation and being eligible, offers herself, for re - appointment.

SPECIAL BUSINESS:

3. REAPPOINTMENT OF MR. S. RAGHAVA RAO AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and the applicable provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. S. Raghava Rao, as Chairman and Managing Director of the Company for a period of three years effective 01.09.2025 to 31.08.2028 at a remuneration of Rs. 1,55,000/- (Rupees One Lakh Fifty-Five Thousand only) p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.

RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S. Raghava Rao, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

4. REAPPOINTMENT OF MR. KRISHNA MOHAN RAMINENI AS WHOLETEIME DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and the applicable provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Krishna Mohan Ramineni, as a whole time Director of the Company for a period of three years effective 01.09.2025 to 31.08.2028 at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.

RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. Krishna Mohan Ramineni, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

CITY ONLINE SERVICES LIMITED

RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

5. **RE-APPOINTMENT OF MR. HARINATH CHAVA AS WHOLETIME DIRECTOR OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and the applicable provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Harinath Chava, as a Whole time Director of the Company for a period of three years effective 01.09.2025 to 31.08.2028 at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) p.m. and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time.

RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. Harinath Chava, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

6. APPOINTMENT OF MR. SESHU BABU KANURI (DIN: 05272233) AS INDEPENDENT DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160, Schedule IV and other applicable provisions of Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendments or modifications or re-enactment thereof and rules made thereunder, for the time being in force), in accordance with the recommendations of Nomination and Remuneration Committee and the Board of Directors, Mr. Seshu Babu Kanuri (DIN: 05272233), who was appointed as an Additional Director in the category of Independent Director w.e.f. October 01, 2024, who meets the criteria for Independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) years with effect from October 01, 2024 up to September 30, 2029.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby severally authorized to file all the necessary forms with the office of Registrar of Companies and to do all other acts, deeds, things as may be necessary to give effect to the above Resolution.”

7. APPOINTMENT OF MR. RAMBABU TALLURI (DIN: 07507003) AS INDEPENDENT DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160, Schedule IV and other applicable provisions of Companies Act, 2013, Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendments or modifications or re-enactment thereof and rules made thereunder, for the time being in force), in accordance with the recommendations of Nomination and Remuneration Committee and the Board of Directors, Mr. Rambabu Talluri (DIN: 07507003), who was

CITY ONLINE SERVICES LIMITED

appointed as an Additional Director in the category of Independent Director w.e.f. October 01, 2024, who meets the criteria for Independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 (five) years with effect from October 01, 2024 up to September 30, 2029.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby severally authorized to file all the necessary forms with the office of Registrar of Companies and to do all other acts, deeds, things as may be necessary to give effect to the above Resolution.”

**For and on behalf of the Board of
City Online Services Limited**

**Place: Hyderabad
Date: 01.09.2025**

**Sd/-
S. Raghava Rao
Chairman & Managing Director
(DIN- 01441612)**

CITY ONLINE SERVICES LIMITED

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
3. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
4. Corporate Members intending to send their authorized representative/(s) u/s 113 of the Companies Act, 2013 (the Act), are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
5. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
6. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit

CITY ONLINE SERVICES LIMITED

their PAN details to the Company/Registrar and Share Transfer Agents (M/s. XL Softech Systems Limited.)

7. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
8. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. XL Softech Systems Limited, Share Transfer Agents (for demat) of the Company and Company for shares held in physical for their doing the needful.
9. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
10. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
11. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. XL Softech Systems Limited.)
12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. XL Softech Systems Limited, Share Transfer Agents of the Company for their doing the needful.
13. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/ transmission/ transposition, Demat /Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

CITY ONLINE SERVICES LIMITED

14. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
17. Members may also note that the Annual Report will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: corp@cityonlines.com.
18. SEBI has decided that securities of the listed companies can be transferred only in dematerialized form which effective from 01.04.2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

19. INSTRUCTIONS FOR E-VOTING

- a. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and applicable circulars, the Members are provided with the facility to cast their vote electronically (through remote e-Voting as well as the e-Voting system on the date of the AGM), through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice.

CITY ONLINE SERVICES LIMITED

- b. The remote e-Voting period commences on Friday, September 26, 2025 (9.00 A.M. IST) and ends on Sunday, September 28, 2025 (5.00 P.M. IST). During this period, Members holding shares either in physical mode or in demat mode, as on Monday, September 22, 2025 i.e., cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. A person who is not a member as on the Cut-off date should treat Notice of this Meeting for information purposes only.
- c. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., Monday, September 22, 2025.
- d. Any person or non-individual Shareholders (in physical mode/ demat mode) who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow the steps mentioned below.
- e. Login method for e-Voting and voting during the meeting for Individual Shareholders holding securities in demat mode.

In terms of the SEBI circular dated December 9, 2020 on the e-Voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-Voting process has been enabled to all individual Shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility. Login method for Individual Shareholders holding securities in demat mode is given below:

CITY ONLINE SERVICES LIMITED

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

CITY ONLINE SERVICES LIMITED

Individual Shareholders holding securities in demat mode with NSDL

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “Register Online for IDeAS “Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

CITY ONLINE SERVICES LIMITED

Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

CITY ONLINE SERVICES LIMITED

- f. Login method for e-Voting and voting during the meeting for Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.
- a) The shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on Shareholders tab/ module.
- c) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below:

Login type	For Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.
PAN	Enter your 10-digit alpha-numeric “PAN” issued by Income Tax Department. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by RTA or contact RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

CITY ONLINE SERVICES LIMITED

- g) After entering these details appropriately, click on “SUBMIT” tab.
- h) Shareholders holding shares in physical mode will then directly reach the Company selection screen. However, Shareholders holding shares in Demat mode will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat account holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- k) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- m) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- p) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- q) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot password and enter the details as prompted by the system.
- r) Additional Facility for Non – Individual Shareholders and Custodians –For Remote e-Voting only.
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and

CITY ONLINE SERVICES LIMITED

register themselves in the “Corporates” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (“POA”) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at their email address, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.
20. M/s. Vivek Surana & Associates, Practicing Company Secretary, bearing C.P. Number 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
21. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.cityonlines.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

**For and on behalf of the Board of
City Online Services Limited**

Sd/-

S. Raghava Rao

**Chairman & Managing Director
(DIN- 01441612)**

**Place: Hyderabad
Date: 01.09.2025**

CITY ONLINE SERVICES LIMITED

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3, 4 & 5:

Mr. S. Raghava Rao (DIN: 01441612) was appointed as Chairman & Managing Director of the Company for a period w.e.f 01.09.2019 to 31.08.2022 in the Annual General Meeting held on 28.09.2019 and was reappointed for a further period of three years i.e., from 01.09.2022 to 31.08.2025 in their AGM held on 30.09.2022.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 01.09.2025, approved the re-appointment of Mr. S. Raghava Rao (DIN: 01441612) as a Chairman & Managing Director of the Company for a period of three years effective from 01.09.2025 to 31.08.2028 at a remuneration of Rs. 1,55,000/- (Rupees One Lakh Fifty-five Thousand Only) p.m.

Further Mr. Krishna Mohan Ramineni (DIN: 01678152) was appointed as Whole-time Director of the Company for a period w.e.f 01.09.2019 to 31.08.2022 in the Annual General Meeting held on 28.09.2019 and was re-appointed for a further period of three years i.e., from 01.09.2022 to 31.08.2025 in their AGM held on 30.09.2022.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 01.09.2025, approved the re-appointment of Mr. Krishna Mohan Ramineni (DIN: 01678152) as Wholetime Director of the Company for a period of three years effective from 01.09.2025 to 31.08.2028 at a remuneration of Rs. 1,55,000/- (Rupees One Lakh Fifty-five Thousand Only) p.m.

And further Mr. Harinath Chava (DIN: 01441704) was appointed as Whole-time Director of the Company for a period w.e.f 01.09.2019 to 31.08.2022 in the Annual General Meeting held on 28.09.2019 and was re-appointed for a further period of three years i.e., from 01.09.2022 to 31.08.2025 in their AGM held on 30.09.2022.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 01.09.2025, approved the re-appointment of Mr. Harinath Chava (DIN: 01441704) as a Wholetime Director of the Company for a period of three years effective from 01.09.2025 to 31.08.2028 at a remuneration of Rs. 1,55,000/- (Rupees One Lakh Fifty-five Thousand Only) p.m.

CITY ONLINE SERVICES LIMITED

Accordingly, the Board of Directors recommends the passing of the above Resolution as Ordinary Resolution as set out in the Item No. 3,4 & 5 of the notice.

Save and except Mr. S. Raghava Rao, Mr. Krishna Mohan Ramineni and Mr. Harinath Chava, being appointees and Mrs. S. Nagadurga, Director of the Company is the wife of Mr. S. Raghava Rao, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013 for the Item No. 3,4 & 5

I. GENERAL INFORMATION:

1	Nature of Industry: Telecom Services			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1999			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
	Particulars	2024-25 (Rs. In lakhs)	2023-24 (Rs. In lakhs)	2022-23 (Rs. In lakhs)
	Turnover	750.81	1025.34	1,038.71
	Net profit/loss after Tax	3.51	-20.99	36.96
5	Foreign investments or collaborations, if any: Not Applicable			

CITY ONLINE SERVICES LIMITED

II. INFORMATION ABOUT THE PROFILE:

S. No.	Particulars	Mr. S. Raghava Rao	Mr. Krishna Mohan Ramineni	Mr. Harinath Chava
1.	Background Details	He is an Electronic and Communications Engineer with more than two decades of experience in fields of networking, television, wired and wireless technology. He has designed and successfully implemented the DVB carrier services over IP for several broadcasters and IPTV operators. Mr S. Raghava Rao has trained all the technical staff in the Company. He is responsible for the overall functioning of the Company	Mr. Krishna Mohan Ramineni has done B.E. in Mechanical Engineering and has in depth knowledge in digital and online media business. He is instrumental in exploring new business opportunities for the Company. He takes care of the finance and accounts division of the Company.	Mr. Harinath Chava has done BE in Mechanical Engineering and post-graduation diploma in computer science and in international trade. He is having more than 3 decades experience in the industry. He currently heads the purchase and marketing departments of the Company. He is also responsible for chalking out long term policies and planning for the Company.
2.	Past Remuneration	The past remuneration drawn by Mr. S. Raghava Rao is Rs.1,55,000 per month.	The past remuneration drawn by Mr. Krishna Mohan Ramineni is Rs.1,50,000 per month.	The past remuneration drawn by Mr. Krishna Mohan Ramineni is Rs.1,50,000 per month.
3.	Recognition or awards	Nil	Nil	Nil

CITY ONLINE SERVICES LIMITED

4.	Job Profile and his suitability	Keeping the past record of Mr. S. Raghava Rao in mind and his contribution towards the Company, it is proposed to reappoint him as Chairman and Managing Director of the Company.	Keeping the past record of Mr. Krishna Mohan Ramineni in mind and his contribution towards the Company, it is proposed to re-appoint him as Wholetime Director of the Company.	Keeping the past record of Mr. Harinath Chavva in mind and his contribution towards the Company, it is proposed to reappoint him as Whole-time Director of the Company.
5.	Remuneration proposed	As set out in the resolutions for the item No.3 the remuneration to Mr. S. Raghava Rao, Chairman and Managing Director has the approval of the Nomination and Remuneration Committee and Board of Directors.	As set out in the resolution for the item No.4 the remuneration to Mr. Krishna Mohan Ramineni Whole time Director has the approval of the Nomination and Remuneration Committee and Board of Directors.	As set out in the resolutions for the item No.5 the remuneration to Mr. Harinath Chavva, Whole-time Director has the approval of the Nomination and Remuneration Committee and Board of Directors.

CITY ONLINE SERVICES LIMITED

6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Taking into consideration of the size of the Company, the profile of Mr. S. Raghava Rao and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.	Taking into consideration of the size of the Company, the profile of Mr. Krishna Mohan Ramineni, Whole-time Director and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.	Taking into consideration of the size of the Company, the profile of Mr. Harinath Chavva and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mrs. S. Nagadurga, Director of the Company is the wife of Mr. S. Raghava Rao. Besides the remuneration proposed, he is holding 6,84,500 Equity Shares of the Company.	Besides the remuneration proposed, he is holding 1,53,000 Equity Shares of the Company.	Besides the remuneration proposed, he is holding 2,01,750 Equity Shares of the Company.

III. OTHER INFORMATION

1. Reasons for inadequate profits: Intense competition and unfavourable market conditions.
2. Steps taken or proposed to be taken for improvement: Efforts to increase revenue and finding other markets for sales
3. Expected increase in productivity and profit in measurable terms: NA

ITEM NO. 6 & 7:

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, approved the appointment of Mr. Seshu Babu Kanuri (DIN: 05272233) and Mr. Rambabu Talluri (DIN: 07507003) as an Additional Director, in the category of Independent Director of the Company for a term of five consecutive years with effect from October 01, 2024 to September 30, 2029, subject to approval of the Members of the Company.

In terms of the Companies Act, 2013, an Additional Director shall hold office up to the date of the ensuing Annual General Meeting of the Company or the last date on which Annual General Meeting should have been held, whichever is earlier.

The Company has received a notice from a member under Section 160 of the Companies Act 2013, for appointment of Mr. Seshu Babu Kanuri (DIN: 05272233) and Mr. Rambabu Talluri (DIN: 07507003) for the office of Director in Independent category.

Mr. Seshu Babu Kanuri has done his M. Sc from Andhra University and M. M. M from Bombay University He has a vast experience in the areas in which the Company is operating and further has overseas experience of more than 28 Years in USA, South Africa, Turkey, Canada.

Further Mr. Rambabu Talluri is a distinguished IT leader with over 24 years of experience, specializing in IT-enabled services and the hospitality industry. He has a proven track record of driving strategic IT initiatives that enhance business functionality and operational efficiency. As the Founder and CEO of CaratRED Technologies LLP, Rambabu has spearheaded innovative projects in product development, ERP services, and cloud infrastructure. He possesses extensive technical expertise across various technologies, including HP Enterprise Compute and Storage, AWS and Google Cloud Solutions, Aruba and Cisco Networking, VMware Virtualization, and MySQL and PostgreSQL Database Management. He has a proven track record in

managing large-scale IT infrastructures, developing disaster recovery plans, optimizing IT budgets for significant cost savings, and enhancing business continuity and client satisfaction through effective project management and infrastructure setup. His career includes key roles as an IT Manager at prestigious organizations for Accor hospitality and Hilton, where he led projects that delivered high-impact results, such as upgrading bandwidth and consolidating server infrastructure. His accomplishments also include successful IT asset management, implementing VMWARE ESXI solutions, and leading ERP application implementations. He holds an MBA in Corporate IT, an Advanced Diploma in Software Engineering, and several professional certifications, including ITIL V3, VMware, and Cisco Certified Network Associate. His combination of leadership, technical knowledge, and strategic vision makes him an excellent candidate for independent director roles, particularly in industries where IT innovation and infrastructure management are critical. Rambabu's expertise and experience position him as a valuable asset to any board, capable of contributing to high-level decision-making and ensuring that IT strategies align with broader business goals. His ability to bridge the gap between technical teams and business stakeholders further enhances his suitability for governance roles in technology-driven sectors.

Mr. Seshu Babu Kanuri and Mr. Rambabu Talluri are independent and possesses appropriate skills, experience and knowledge. The Company has received a declaration from them that they meet the criteria of Independence as prescribed under Section 149 (6) of the Companies Act, 2013 and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further they confirmed that they are neither disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 nor debarred from holding office as a Director of the Company by virtue of any SEBI Order or any other such authority and given their consent to act as a Director. The Board of Directors have taken on record the declaration and confirmation submitted by them.

Considering the extensive knowledge, experience and recommendation of the Nomination and Remuneration Committee and the Board of Directors and in order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Seshu Babu Kanuri (DIN: 05272233) and Mr. Rambabu Talluri (DIN: 07507003) as 'Non-executive Independent Directors' for a term up to 5 consecutive years commencing from the date of their appointment as Additional Director i.e., October 01, 2024 to September 30, 2029.

Accordingly, the Board of Directors recommends the passing of the above Resolutions as Special Resolution as set out in the Item No. 6 & 7 of the notice.

CITY ONLINE SERVICES LIMITED

Save and except Mr. Seshu Babu Kanuri and Mr. Rambabu Talluri, Independent Directors, being appointees, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Annexure A– for the Item no’s 2, 3, 4, 5, 6 & 7

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under

Name of the Director	Mrs. S. Nagadurga	Mr. S. Raghava Rao
Brief Resume	She has rich experience in administration.	Mr. S. Raghava Rao is an Electronic and Communications Engineer with more than two decades of experience in fields of networking, television, wired and wireless technology. He has designed and successfully implemented the DVB carrier services over IP for several broadcasters and IPTV operators. Mr S. Raghava Rao has trained all the technical staff in the Company. He is responsible for the overall functioning of the Company.
Qualification	Intermediate	B. Tech
Expertise in specific functional areas	Administration	Technical, Policy making

CITY ONLINE SERVICES LIMITED

Names of Listed entities in which the person also holds the Directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Nil	Nil
Shares held in the Company	40,000 Equity shares	6,84,500 Equity shares
Inter se relationship with any Director	Wife of Mr. S. Raghava Rao	Husband of Mrs. S. Nagadurga

CITY ONLINE SERVICES LIMITED

Name of the Director	Mr. Krishna Mohan Ramineni	Mr. Harinath Chavva
Brief Resume	Mr. Krishna Mohan Ramineni has done B.E. in Mechanical Engineering and has in depth knowledge in digital and online media business. He is instrumental in exploring new business opportunities for the Company. He takes care of the finance and accounts division of the Company.	Mr. Harinath Chava has done BE in Mechanical Engineering and postgraduation diploma in computer science and in international trade. He is having more than 3 decades experience in the industry. He currently heads the purchase and marketing departments of the Company.
Qualification	B. Tech	M. Tech
Expertise in specific functional areas	Accounts and finance	Marketing and purchase
Names of Listed entities in which the person also holds the Directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Nil	Nil
Shares held in the Company	1,53,000 Equity shares	2,01,750 Equity shares
Inter se relationship with any Director	Nil	Nil

CITY ONLINE SERVICES LIMITED

Name of the Director	Mr. Seshu Babu Kanuri	Mr. Rambabu Talluri
Brief Resume	Mr. Seshu Babu Kanuri has done his M. Sc from Andhra University and M. M from Bombay University He has a vast experience in the areas in which the Company is operating and further has overseas experience of more than 28 Years in USA, South Africa, Turkey, Canada.	Mr. Rambabu Talluri is a distinguished IT leader with over 24 years of experience, specializing in IT-enabled services and the hospitality industry. He has a proven track record of driving strategic IT initiatives that enhance business functionality and operational efficiency. As the Founder and CEO of CaratRED Technologies LLP, Rambabu has spearheaded innovative projects in product development, ERP services, and cloud infrastructure. He possesses extensive technical expertise across various technologies, including HP Enterprise Compute and Storage, AWS and Google Cloud Solutions, Aruba and Cisco Networking, VMware Virtualization, and MySQL and PostgreSQL Database Management. He has a proven track record in managing large-scale IT infrastructures, developing disaster recovery plans, optimizing IT budgets for significant cost savings, and enhancing business continuity and client satisfaction through effective project management and infrastructure setup. His career includes key roles as an IT Manager at prestigious organizations for Accor hospitality and Hilton, where he led projects that delivered

CITY ONLINE SERVICES LIMITED

		high-impact results, such as upgrading bandwidth and consolidating server infrastructure. His accomplishments also include successful IT asset management, implementing VMWARE ESXI solutions, and leading ERP application implementations. He holds an MBA in Corporate IT, an Advanced Diploma in Software Engineering, and several professional certifications, including ITIL V3, VMware, and Cisco Certified Network Associate. His combination of leadership, technical knowledge, and strategic vision makes him an excellent candidate for independent director roles, particularly in industries where IT innovation and infrastructure management are critical. Rambabu's expertise and experience position him as a valuable asset to any board, capable of contributing to high-level decision-making and ensuring that IT strategies align with broader business goals. His ability to bridge the gap between technical teams and business stakeholders further enhances his suitability for governance roles in technology-driven sectors.
Qualification	M. Sc and M. M. M	MBA in Corporate IT

CITY ONLINE SERVICES LIMITED

Expertise in specific functional areas	Marketing, purchase, accounts and finance	IT
Names of Listed entities in which the person also holds the Directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Nil	Nil
Shares held in the Company	-	-
Inter se relationship with any Director	Nil	Nil

**For and on behalf of the Board of
City Online Services Limited**

Sd/-

**S. Raghava Rao
Chairman & Managing Director
(DIN- 01441612)**

**Place: Hyderabad
Date: 01.09.2025**

CITY ONLINE SERVICES LIMITED

DIRECTORS' REPORT

To,

The Members of City Online Services Limited.

We have pleasure in presenting the 26th Directors' Report on the business and operations of the Company together with the audited Financial Statements for the year ended 31st March, 2025.

1. FINANCIAL SUMMARY/HIGHLIGHTS:

The performance of the Company during the year has been as under:

(Rs. In Lakhs)

Particular	2024-25	2023-24
Revenue from Operations	750.81	1025.34
Other income	28.69	107.58
Total revenue	779.50	1132.92
Less: Total Expenses except interest and depreciation	711.36	1072.47
Profit/(Loss) Before Interest and Depreciation	68.14	60.45
Less: Interest	10.74	12.71
Less: Depreciation	33.19	36.41
Net Profit/(Loss) before exceptional items	24.20	11.34
Exceptional Items	--	--
Net Profit/(Loss) Before Tax	24.20	11.34
Less: Tax Expense	20.69	32.33
Net Profit/(Loss) for the year After Tax	3.51	-20.99
Other Comprehensive Income	23.46	1.89
Total Comprehensive Income	26.97	-19.10
Earning per Equity Share		
Basic	0.07	-0.41
Diluted (in Rs.)	0.07	-0.41

2. REVIEW OF OPERATIONS:

During the Year under the review, the Company has recorded an Income of Rs. 1,132.92 Lakhs and loss of Rs. 20.99 Lakhs as against the Income of Rs. 1,142.45 Lakhs and incurred a profit of Rs. 36.96 Lakhs in the previous Financial Year ending 31.03.2024.

3. BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and forms part of this Report.

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

During the period under review and the date of Board's Report there was no change in the nature of Business.

5. RESERVES:

The Company has not carried any amount to the reserves.

6. DIVIDEND:

Your directors have decided not to recommend dividend for the year 2024-25.

7. MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no major material changes and commitments affecting the financial position of the Company after the end of the Financial Year and up to date of this report.

8. SHARE CAPITAL:

During the year under review there has been no change in the share capital of the Company.

The authorised share capital of the Company as on 31.03.2025 is Rs. 7,70,00,000/- divided into 77,00,000 equity shares of Rs. 10/- each.

The paid-up share capital of the Company as on 31.03.2025 is Rs. 5,16,47,000/- divided into 51,64,700 equity shares of Rs.10/- each.

CITY ONLINE SERVICES LIMITED

9. BOARD MEETINGS:

The Board of Directors duly met Six (06) times during the Financial Year from 1st April 2024 to 31st March 2025. The dates on which the meetings were held are 30.05.2024, 13.08.2024, 04.09.2024, 30.09.2024, 13.11.2024 and 11.02.2025.

ATTENDANCE OF DIRECTORS:

S. no.	Name of Director	Total Meetings Held During the tenure of the director	Attended
1.	Suryadevara Raghava Rao	6	6
2.	Harinath Chava	6	6
3.	Krishna Mohan Ramineni	6	6
4.	Suryadevara Nagadurga	6	6
5.	Nageswara Rao Mandavilli	4	4
6.	Thomas Pradhan Nicodemus	4	4
7.	Rambabu Talluri	2	1
8.	Seshu Babu Kanuri	2	1

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not given loans, Guarantees or made any investments attracting the provision of Section 186 of the Companies Act, 2013 during the year under review.

10. RELATED PARTY TRANSACTIONS:

Our Company has formulated a policy on related party transactions which deals with the review and approval of related party transactions.

All related party transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of business. There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2 is appended as Annexure – 1 which forms part of this Report.

All related party transactions were placed before the Audit Committee/Board for approval. Prior approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. Members may refer to note no. 37 to the financial statements which sets out related party disclosures pursuant to INDAS-24.

11. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL:

- Mrs. S. Nagadurga retires by rotation and being eligible offers herself for re-appointment.
- Mr. Seshu Babu Kanuri and Mr. Rambabu Talluri were appointed as Non-Executive & Additional Independent Directors of the Company w.e.f. 01.10.2024.
- Mr. M. Nageswara Rao and Mr. Thomos P. Nicodemus ceases to be as Independent Director of the Company on completion of their tenure.
- Ms. Deepika Vaid has tendered her resignation as Company Secretary and Compliance officer of the Company w.e.f. 08.08.2024.
- Ms. Jyoti Tyagi was appointed as Company Secretary and Compliance officer of the Company w.e.f. 11.11.2024.
- Mr. S. Raghava Rao, is proposed to be appointed as Chairman and Managing Director of the Company for a period of three years w.e.f. 01.09.2025 to 31.08.2028 subject to approval of Shareholders of the Company.
- Mr. Krishna Mohan Ramineni, is proposed to be appointed as whole time Director of the Company for a period of three years w.e.f. 01.09.2025 to 31.08.2028 subject to approval of Shareholders of the Company.
- Mr. Harinath Chava, is proposed to be appointed as Whole time Director of the Company for a period of three years w.e.f. 01.09.2025 to 31.08.2028 subject to approval of Shareholders of the Company.

Information as required under regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment forms part of notice.

CITY ONLINE SERVICES LIMITED

12. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

In the opinion of the Board, Independent Directors of the Company has adequate integrity, expertise and experience.

13. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2024 is available on the website of the Company

14. AUDITORS:

a. Statutory Auditors

The members of the Company in accordance with section 139 of the Companies Act, 2013 had passed a resolution for appointment of M/s. Komandoor & Co. LLP, as Statutory Auditors of the company for a period of 5 years in the AGM held on 30.09.2024 to hold office from the conclusion of 25th Annual General Meeting of the Company until the conclusion of 30th Annual General Meeting of the Company.

Statutory Auditors Report

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2025 and has noted the following Qualification:

Sl. No.	Qualification	Explanation
1.	There is a difference in the revenue reported as per the books of account as compared with the revenue reported in the GST Returns filed with the GST Authorities, thereby resulting in underreporting of Revenue to the Authorities by Rs. 94.77 Lakhs.	In respect of audit qualification of auditors report the sales turnover reporting to GST authorities, management has initiated steps for reconciliation of sales turnover to set right the discrepancy observed in statutory audit.

CITY ONLINE SERVICES LIMITED

2.	There is a difference between the Input as per the books of account and the Input Tax Credit as per GST Returns, which amounts to Rs. 5.72 Lakhs (net). Input Tax Credit (ITC) is being claimed solely based on entries appearing in GSTR-2B, without adequate verification to ensure that the underlying Input Tax Credit is genuinely related to the Company's business operations or not.	Necessary steps has been initiated to resolve the qualification.
3.	As on 31st March 2025, we have identified Unbilled revenue amounting to Rs. 17.86 lakhs. This represents services that have been rendered, but invoices have not yet been raised.	Necessary steps has been initiated to resolve the qualification.

b. Secretarial Auditor

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, the Board has appointed M/s. Vivek Surana & Associates, Practicing Company Secretaries to undertake Secretarial Audit of the Company for Financial Year ending 31.03.2025. The report of the Secretarial Auditor is enclosed herewith vide Annexure – 2 of this Report.

Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report for the Financial Year ended March 31, 2025 and noted that there are no Qualifications.

Annual Secretarial Compliance Report

Annual Secretarial Compliance Report is not applicable to the Company for Financial Year ending 31.03.2025.

c. Cost Auditor

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the Company for the Financial Year 2024-25.

d. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies read with rules made there under, the Board has appointed M/s. D. Rambabu & Co, Chartered Accountant, as Internal Auditors of the Company.

15. DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Section 73, 74 & 76 of the Companies Act, 2013 read with rules made thereunder, during the Financial Year under review.

16. COMMITTEES:

A. Audit Committee:

Brief Description of Terms of Reference:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and interalia, includes:

- a) Over view of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement reflects a true and fair position and that sufficient and credible information is disclosed.
- b) Recommending the appointment and removal of statutory auditors, internal auditors and cost auditors, fixation of their audit fees and approval for payment of any other services.
- c) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
- d) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- e) Review with the management, the annual financial statements and Auditor's Report before submission to the Board with particular reference to;

CITY ONLINE SERVICES LIMITED

- i. Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
- ii. Changes, if any, in accounting policies and practices and reasons for the same;
- iii. Major accounting entries involving estimates based on the exercise of judgment by management;
- iv. Significant adjustments made in the financial statements arising out of audit findings;
- v. Compliance with listing and other legal requirements relating to financial statements;
- vi. Disclosure of any related party transactions;
- vii. Modified opinion(s) in the draft audit report;
- f) Review of the quarterly financial statements with the management before submission to the board for approval;
- g) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- h) Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- i) Approval or any subsequent modification of transactions with related parties;
- j) Scrutiny of inter-corporate loans and investments;
- k) Review of valuation of undertakings or assets of the company wherever it is necessary;
- l) Evaluation of internal financial controls and risk management systems;
- m) Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;

CITY ONLINE SERVICES LIMITED

- n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- o) discussion with internal auditors of any significant findings and follow up there on;
- p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- q) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- s) Review the functioning of the whistle blower mechanism;
- t) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
- u) Review of the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - iii. Internal audit reports relating to internal control weaknesses;
 - iv. The appointment, removal and terms of remuneration of the Chief Internal Auditor;
 - v. Statement of deviations
 - v) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

CITY ONLINE SERVICES LIMITED

- w) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus in terms of Regulation 32(7) of the Listing Regulations.
- x) Carrying out any other function as may be referred to the Committee by the Board. xxii. Authority to review/ investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.
- y) Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

During the Financial Year 2024-25, (4) four meetings of the Audit Committee were held on the 30.05.2024, 13.08.2024, 13.11.2024 and 11.02.2025.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings held	No. of meetings attended
*Mr. M. Nageswara Rao	Chairman	NED(I)	2	1
*Mr. Thomas P. Nicodemus	Member	NED(I)	2	0
Mr. R. Krishna Mohan	Member	ED	4	4
**Mr. Seshu Babu Kanuri	Member	NED(I)	2	1
**Mr. Rambabu Talluri	Chairman	NED(I)	2	1

* Ceased w.e.f. 30.09.2024.

** appointed w.e.f. 01.10.2024

NED (I): Non-Executive Independent director

ED: Executive director

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

B. NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration committee constituted in terms of Section 178 of Companies Act, 2013 and as per Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements Regulations, 2015 are as under:

Brief Description of Terms of Reference:

- a) To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - i. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - ii. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- b) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- c) To carry out evaluation of every Director's performance.
- d) To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- e) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.

CITY ONLINE SERVICES LIMITED

- f) To formulate the criteria for evaluation of Independent Directors and the Board.
- g) To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- h) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- i) devising a policy on diversity of board of directors;
- j) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- k) Recommend to the board, all remuneration, in whatever form, payable to senior management.

During the Financial Year 2024-25, (2) two meetings of the Nomination & Remuneration Committee meeting held on the 30.09.2024 and 11.02.2024.

Name	Designation	Category	No. of Meetings held	No. of meetings attended
*Mr. Thomos P. Nicodemus	Chairman	NED(I)	1	1
*Mr. M. Nageswara Rao	Member	NED(I)	1	1
Mrs. S. Naga Durga	Member	ED	2	2
**Mr. Seshu Babu Kanuri	Chairman	NED(I)	1	1
**Mr. Rambabu Talluri	Member	NED(I)	1	0

*ceased w.e.f. 30.09.2024.

** appointed w.e.f. 01.10.2024

NED (I): Non-Executive Independent director

NED: Non-Executive director

Remuneration Policy:

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

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Companies Act, 2013 which inter-alia include:

Brief description of terms of reference:

- a) Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- b) Review of measures taken for effective exercise of voting rights by shareholders;
- c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- e) Such other matter as may be specified by the Board from time to time.
- f) Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

CITY ONLINE SERVICES LIMITED

During the Financial Year 2024-25, (1) one meeting of the Stakeholders and Relationship Committee meeting held on the 11.02.2024.

Name	Designation	Category	No. of Meetings held	No. of meetings attended
*Mr. M. Nageswara Rao	Chairman	NED (I)	1	1
*Mr. Thomos P. Nicodemus	Member	NED (I)	1	1
Mr. R. Krishna Mohan	Member	ED	1	1
**Mr. Seshu Babu Kanuri	Member	NED(I)	1	1
**Mr. Rambabu Talluri	Chairman	NED(I)	1	--

*ceased w.e.f. 30.09.2024.

** appointed w.e.f. 01.10.2024

NED (I): Non-Executive Independent director

ED: Executive director

17. CORPORATE SOCIAL RESPONSIBILITY (CSR, COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY):

Since your Company does not have net worth of Rs. 500 Crores or more or turnover of Rs. 1000 Crores or more or a net profit of Rs. 5 Crores or more during the Financial Year 2024-25, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not to adopt any Corporate Social Responsibility Policy.

18. INTERNAL AUDIT AND FINANCIAL CONTROLS:

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

19. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from all the Independent Directors of the Company to the effect that they are meeting the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

20. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairman are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

21. SIGNIFICANT & MATERIAL ORDERS PASSED BY COURTS / REGULATORS / TRIBUNALS:

There are no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

22. CONSOLIDATED FINANCIAL STATEMENT:

Since the Company does not have any subsidiary or associate company, there is no requirement of preparing the Consolidated Financial Statements during the Financial Year 2024-25 in accordance with relevant accounting standard issued by the Institute of Chartered Accountants of India.

23. REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review.

24. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

During the Year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

25. DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013, is provided hereunder:

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Research & Development and Technology Absorption:

- a) Research and Development (R&D): NIL
- b) Technology absorption, adoption and innovation: NIL

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

26. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Your Company has adopted a whistle blower policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation.

The vigil mechanism of your Company provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provides direct access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.

27. RISK MANAGEMENT POLICY:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a periodical basis.

28. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, pursuant to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as Annexure – 3 for information of the Members.

29. PARTICULARS OF REMUNERATION:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure-4 to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as Annexure-5.

CITY ONLINE SERVICES LIMITED

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mr. S. Raghava Rao, Chairman & Managing Director, Mr. Ch. Harinath, Whole time Director and R. Krishna Mohan, Whole time Director of the Company to the median remuneration of the employees is 0:1, 2.16:1 and 0.43:1 respectively.

30. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3) (c) and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgment 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 or loss of the Company for that period;
- c) That the Directors have 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) That the Directors have prepared the annual accounts on a going concern basis;
- e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

31. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

There have been no frauds reported by the auditor's under Section 143(12) of the Companies Act, 2013.

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

As per the requirement of the provisions of the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made thereunder, the Company has constituted Internal Complaints Committees as per requirement of the Act which are responsible for redressal of complaints relating to sexual harassment against woman at workplace. During the year under review, there were no complaints pertaining to sexual harassment against women pending at the beginning of the year or received during the year.

33. A STATEMENT BY THE COMPANY WITH RESPECT TO THE COMPLIANCE OF THE PROVISIONS RELATING TO THE MATERNITY BENEFIT ACT 1961:

The Company affirms that it is in full compliance with the provisions of the Maternity

Benefit Act, 1961, as amended from time to time. The Company is committed to fostering a supportive and inclusive work environment, and ensures that all relevant policies and practices are regularly reviewed and aligned with the applicable statutory requirements.

34. BOARD EVALUATION:

The Company has adopted a formal mechanism for evaluation of the performance of the Board, its committees and individual directors, including the Chairman of the Board, in accordance with the requirement under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly evaluation of the performance of the Board and its Committees have been carried out annually.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

CITY ONLINE SERVICES LIMITED

The criteria for performance evaluation covers the areas relevant to the functioning of the Board and Board Committees such as its composition, oversight and effectiveness, performance, skills and structure etc.

35. SECRETARIAL STANDARDS:

The Company is in compliance with the applicable secretarial standards.

36. EVENT BASED DISCLOSURES:

During the year under review, the Company has not taken up any of the following activities except as mentioned:

- a) Issue of sweat equity share: NA
- b) Issue of shares with differential rights: NA
- c) Issue of shares under employee's stock option scheme: NA
- d) Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
- e) Buy back shares: NA
- f) Disclosure about revision: NA
- g) Preferential Allotment of Shares: NA

37. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

During the year under review no Company has become its subsidiary, joint venture or associate Company.

38. POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

A. Scope:

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

B. Terms and References:

- (i) "Director" means a director appointed to the Board of a Company.
- (ii) "Nomination and Remuneration Committee means the committee

CITY ONLINE SERVICES LIMITED

constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

- (iii) “Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

C. Policy:

a. Qualifications and criteria:

- (i) The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company’s operations.
- (ii) In evaluating the suitability of individual Board member, the NR Committee may take into account factors, such as:
- General understanding of the company’s business dynamics, global business and social perspective;
 - Educational and professional background
 - Standing in the profession;
 - Personal and professional ethics, integrity and values;
 - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
- (iii) The proposed appointee shall also fulfil the following requirements:
- shall possess a Director Identification Number;
 - shall not be disqualified under the Companies Act, 2013;
 - shall Endeavour to attend all Board Meeting and wherever he is appointed as a Committee Member, the Committee Meeting;
 - shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
 - shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his

CITY ONLINE SERVICES LIMITED

shareholding at the first meeting of the Board in every Financial Year and thereafter whenever there is a change in the disclosures already made;

- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.
- (iv) The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

b. Criteria of independence:

- (i) The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually.
- (ii) The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- (iii) The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.
- (iv) The Independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the companies Act, 2013.

c. Other Directorships/Committee Memberships:

- (i) The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The NR Committee shall take into account the nature of, and the time involved in a Director Service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- (ii) A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- (iii) A Director shall not serve as independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- (iv) A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

CITY ONLINE SERVICES LIMITED

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

39. REMUNERATION POLICY:

A. Scope:

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

B. Terms and Reference:

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

- (i) "Director" means a director appointed to the Board of the company.
- (ii) "Key managerial personnel" means
 - The Chief Executive Office or the managing director or the manager;
 - The company secretary;
 - The whole-time director;
 - The chief finance Officer; and
 - Such other office as may be prescribed under the companies Act, 2013
- (iii) "Nomination and Remuneration Committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and reg. 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

C. Policy:

- a) Remuneration to Executive Director and Key Managerial Personnel:
 - (i) The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.

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

b) Remuneration to Non-Executive Directors:

- (i) The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the Companies act.
- (ii) Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

c) Remuneration to other employees:

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

40. CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2018. The Insider Trading Policy of the Company

lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities. The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website.

41. DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

Further, details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which forms part of this Report.

42. INSURANCE:

The properties and assets of your Company are adequately insured.

43. CREDIT & GUARANTEE FACILITIES:

During the year under review, the Company has not availed credit and guarantee facilities.

44. ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking upmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

We would like to place on record our appreciation for the efforts made by the management and the keen interest shown by the Employees of your Company in this regard.

CITY ONLINE SERVICES LIMITED

45. CORPORATE GOVERNANCE:

Since the paid-up capital of the Company is less than Rs. 10 Crores and Net worth of the Company is less than Rs. 25 Crores, Corporate Governance is Not Applicable.

46. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

During the year under review, there were no applications filed or remained pending for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

47. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

Not applicable.

48. ACKNOWLEDGEMENTS:

Your directors wish to place on record their appreciation of the contribution made by the employees at all levels, to the continued growth and prosperity of your Company. Your directors also wish to place on record their appreciation of business constituents, banks and other financial institutions and shareholders of the Company for their continued support for the growth of the Company.

**For and on behalf of the Board of
City Online Services Limited**

**Place: Hyderabad
Date: 01.09.2025**

**Sd/-
S. Raghava Rao
Chairman & Managing Director
(DIN- 01441612)**

CITY ONLINE SERVICES LIMITED

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
NIL	NIL	NIL	NIL

** Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.

CITY ONLINE SERVICES LIMITED

ANNEXURE-1

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the disclosure of particulars of contracts/arrangements entered into between the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**

a) Name(s) of the related party and nature of relationship:

b) Nature of contracts/arrangements/transactions :

c) Duration of the contracts/arrangements/transactions :

d) Salient terms of the contracts or arrangements or

Transactions including the value, if any :

e) Justification for entering into such contracts or Arrangements or transactions :

f) Date(s) of approval of the Board :

g) Amounts paid as advances, if any :

h) Date on which the special resolution was passed in General meeting as required under first proviso to Section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions:	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any: Approved by Audit Committee and Board Meeting in last Financial Year:
	Nil				

CITY ONLINE SERVICES LIMITED

3. Details of contracts or arrangements or transactions not in the ordinary course of business : **NIL**

S.No	Particulars	Details
a)	Name(s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/ arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification of entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	

All related party transactions that were entered during the financial year were on arms-length basis and are according to the policy of related party transactions adopted by the Company.

**For and on behalf of the Board of
City Online Services Limited**

Place: Hyderabad
Date: 01.09.2025

**Sd/-
S. Raghava Rao
Chairman & Managing Director
(DIN- 01441612)**

CITY ONLINE SERVICES LIMITED

ANNEXURE- 2

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

To,
The Members
City Online Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by City Online Services Limited (hereinafter called “the Company”). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2024 and ended 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

1. We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st of March, 2025 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings;

CITY ONLINE SERVICES LIMITED

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the Financial Year 2024-25:
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event-based disclosures, wherever applicable.**
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., www.cityonlines.com**
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
 - v. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable as the Company has not issued any debt securities during the year under review.**
 - vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has XL Softech Systems Ltd as its Share Transfer Agent.**
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**

ix. Other applicable laws include the following:

- a) The Code on Wages, 2019
- b) The Code on Industrial Relations, 2020
- c) The Code on Social Security, 2020
- d) The Occupational Safety, Health and Working Conditions Code, 2020
- e) Shops and Establishment Act, 1948
- f) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975
- g) The Air (Prevention and Control of Pollution) Act, 1981
- h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975 and
- i) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable except the following:

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

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 Meeting of Stakeholder Relationship Committee and 2 meeting of Nomination and Remuneration Committee Meeting and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

CITY ONLINE SERVICES LIMITED

- (i) the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- Mr. Seshu Babu Kanuri and Mr. Rambabu Talluri were appointed as Non-Executive & Additional Independent Directors of the Company w.e.f. 01.10.2024, Mr. M. Nageswara Rao and Mr. Thomos P. Nicodemus ceases to be as Independent Director of the Company on completion of their tenure. Ms. Deepika Vaid (M. No. A35626) resigned as Company Secretary and Compliance Officer of the Company w.e.f. 08.08.2024 and Ms. Jyoti Tyagi (M. No. A68660) was appointed as the Company Secretary and Compliance Officer of the Company w.e.f 11.11.2024.
- The website of the Company contains policies as specified by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review and the same was carried out in compliance with the provisions of the Act.
- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

CITY ONLINE SERVICES LIMITED

- As per the minutes of the meeting duly recorded and signed by the Chairman of the meeting, the decisions of the Board were unanimous and no dissenting views have been recorded.
- We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- The Compliance by the company of applicable financial Laws like Direct and Indirect tax Laws has not been reviewed thoroughly in this audit since the same has been subject to review by statutory financial Audit and other designated professionals.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Vivek Surana & Associates

Sd/-

Vivek Surana

Proprietor

M. No. A24531, CP No: 12901

UDIN: A024531G001133529

Peer review Cer no: 1809/2022

Place: Hyderabad

Date: 01.09.2025

CITY ONLINE SERVICES LIMITED

Annexure A

To
The Members of
City Online Services Limited

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

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

For Vivek Surana & Associates

**Sd/-
Vivek Surana
Proprietor**

M. No. A24531, CP No: 12901

UDIN: A024531G001133529

Peer review Cer no: 1809/2022

Place: Hyderabad

Date: 01.09.2025

ANNEXURE-3

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

1. Industry structure and developments:

Internet is a growing industry in our country here big players like Airtel, Jio etc coexist with small and medium players like us our USP is customer support and fast response were the bigger players have lag time.

2. Opportunities and Threats:

Falling bandwidth prices and increase in last mile connectivity prices are of some concern.

3. Segment-wise or Product –wise performance:

Since OTT services is growing fast the demand for broadband service is fast growing in our country your company is targeting this segment by entering into gated communities both at Hyderabad and Bangalore were your company provides triple play services i.e., internet, telephone and DTH services the ROI in this segment is much higher. As you are aware that your company is very strong in hospitality and education sector this segment contributes huge revenues to your company. From this year your company has started catering commercial malls. We are also catering rural broadband via franchisees model thus all the segments put together in future your company is hopeful of doing better.

4. Risks and Concerns:

There are no major risks in near future.

5. Internal Control systems and their adequacy:

Company has proper internal control systems in every department and management reviews the same periodically.

6. Discussion on financial performance with respect to operational performance.

There is slight drop in turnover compared to Financial Year 2023-2024 and also your company has made a profit of 3.5 lakhs, your company hopes to make more profit in coming year and it has taken all steps in that direction.

CITY ONLINE SERVICES LIMITED

7. Material developments in Human Resources/Industrial Relation front, including number of people employed:

Your company is in service sector hence no unskilled workers are there we have technical, marketing, finance and administrative staff in all the places of operation the number of staff all together is about 54.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MOREAS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS ALONG WITH DETAILED EXPLANATIONSTHEREOF

Particulars	2024-25	2023-24	Remarks
Debtors turnover ratio	7.88	5.86	--
Inventory turnover ratio	NA	NA	NA, Service Industry
Interest coverage ratio	NA	NA	No Long-Term Debt
Current ratio	0.62	0.59	--
Debt equity ratio	NA	NA	No Long-Term Debt
Operating profit margin (%)	4.65%	-4.59%	--
Net profit margin (%)	3.22%	1.11%	--
Return on Net worth	NIL	NIL	Shareholders Equity is in Negative

Disclosure of Accounting Treatment:

The Company has not carried out any treatment different from that prescribed in Accounting Standards.

Cautionary Statement:

Statements in this Management Discussion and Analysis Report may be "forward looking statements: within the meaning of applicable securities laws and regulations. These statements are based on certain assumption and expectations of future events. Actual results could differ materially from those expressed or implied. Important facts that could make a difference at the Company's operations include economic conditions affecting

CITY ONLINE SERVICES LIMITED

domestic demand and supply conditions, finished goods prices, changes in government regulations and tax regime etc. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.

**For and on behalf of the Board of
City Online Services Limited**

**Place: Hyderabad
Date: 01.09.2025**

**Sd/-
S. Raghava Rao
Chairman & Managing Director
(DIN- 01441612)**

CITY ONLINE SERVICES LIMITED

ANNEXURE-4

1. The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.

Name of the Director	Total Remuneration (Amount in Rs.)	Ratio to median remuneration
Suryadevara Raghava Rao	-	-
Krishna Mohan Ramineni	1,25,000	0.43:1
Harinath Chava	6,20,000	2.16:1

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Name	Designation	Remuneration (Amount in Rs.)		Increase/ (Decrease) %
		FY 2024-25	FY 2023-24	
Suryadevara Raghava Rao	Managing Director	-	-	-
Krishna Mohan Ramineni	Whole-time Director & CFO	1,25,000	-	-
Harinath Chava	Whole-time Director	6,20,000	-	-
Deepika Vaid	Company Secretary	1,00,000	-	-
Jyoti Tyagi	Company Secretary	1,15,000	-	-

3. The percentage increase in the median remuneration of employees in the financial year

Particulars	Remuneration		Increase/ (Decrease)%
	FY 2024-25	FY 2023-24	
Median Remuneration of all the employees per Month*	2,87,500	2,87,500	--

*Employees who have served for whole of the respective financial years have been considered.

CITY ONLINE SERVICES LIMITED

4.

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2025	28 No's

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration**

Particulars	Increase/ (Decrease) %
Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)	-
Average Percentage increase in the Remuneration of Key Managerial Personnel	-

*Employees who have served for whole of the respective financial years have been considered.

6. **Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company is in compliance with its remuneration policy.

STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL

S.No	Employee Name	Designation	Remuneration Received	Nature of Employment	Qualification and experience of the employee	Date of the commencement of employment	The age of Employee	The last employment held by such employee before joining company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Whether any such employee is a relative of any director or manager of the Company and if so name of such director or manager
1	S. Jagan Mohan Rao	Branch Incharge	12,31,200	Permanent	DECE/24	05-06-2001	57	NIL	NIL	NIL
2	Grish Kumar U J	Sr. Network Admin	7,12,800	Permanent	BCA/19	01-04-2006	44	NIL	NIL	NIL
3	Shaik Shaikath Ali Ansari	Sr. Network Admin	6,72,000	Permanent	MBA/5	26-07-2021	41	NIL	NIL	NIL
4	Sunit Varma Vanapala	Sr. Network Admin	6,00,000	Permanent	B.Tech/10	02-02-2015	34	NIL	NIL	NIL
5	Vijaya laxmi A	HR & Finance Manager	5,59,872	Permanent	M. Com & MBA/15	10-12-2010	42	NIL	NIL	NIL
6	P. Satya Salish	Network Admin	5,59,872	Permanent	B.Com/19	15-06-2006	46	NIL	NIL	NIL
7	Muktha Bai G	Admin officer	4,40,640	Permanent	BA/21	09-04-2004	45	NIL	NIL	NIL
8	Santhosh S	Sr. Network Admin	4,40,640	Permanent	BCA/15	22-01-2010	38	NIL	NIL	NIL
9	B Ramanalah	Sr.Accounts Manager	5,22,024	Permanent	M.Com/17	06-09-2008	43	NIL	NIL	NIL
10	CH Durga Praveen	Sr. Network Admin	4,20,000	Permanent	B.Tech/7	09-08-2018	32	NIL	NIL	NIL

CITY ONLINE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CITY ONLINE SERVICES LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of City Online Services Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the statement of Profit and Loss, the statement of Changes in Equity and the statement of Cash Flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2025, its Profit, its total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. There is a difference in the revenue reported as per the books of account as compared with the revenue reported in the GST Returns filed with the GST Authorities, thereby resulting in under-reporting of Revenue to the Authorities by Rs. 94.77 Lakhs.
2. There is a difference between the Input as per the books of account and the Input Tax Credit as per GST Returns, which amounts to Rs. 5.72 Lakhs (net). Input Tax Credit (ITC) is being claimed solely based on entries appearing in GSTR-2B, without adequate verification to ensure that the underlying Input Tax Credit is genuinely related to the Company's business operations or not.
3. As of 31st March 2025, we have identified unbilled revenue amounting to ₹17.86 lakhs. This represents services that have been rendered, but invoices have not yet been issued.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Going Concern

The company is having a negative net-worth of Rs 7.51 Lakhs as on 31st March 2025. The management of the company has represented that in case of need, the promoters shall infuse the required capital/loan for furtherance of operations. Hence, the financial statements are prepared on a Going Concern basis.

Our opinion on the financial statements is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2025. Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no Key Audit Matters to communicate in our report.

Emphasis of Matter

We draw attention to the following matters:

1. Note 12 to the financial statements represents the balance amounting to Rs. 54.06 Lakhs under the head "Financial Assets- Trade Receivables" regarding amount receivable from sundry debtors as on the Balance Sheet date is subject to confirmations and reconciliations and consequential adjustments, if any.
2. Note 23 to the financial statements represents the balance amounting to Rs. 266.03 Lakhs under the head "Financial Liabilities - Trade

CITY ONLINE SERVICES LIMITED

Payables” regarding amount payable to sundry creditors as on the Balance Sheet date is subject to confirmations and reconciliations and consequential adjustments, if any.

3. Note 25 to the financial statements represents the balance amounting to Rs.231.97 Lakhs under the head “Other Current Liabilities” regarding “Statutory Liabilities” in the nature of TDS, GST, PF, ESI & PT are remaining unpaid as on the balance sheet date.

Our opinion on the financial statements is not modified in respect of the above matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Board of Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and Fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (“IND AS”) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

CITY ONLINE SERVICES LIMITED

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the adequacy and operating effectiveness of the company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) To evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the INDAS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

CITY ONLINE SERVICES LIMITED

- (g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, as amended:

In our opinion, and according to the information and explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations that would impact its financial position.
 - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2025.
 - iv.
- (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (This option is to be used when the Company has not received funds in the capacity of intermediary)

CITY ONLINE SERVICES LIMITED

- (c) Based on audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31,2025 which has a feature of recording Audit trail (Edit Log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the Statutory requirements for record retention.

For KOMANDOOR & CO LLP
Chartered Accountants
FRN: 001420S/ S200034

Sd/-
K Narasimhan
Partner
M. No. 021345
UDIN:25021345BMFYVA792

Place: Hyderabad
Date: 29.05.2025

CITY ONLINE SERVICES LIMITED

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **CITY ONLINE SERVICES LIMITED** on the Financial Statements for the year ended 31st March, 2025)

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is maintaining proper records showing full particulars, including quantitative details and the situation of property plant & equipment and intangible assets.
 - (b) As informed to us, the Company has not performed a physical verification of its entire Property, Plant, and Equipment. There exists a difference of Rs.6,30,440 between the balance shown in the Fixed Asset Register and the balance recorded in the accounting books, reconciliation of which is under progress.
 - (c) According to the information and explanations given to us, we report that there is no Immovable property of Land and buildings which are freehold or lease hold held in the name of the company as of the Balance Sheet date 31st March 2025. There fore, Clause 3(i)(c) of the Order is not applicable to the Company and hence not commented upon.
 - (d) According to the Information and explanations given to us, the Company has not valued any of its Property, Plant and Equipment (including right-of-use assets) or Intangible Assets during the year. Therefore, the Clause 3(i)(d) of the Order is not applicable to the Company and hence not commented upon.
 - (e) According to the Information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the Clause 3(i)(e) of the Order is not applicable to the Company and hence not commented upon.
- ii.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no inventory lying with the company as on the balance sheet date. Therefore, the Clause 3(ii)(a) of the order is not applicable to the company.

CITY ONLINE SERVICES LIMITED

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital from banks or financial institutions, which is less than Rs.5crores on the basis of security of current assets. Therefore, Clause 3(ii)(b) of the Order is not applicable to the Company and hence not commented upon.
- iii. According to the information & explanation given to us and on the basis of our examination of records of the company, the Company has granted advances in the nature of Loans to Companies during the year of which:
- (a) Based on the audit procedures performed, during the year the company has provided advances in the nature of loans. The details are as follows:

PARTICULARS	AMOUNT IN RS.
Aggregate amount during the year:	
- Related	30,000
- Other than subsidiaries	-
Balance outstanding as at balance sheet:	
- Related	14,97,104
- Other than subsidiaries	-

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, in case of loans and advances, which are in the nature of loans, there is no interest levied, therefore the terms and conditions of the grant of loans and advances are prejudicial to the company's interest.
- (c) The schedule of repayment of principal and payment of interest has not been stipulated.
- (d) According to the information and explanation given to us there is no repayment schedule, using which overdue for more than 90 days can be obtained therefore, the provision of Clause 3 (iii) (d) is not commented upon.
- (e) According to the information and explanations given to us, there is no repayment schedule on the basis of which we can determine that the loans that fell due during the year has been renewed, extended, or a fresh loan has been granted to settle the existing dues. Hence, commenting on Clause 3 (iii) (e) is not required.

CITY ONLINE SERVICES LIMITED

- (f) According to the information and explanations given to us and on the basis of our examination of the records, the company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2025 and therefore, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. According to the information and explanations given to us, Maintenance of Cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013, is not applicable to the company and accordingly, clause (vi) of paragraph 3 of the order is not applicable to the company.
- vii. According to the information and explanations given to us and on the basis of our examination of books of accounts, the company is not regular in depositing undisputed statutory dues.
- a) As at 31st March 2025, the following are the undisputed statutory dues payable for a period of more than 6 months from the date they become payable:

Name of the Statute	Nature of Dues	Amount (Rs.)
Employees Provident Fund and Miscellaneous Act, 1952	-	7,45,926.40
Professional Tax	-	3,23,173.00
Income-Tax Act, 1961	TDS deducted amount	32,22,838.28
GST Act, 2017	-	2,00,07,475.46

CITY ONLINE SERVICES LIMITED

- b) According to the information and explanation given to us, the company has no statutory dues which have not been deposited on account of disputes.
- viii. According to the information and explanations given to us and on the basis of our examination of the records, the company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on Clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has raised money by way of term loans which were applied for the purpose for which it was raised.
 - a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to a lender.
 - b) According to the information and explanations given to us, the company has not been declared a willful defaulter by any bank or financial institution, or any other lender.
 - c) According to the information and explanations given to us and on the basis of the examination of records of the company, the term loans were applied for the purpose for which the loans were obtained.
 - d) According to the information and explanations given to us and on the basis of the examination of records of the company, no funds raised on short term basis have been utilized for long-term purposes.
 - e) According to the information and explanations given to us and on the basis of the examination of records of the company, the company has not taken any funds from any entity or a person on account of or to meet the obligations of its subsidiaries, Associates or Joint ventures.
 - f) According to the information and explanations given to us and on the basis of the examination of records of the company, the company has not raised loans during the quarter on the pledge of the securities held in its subsidiaries, Joint ventures or Associate companies.
- x.
 - a) According to the information and explanations given to us and on the basis of the examination of records of the company, no money was raised by the way of initial public offer or further public offer (including debt instruments) and hence not commented upon.

CITY ONLINE SERVICES LIMITED

b) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optionally convertible) during the year. Accordingly, Clause (x)(b) of the Order is not applicable and hence not commented upon.

xi.

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year. Accordingly, Clause (xi)(a) of the Order is not applicable and hence not commented upon.

b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there is no fraud by the company or no material fraud on the company by the officers and employees of the company. Accordingly, filing of Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government is not required and hence Clause (xi) (b) of the Order is not applicable and not commented upon.

c) According to the information and explanations given to us, there were no whistle-blower complaints in the company. Therefore, the Para 3 (xi) (c) of the Order is not applicable to the Company and hence not commented upon.

xii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not Nidhi Company. Therefore, Clause (xii) (a), (b) and (c) of the Order is not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv.

(a) According to the information and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.

CITY ONLINE SERVICES LIMITED

- (b) The internal audit report of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of the Order is not applicable and hence not commented upon.
- xvi.
- (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, Clause 3 (xvi)(a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, Clause 3(xvi)(b) of the Order is not applicable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is not a core investment company. Accordingly, Clause 3(xvi)(c) of the Order is not applicable and hence not commented upon.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the company, neither the company nor its group of company is a core investment company. Accordingly, Clause 3(xvi)(d) of the Order is not applicable and hence not commented upon.
- xvii. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not incurred cash losses in the financial year. Hence, commenting on Clause (xvii) is not required.
- xviii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there has been no resignation of the statutory auditors during the year. Accordingly, Clause 3 (xviii) of the Order is not applicable and hence not commented upon.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other

CITY ONLINE SERVICES LIMITED

information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- xx. According to the information and explanation provided to us, and based on the examination of the records of the company. The company is not subject to compliance requirements with respect to Section 135 of The Companies Act, 2013. Therefore, Clause (xx) (a) & (b) of the Order is not applicable to the Company and hence not commented upon.
- xxi There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, reporting under Clause 3(xxi) of the Order is not applicable for the year.

For KOMANDOOR & CO LLP
Chartered Accountants
FRN: 001420S/ S200034

Sd/-
K Narasimhan
Partner
M. No. 021345
UDIN:25021345BMFYVA792

Place: Hyderabad
Date: 29.05.2025

CITY ONLINE SERVICES LIMITED

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of City Online Services Limited ("the Company") as of 31st March 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements in place and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2025 based on the internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the

Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained, and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

CITY ONLINE SERVICES LIMITED

- (3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For KOMANDOOR & CO LLP
Chartered Accountants
FRN: 001420S/ S200034

Sd/-
K Narasimhan
Partner
M. No. 021345
UDIN:25021345BMFYVA792

Place: Hyderabad
Date: 29.05.2025

CITY ONLINE SERVICES LIMITED

Balance Sheet as at March 31, 2025

(All amounts in Rs. In Lakhs, unless otherwise stated)

Particulars		Note	As at March 31, 2025	As at March 31, 2024
A	ASSETS			
1	Non-Current Assets			
	(a) Property, plant and equipment	3	130.34	157.94
	(b) Intangible assets	4	0.10	0.09
	(c) Right of use of Asset	5	-	4.53
	(d) Financial Assets			
	- Investments	6	0.50	2.84
	- Other non-current assets	7	13.44	13.44
	(e) Deferred tax assets [Net]	8	75.00	91.92
	(f) Other non-current assets	9	-	-
	Total Non-Current Assets [A]		219.38	270.77
2	Current Assets			
	(a) Inventories	10	-	-
	(b) Financial Assets			
	- Loans and Advances	11	14.97	14.68
	- Trade receivables	12	68.07	122.41
	- Cash and cash equivalents	13	0.11	4.49
	- Other Bank balances	14	154.05	148.16
	- Other financial current assets	15	31.56	27.71
	(c) Other current assets	16	76.62	78.82
	Total Current Assets [B]		345.37	396.26
	TOTAL ASSETS [A+B]		564.75	667.03
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	17	516.47	516.47
	(b) Other Equity	18	-523.98	-550.95
	Total Equity [A]		-7.51	-34.48
2	Non-Current Liabilities			
	(a) Financial Liabilities			
	- Borrowings	19	-	-
	- Lease liability	20	-	4.98
	(b) Provisions	21	15.63	23.89
	Total Non-Current Liabilities [B]		15.63	28.86
3	Current Liabilities			
	(a) Financial Liabilities			
	- Borrowings	22	98.53	132.04
	- Trade payables	23	182.30	266.03
	- Provisions	24	5.81	6.08
	- Other current liabilities	24A	-	-
	(b) Other current liabilities	25	270.00	268.51
	Total Current Liabilities [C]		556.63	672.65
	TOTAL EQUITY AND LIABILITIES [A+B+C]		564.75	667.03
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements			

As per our report on even date

For and on behalf of the Board of Directors of
CITY ONLINE SERVICES LIMITED

For KOMANDOOR & CO LLP
Chartered Accountants
Firm Reg. No.:001420S/S200034

Sd/-
K Narasimhan
Partner
Membership No. 021345

Sd/-
S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Sd/-
R. Krishna Mohan
Finance Director
DIN:01678152

Place: Hyderabad
Date: 29-05-2025

Sd/-
Jyoti Tyagi
Company secretary

CITY ONLINE SERVICES LIMITED

Statement of Profit and Loss for the year ended March 31, 2025

(All amounts in Rs. In Lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I REVENUE			
Revenue from Operations [Gross]	26	750.81	1,025.34
Other Operating Income	27	-	-
Total Revenue from Operations		750.81	1,025.34
Other Income	28	28.69	107.58
TOTAL INCOME [I+II]		779.50	1,132.92
II EXPENSES			
Employee benefit expenses	29	165.72	170.61
Finance costs	30	10.74	12.71
Depreciation and amortization expense	3, 4 & 5	33.19	36.41
Bandwidth expenses	31	461.34	755.28
Other expenses	32	84.31	146.57
TOTAL EXPENSES [II]		755.29	1,121.59
III Profit/(Loss) Before Tax		24.20	11.34
IV Tax Expense:			
- Current tax	33	3.78	-
- Deferred tax	33	16.91	32.33
V Profit/(Loss) for the period		3.51	-20.99
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		9.45	1.89
- Remeasurements of financial assets		14.01	-
- Recognition of borrowings using effective interest rate			
Other comprehensive income for the year, net of tax		26.97	-19.10
VII Earnings per equity share Rs. 10/- each fully paid			
- Basic	39	0.07	-0.41
- Diluted	39	0.07	-0.41
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements			

As per our report on even date

For KOMANDOOR & CO LLP
Chartered Accountants
Firm Reg. No.:001420S/S200034

Sd/-
K Narasimhan
Partner
Membership No. 021345

Place: Hyderabad
Date: 29-05-2025

For and on behalf of the Board of Directors of
CITY ONLINE SERVICES LIMITED

Sd/-
S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Sd/-
R. Krishna Mohan
Finance Director
DIN:01678152

Sd/-
Jyoti Tyagi
Company secretary

CITY ONLINE SERVICES LIMITED

Cash Flow Statement for the year ended March 31, 2025

(All amounts in Rs. In Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2025	Year Ended March 31, 2024
A. Cash flow from operating activities			
Profit / (Loss) before tax		24.20	11.34
Adjustments:			
Depreciation and amortisation		33.19	36.41
Interest expense		10.74	12.71
Write Back of Liabilities		-	-44.54
Interest on lease liability		-	-
Bad debts written off		-	0.45
Assets Written off		-	0.80
INDAS effect		-	-0.25
Capital Reserve		-	-
Remeasurement of post employee benefits		9.45	1.89
Remeasurements of financial assets		14.01	-
Interest on capital from partnership firm		-	-
Expected credit loss allowance		-	-
Profit on sale of investment		-	-
Profit on sale of property, plant & equipment		-	-
Provision written back		-15.42	-51.53
Interest income		-10.24	-10.33
		65.93	-43.05
Cash generated before working capital changes			
Increase/(Decrease) in trade payables		-83.72	12.93
Increase/(Decrease) in other current liabilities		16.91	-47.66
Increase/(Decrease) in Other current financial liabilities		-	-
Increase/(Decrease) in Short term provisions		-0.27	9.44
Increase/(Decrease) in long term provisions		-8.26	1.82
(Increase)/Decrease in inventories		-	-
(Increase)/Decrease in short term loans and advances		-0.30	-0.20
(Increase)/Decrease in trade receivables		54.34	104.52
(Increase)/Decrease in other non-current financial assets		-	-
(Increase)/Decrease in other Bank Balances		-5.89	-5.68
(Increase)/Decrease in other non current assets		-	-
(Increase)/Decrease in other current financial assets		-3.85	-12.19
(Increase)/Decrease in other current assets		2.20	-1.18
		37.09	18.77
Cash generated from operations		-3.78	-
Direct taxes refund/ (paid)		33.32	18.77
Net cash flow from operating activities (A)		33.32	18.77
B. Cash flows from investing activities			
Purchase / (Proceeds) of property, plant and equipment, including intangible assets		-1.06	-3.19
Investment in bank deposits		-	1.32
Interest received		10.24	10.33
Interest on capital from partnership firm		-	-
Profit/ (loss) on sale of investment		-	-
Share of (profit)/loss from partnership firm		-	-
(Increase)/Decrease in non current investments		2.34	11.53
		11.53	8.45
Net cash flow used in investing activities (B)		11.53	8.45
C. Cash flows from financing activities			
(Repayment)/Proceeds from long term borrowings		-	-2.43
Decrease in Share capital		-	-
Payment of Lease liability		-4.98	-3.79
(Repayment) / Proceeds from working capital borrowings		-33.51	-9.68
Interest paid		-10.74	-49.23
		-49.23	-28.61
Net cash flow used in financing activities ©		-49.23	-28.61
D. Net Increase/(decrease) in cash and cash equivalents (A+B+C)		-4.38	-1.40
E. Cash and cash equivalents			
at the beginning of the year	13	4.49	5.88
at the end of the year		0.11	4.49
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		0.06	4.24
- Deposits with maturity less than 3 months		-	-
Cash on hand		0.05	0.25
Less: Bank overdraft		-	-
Cash and cash equivalents at the end of the year		0.11	4.49
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements			
The cash flow statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statement* and presents the Cash Flows by Operating, Investing and Financing activities.			

As per our report on even date

For KOMANDOOR & CO LLP
Chartered Accountants
Firm Reg. No.:001420S/S200034

Sd/-
K Narasimhan
Partner
Membership No. 021345

Place: Hyderabad
Date: 29-05-2025

For and on behalf of the Board of Directors of
CITY ONLINE SERVICES LIMITED

Sd/-
S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Sd/-
R. Krishna Mohan
Finance Director
DIN:01678152

Sd/-
Jyoti Tyagi
Company secretary

CITY ONLINE SERVICES LIMITED

A. Equity Share Capital

(Rs in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	516.47	516.47
Changes in equity share capital during the year		
- Share Forfeiture balance transferred to Capital Reserve		-
Balance at the end of the reporting year	516.47	516.47

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
(a) As on 31st March, 2025	516.47	-	-	516.47
(b) As on 31st March, 2024	516.47	-	-	516.47

B. Other Equity

(Rs in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Movement in other equity is as follows:		
I. Investment subsidy	4.00	4.00
	-	-
II. Capital Reserve	44.51	44.51
III. Retained Earnings		
(i) Opening Balance	-575.19	-554.20
(ii) Profit/(Loss) for the year	3.51	-20.99
(iii) Other comprehensive income	-0.81	-24.27
Total	-572.49	-599.46
	-523.98	-550.95

As per our report on even date

Particulars	Investment Subsidy	Capital Reserve	Other Comprehensive Income	Retained Earnings	Total
Balance as on 1st April, 2023	4.00	44.51	-26.17	-554.20	-531.85
Changes in accounting policy or prior period errors					
Restated balance at the beginning of the current reporting period	4.00	44.51	-26.17	-554.20	-531.85
Total Comprehensive Income for the current year	-	-	1.89	-20.99	-19.10
Dividends					
Transfer to retained earnings					
Any other change (to be specified)					
Balance at the end of the current reporting period					
Balance as on 31st March, 2024	4.00	44.51	-24.27	-575.19	-550.95
Changes in accounting policy or prior period errors					
Restated balance at the beginning of the current reporting period	4.00	44.51	-24.27	-575.19	-550.95
Total Comprehensive Income for the current year	-	-	23.46	3.51	26.97
Dividends					
Transfer to retained earnings					
Any other change (to be specified)					
Balance as on 31st March, 2025	4.00	44.51	-0.81	-571.68	-523.98

As per our report on even date

For and on behalf of the Board of Directors of
CITY ONLINE SERVICES LIMITED

For KOMANDOOR & CO LLP
Chartered Accountants
Firm Reg. No.:001420S/S200034

Sd/-
K Narasimhan
Partner
Membership No. 021345

Place: Hyderabad
Date: 29-05-2025

Sd/-
S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Sd/-
R. Krishna Mohan
Finance Director
DIN:01678152

Sd/-
Jyoti Tyagi
Company secretary

1. Corporate Information:

City Online Services Limited ("the Company") is a listed public company domiciled in India and is incorporated under the Companies Act, 1956 ("the Act") on July 16, 1999. The registered office of the company is located at 701, 7th Floor, Aditya Trade, Ameerpet, Hyderabad, Telangana - 500038.

The company is engaged in the business of providing internet and intranet services, data center solutions, custom Wi-Fi solutions and managed services. The Company is listed on Bombay Stock Exchange Limited ("BSE").

2. Significant Accounting Policies:

This note provides a list of the significant accounting policies adopted in the preparation of these separate financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation:

These separate financial statements are prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value, the provisions of the Companies Act, 2013 (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

Accounting policies have been consistently applied except where the change is required by an Ind AS or change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or condition on the entity's financial position, performance or cash flow.

b) Use of estimates and judgements:

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Difference between the actual results and estimates are recognized in the year in which results are known/materialized.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) Current versus non-current classification:

The company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period or,
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

d) Property, plant and equipment:

i. Recognition and initial measurement:

Property, plant and equipment are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

ii. Depreciation, estimated useful lives and residual value:

Depreciation on property, plant and equipment is provided on straight line method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

iii. De-recognition:

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

e) Intangible Assets:

i. Recognition and initial measurement:

Intangible assets (software) are stated in the balance sheet at their carrying value being the cost of acquisition less accumulated depreciation. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

ii. Amortization and estimated useful lives:

Amortization of intangible assets is provided on straight line method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Impairment of assets:

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount.

Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

h) Foreign Currency:

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

i) Revenue Recognition:

Effective from 1st April, 2017, the Company has adopted Ind AS 115, "Revenue from Contracts with Customers". Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Income from the services is recognized when the services are rendered in accordance with the terms agreed.

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instruments but does not consider the expected credit losses.

j) Leases

The Company as a lessee

As per Ind AS-116, the Company has recognized lease liabilities and corresponding equivalent right-of-use assets. The Company's lease asset classes primarily consist of leases for Land, Buildings, Plant & Machinery and Vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess

CITY ONLINE SERVICES LIMITED

whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset.
- (ii) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

k) Financial Instruments:

a. Financial Assets

Initial recognition and measurement

The company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit and loss are expensed in the statement of profit and loss. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

Debt instruments at amortized cost – A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures is carried at cost in the separate financials statements.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of a similar financial asset) is primarily de-recognized (i.e., removed from the company’s separate balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset.

b. Financial Liabilities

Initial recognition and measurement

The company recognizes financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit and loss are expensed in the statement of profit and loss.

Subsequent measurement

These liabilities include borrowings and deposits. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the statement of profit and loss when the liabilities are de-recognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c. Offsetting financials instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

l) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying asset are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

m) Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost includes purchase price excluding taxes those are subsequently recoverable by the company from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost of inventories is determined using the weighted average cost method.

n) Employee Benefits:

a. Short-term benefit plans

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions, if any, are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

c. Defined benefit plans

The company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined

based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method [PUCM], which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations. Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

o) Income Taxes:

Tax expense recognized in statement of profit or loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is

recognized outside profit or loss (either in other comprehensive income or in equity).

p) Provisions, contingent liabilities and contingent assets:

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

q) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

r) Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/(loss) 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.

s) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity

CITY ONLINE SERVICES LIMITED

shares outstanding during the period is adjusted for events including a bonus issue.

For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

CITY ONLINE SERVICES LIMITED

Note 3: Property, plant and equipment

Total		As at March 31, 2025	As at March 31, 2024
Plant & Machinery		101.81	124.03
Furniture and Fittings		1.02	1.03
Motor Vehicles		4.00	6.67
Computers and Data Processing Units		2.80	3.01
Office Equipment		20.71	23.20
Total		130.34	157.94

For period ended March 31, 2025						
Description of Assets	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
I. Gross Block						
Opening Balance	647.41	6.55	22.02	121.70	113.64	911.32
Additions	-	-	-	-	0.97	0.97
Disposals	-	-	-	-	-	-
Balance as at 31 March 2025	647.41	6.55	22.02	121.70	114.61	912.29
II. Accumulated Depreciation						
Opening Balance	523.34	5.49	15.34	118.65	89.75	752.58
Depreciation expense for the period	22.22	0.01	2.68	0.21	3.46	28.57
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at 31 March 2025	545.56	5.49	18.02	118.86	93.22	781.16
III. Assets Write off	0.04	0.03	-	0.03	0.69	0.80
IV. Net Block [I-II-III]						
Carrying value as at March 31, 2025	101.81	1.02	4.00	2.80	20.71	130.34
Carrying value as at March 31, 2024	124.03	1.03	6.67	3.01	23.20	157.94

For period ended March 31, 2024						
Description of Assets	Plant & Machinery	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
I. Gross Block						
Opening Balance	647.41	6.55	22.02	121.37	110.78	908.13
Additions	-	-	-	0.34	2.86	3.19
Disposals	-	-	-	-	-	-
Balance as at 31 March 2024	647.41	6.55	22.02	121.70	113.64	911.32
II. Accumulated Depreciation						
Opening Balance	499.14	5.34	12.67	118.49	85.11	720.75
Depreciation expense for the period	24.20	0.15	2.68	0.17	4.65	31.83
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at 31 March 2024	523.34	5.49	15.34	118.65	89.75	752.58
III. Assets Write off	0.04	0.03	-	0.03	0.69	0.80
IV. Net Block [I-II-III]						
Carrying value as at March 31, 2024	124.03	1.03	6.67	3.01	23.20	157.94

CITY ONLINE SERVICES LIMITED

Note 4: Intangible Assets

Particulars	As at March 31, 2025	As at March 31, 2024
Computer Software	0.10	0.09
Total	0.10	0.09

For the Period ended March31, 2025

Description of Assets	Computer Software
I. Gross Block	
Opening Balance	5.58
Additions	0.09
Disposals	
Balance as at March 31, 2025	5.67
II. Accumulated Amortization	
Opening Balance	5.49
Amortization expense for the year	0.08
Eliminated on disposal of assets	
Balance as at March 31, 2025	5.57
III. Net Block [I-II]	0.10
Carrying value as at March 31,2025	0.10
Carrying value as at March 31, 2024	0.09

For the Period ended March31,2024

Description of Assets	Computer Software
I. Gross Block	
Opening Balance	5.58
Additions	-
Disposals	
Balance as at March 31, 2024	5.58
II. Accumulated Amortization	
Opening Balance	5.44
Amortization expense for the year	0.05
Eliminated on disposal of assets	
Balance as at March 31, 2024	5.49
III. Net Block [I-II]	0.09
Carrying value as at March 31,2024	0.09

CITY ONLINE SERVICES LIMITED

Note 5: Right of use of Asset

Particulars	As at March 31, 2025	As at March 31, 2024
Right of use of Asset	4.53	8.82
Less: Effect of Lease Modification as per Ind As - 116	-	-
Add: ROU created during the year	-	0.24
Less: Depreciation	4.53	4.53
Total	-	4.53

Note 6: Non-Current Investments

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Investments in equity instruments (fully paid-up)		
<u>Unquoted Investments</u>		
Investment in Subsidiaries (Valued at cost)		
- City Online Digital Private Limited [10,000 (31.03.2020: 10,000) equity shares of par value Rs. 10 each]	-	-
- City Online Media Private Limited [10,000 (31.03.2020: 10,000) equity shares of par value Rs. 10 each]	-	-
Total investment in equity instruments [A]	-	-
(ii) <u>Others investments, unquoted</u>		
(a) <u>Investments in partnership firms</u>		
- In-fo City Online Consortium	-	2.34
(b) <u>Investments in government securities [valued at cost]</u>		
National savings certificates [Refer Note (i) below] [5 Bonds (31.03.2020: Rs.50,000) of Rs. 10,000 each]	0.50	0.50
Total investment in other non-current investments [B]	0.50	2.84
Total [A+B]	0.50	2.84

Notes

(i). National Savings Certificate has been deposited with the Entertainment Tax Department by the company as a deposit for the purpose of procurement of Entertainment License.

Aggregate amount of unquoted investments	0.50	0.50
Investments carried at cost	0.50	0.50

Note 7: Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
<u>Deposits</u>		
- Rental Deposits (Net)	7.92	7.92
- Others	5.52	5.52
Security deposit IND AS	-	-
Security deposit IND AS 2	-	-
Total	13.44	13.44

Note 8: Deferred tax asset [Net]

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax asset	75.00	91.92
Total	75.00	91.92

CITY ONLINE SERVICES LIMITED

Note 9: Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	-	-
Total	-	-

Note 10: Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Stock in trade	-	-
Total	-	-

Note 11: Current Loans

Particulars	As at March 31, 2025	As at March 31, 2024
<i>Unsecured, considered good</i>		
Loans and advances to related parties	14.97	14.68
Total	14.97	14.68

Type of Borrower	As on 31st march,2025		Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of of loans
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of of loans		
Promoters	0	0%	-	0%
Directors	0	0%	-	0%
KMPs	0	0%	-	0%
Related Parties	14.97	100%	14.68	100%
Total	14.97	100%	14.68	100%

Note 12: Trade Receivables

Particulars	As at March 31, 2025	As at March 31, 2024
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months	68.07	136.42
Others	-	-
Less: Provision for credit losses	-	-14.01
Total	68.07	122.41

As at 31st March, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
1.Undisputed Trade Receivables-considered good	63.66	2.66	1.22	0.35	0.17	68.07
2.Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
3.Disputed Trade Receivables-considered good	-	-	-	-	-	-
4. Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-

CITY ONLINE SERVICES LIMITED

As at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
1.Undisputed Trade Receivables-considered good	91.76	4.56	10.02	10.51	5.55	122.41
2.Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
3.Disputed Trade Receivables-considered good	-	-	-	-	-	-
4. Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-

Note 13: Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with banks		
- In current accounts	0.06	4.24
- Deposits with original maturity of less than 3 months	-	-
Cash on hand	0.05	0.25
Total	0.11	4.49

Note 14: Bank balances other than above

Particulars	As at March 31, 2025	As at March 31, 2024
On deposit accounts		
- Remaining maturity for less than 12 months	154.05	148.16
Total	154.05	148.16

Note 15: Other financial current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Security Deposits		
Interest accrued but not due	1.87	8.39
Un-billed revenue	17.86	1.61
Loans to employees	1.66	1.88
Prepaid expenses	10.17	15.84
Total	31.56	27.71

Note 16: Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Prepaid(Current)	-	-
Advances to suppliers	-	-
Advance Income Tax	72.52	75.01
Other current assets	-	-
- Statutory	-	-
- Others	4.10	3.81
Total	76.62	78.82

CITY ONLINE SERVICES LIMITED

Note 17: Share Capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity shares of Rs.10 each	77.00	770.00	77.00	770.00
Issued				
Equity shares of Rs.10 each	70.00	700.00	70.00	700.00
Subscribed and called up				
Equity shares of Rs.10 each	69.25	692.50	69.25	692.50
Paid up capital				
Equity shares of Rs.10 each, fully paid-up	51.65	516.47	51.65	516.47
Share forfeiture account				
Equity shares of Rs.10 each	-	-	-	-
Total	51.65	516.47	51.65	516.47

(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
Equity shares				
Year ended March 31, 2024				
- Number of shares	51.65	-	-	51.65
- Amount	516.47	-	-	516.47
Year ended March 31, 2023				
- Number of shares	51.65	-	-	51.65
- Amount	516.47	-	-	516.47

(b) Shareholders holding more than five percent of paid up share capital*

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
S. Raghava Rao	6,84,500	13.25%	6,84,500	13.25%

(c) Shares held by promoters at the end of the year

As on 31st March, 2025

Shares held by promoters at the end of the year				% Change during the year
S.No	Promoter Name	No. of Shares	% of shares	
1	SURYADEVARA RAGHAVA RAO	6,84,500	13.25	-
2	JONNALAGADDA GRAM	47,700	0.92	-
3	GOPALA KRISHNAIAH CHAVA	27,000	0.52	-
4	VENKATESWARA RAO RAMINENI	2,500	0.05	-

As on 31st March, 2024

Shares held by promoters at the end of the year				% Change during the year
S.No	Promoter Name	No. of Shares	% of shares	
1	SURYADEVARA RAGHAVA RAO	6,84,500	13.25	-
2	JONNALAGADDA GRAM	47,700	0.92	-
3	GOPALA KRISHNAIAH CHAVA	27,000	0.52	-
4	VENKATESWARA RAO RAMINENI	2,500	0.05	-

Equity Shares: The company has one class of equity shares having a face value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

*As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

CITY ONLINE SERVICES LIMITED

Note 18: Other Equity

Particulars	As at March 31, 2025	As at March 31, 2024
Investment subsidy	4.00	4.00
Capital Reserve	44.51	44.51
Retained Earnings	-572.49	-599.46
Total	-523.98	-550.95

For details of movement during the year refer '**Statement of Changes in Equity**'

Nature and purpose of Other Equity:

(a) Investment subsidy

Investment subsidy pertains to subsidy given by Andhra Pradesh Government to internet service providers.

(b) Retained Earnings

Retained earnings comprise of the company's accumulated losses.

Note 19: Non-Current Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
From Banks		
- Secured	-	-
- Unsecured	-	-
Total	-	-

Note:

1. The term loan taken from HDFC Bank is secured by way of hypothecation of vehicle purchased. The loan is repayable in 60 equal monthly installments. The applicable interest rate is 11.25%. The period of maturity with respect to balance sheet date is 22 installments.

2. ii) GECL availed from HDFC Bank is availed under Guaranteed Emergency Credit Line (GECL) scheme released by Central government. The loan is repayable in 48 equal monthly installments. The applicable interest rate is 8.25% p.a. The period of maturity with respect to balance sheet date is 33 installments.

Note 20: Leases

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liability	-	4.98
	0.00	4.98

CITY ONLINE SERVICES LIMITED

Note 21: Non-Current Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits		
- Gratuity	15.63	23.89
Total	15.63	23.89

Note 22: Current Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
From Banks		
- Secured	-	-
- Unsecured	0.89	0.72
Current maturities of borrowings - Non-current	-	-
From Banks	-	-
- Secured	-	-
- Unsecured	-	2.43
Bank overdraft	-	-
- Secured	96.39	126.89
Loans from related parties	1.25	2.00
Loans from others	-	-
Total	98.53	132.04

Note 23: Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Creditors - Suppliers	166.13	250.66
Other Payables	16.17	15.36
Total	182.30	266.03

As at 31st March, 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1. MSME	-	-	-	-	-
2. Others	153.28	4.07	-	-	157.35
3. Disputed dues-MSME	-	-	-	-	-
4. Disputed dues-Others	-	-	0.49	24.46	24.95

As at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1. MSME	-	-	-	-	-
2. Others	240.21	0.87	-	-	241.08
3. Disputed dues-MSME	-	-	-	-	-
4. Disputed dues-Others	-	0.49	18.88	5.58	24.95

CITY ONLINE SERVICES LIMITED

Note 24: Provisions

Particulars		As at March 31, 2025	As at March 31, 2024
	Provision for Employee benefits - Gratuity	0.32	0.69
	For Expenses	5.48	5.38
	Total	5.81	6.08

Note 24A: Other current financial liabilities

Particulars		As at March 31, 2025	As at March 31, 2024
	Current maturities of borrowings - Non-current		
		-	-
		-	-
	Total	-	-

Note 25: Other Current Liabilities

Particulars		As at March 31, 2025	As at March 31, 2024
	Statutory liabilities	231.97	230.01
	Advance from customers	5.93	2.40
	Others	1.64	1.61
	Salary payable	15.13	15.35
	Deposited From Franchise	-	-
	Provision for income tax	7.73	13.86
	Deferred income	7.60	5.13
	Deposits from customers	-	0.15
	Total	270.00	268.51

CITY ONLINE SERVICES LIMITED

Note 26: Revenue from operations [Gross]

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income from internet services	746.64	1,011.82
Income from VOIP services	-	-
Income from hardware sales	1.22	1.08
Income from Installation charges	2.95	12.41
Total	750.81	1,025.31

Note 27: Other Operating Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Miscellaneous income	-	0.03
Total	-	0.03

Note 28: Other Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on deposits	10.24	10.33
Interest on I.T Refund	-	-
Excess provisions written back	15.42	51.53
Profit/Interest income:	-	-
Interest income on rental deposits INDAS Adj	0.29	0.19
Interest on Income Tax Refund	0.78	0.89
Write back of Trade Payables	-	44.54
Profit on modification of Lease	-	-
Sale of Scrap	0.05	-
Discounts received	0.002	0.05
Others	1.90	0.06
Total	28.69	107.58

Note 29: Employee Benefit Expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, allowances and wages	147.50	157.93
Director's remuneration	7.45	-
Contribution to provident and other funds	8.96	10.92
Staff welfare expenses	1.82	1.76
Total	165.72	170.61

CITY ONLINE SERVICES LIMITED

Note 30: Finance Costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on:		
- Working Capital	8.70	9.07
- Term Loan	0.03	0.64
- Interest on lease liability	0.21	0.67
Bank Charges	1.79	2.32
Total	10.74	12.71

Note 31: Bandwidth Expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Bandwidth charges	338.97	642.26
Repairs and maintenance	34.90	38.59
Electricity	30.18	36.86
Rent networking	14.89	14.38
Cable line expenses	38.93	15.76
Installation expenses	3.14	1.24
Last Mile Charges(Expenses)	-	5.59
Other operating expenses	0.34	0.61
Total	461.34	755.28

Note 32: Other Expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Office Rent	24.44	37.09
Rates and taxes	2.70	36.74
Sales commission	0.70	7.14
Insurance	0.80	0.24
Auditors' remuneration (Including Provision):		
- Statutory audit	3.25	4.00
- Tax audit	-	-
- Fees for limited review	-	-
- Others	0.14	0.12
- Certification	-	0.40
Travelling and conveyance	10.59	11.75
Sitting Fees	0.16	-
Impairment Loss and Expected Credit Loss	-	-
Legal and professional charges	7.98	5.58
Advertisement expenses	0.48	0.58
Business promotion expenses	-	0.19
Communication cost	3.69	4.05
Bad debts written off	-	0.45
Assets Writeoff	-	0.80
Printing and stationery	0.57	0.59
Repairs and maintenance	10.41	20.03
Annual Maintenance exp	-	-
Office Maintenance exp	2.83	1.97
Postage and courier	0.36	0.38
Interest on tds late payments	-	4.20
ISP Membership fees	0.76	0.75
Bse Litig Fees	3.25	3.25
Investment Written off	1.85	-
Interest Accrued write off	8.05	-
Expenses IND AS	-	0.68
General Expenses	0.48	-
Miscellaneous expenses	0.84	5.59
Total	84.31	146.57

CITY ONLINE SERVICES LIMITED

Note 33: Income Tax

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	-	-
- Adjustments in respect of current income tax of previous year	-	-
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	20.69	32.33
Income tax expense reported in the statement of profit or loss	20.69	32.33

34. Contingent Liabilities:

i) Performance Guarantee:

Particulars	As at March 31, 2025	As at March 31, 2024
Performance Guarantee	53.33	53.33

35. Employee Benefits

The Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

Statement of Profit and Loss

Net employee benefit expenses recognized in the employee cost

Particulars	March 31, 2025	March 31, 2024
Current service cost	1.05	2.14
Interest cost on benefit obligation	1.68	1.67
Past Service cost – vested benefits	-	-
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognized in the year	-9.45	-1.89
Net benefit expense	-6.72	1.92

Balance Sheet

Benefit liability

Particulars	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	15.95	24.58
Fair value of plan assets	-	-
Plan liability	15.95	24.58

CITY ONLINE SERVICES LIMITED

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2025	March 31, 2024
Opening defined benefit obligation	24.58	22.66
Current service cost	1.05	2.14
Interest cost	1.68	1.67
Benefits paid	-1.90	-
Actuarial gain/(losses) on obligation	-9.45	-1.89
Closing defined benefit obligation	15.95	24.58

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2025	March 31, 2024
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial (losses)/gains	-	-
Closing fair value of plan assets	-	-

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2025	March 31, 2024
Discount rate (%)	6.75%	7.10%
Salary escalation (%)	3.00%	7.00%
Attrition rate (%)	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

36. Segment information

The Company's operations predominantly consist only of business of providing internet and intranet, data centre solutions. Thus, there are no reportable segments as defined in Ind AS 108 "Operating Segments". The company earns its entire "revenue from external customers" in India, being company's country of domicile. All non-current assets other than financial instruments and deferred tax assets are located in India. There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company's revenue.

CITY ONLINE SERVICES LIMITED

37. Related Party Disclosures

a) Names of the related parties and nature of relationship (as per Ind AS 24):

Nature of Relationship	Name of Related Party
Key Managerial Personnel (KMP):	C H Harinath
	S. Raghava Rao
	R. Krishna Mohan
Relatives of Key Managerial Personnel	R. Vijaya Durga
	S. Naga Durga
Entity in which KMP have significant influence	Anu Digital Arts Private Limited
	City Online Digital Private Limited
	City Online Media Private Limited
Investment in partnership firms:	Info-Fi City online Consortium

b) Transactions with related parties:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Managerial Remuneration:	7.45	-
- S. Raghava Rao	-	-
- R. Krishna Mohan	1.25	-
- C.H. Harinath	6.20	-
Loans and advances given:	0.30	0.20
- City Online Digital Private Limited	0.30	0.20
- City Online Media Private Limited	-	-
Loans and advances received:	-	2.00
- City Online Media Private Limited	-	2.00
Loans and advances recovered:	-	-
- City Online Digital Private Limited	-	-
- City Online Media Private Limited	-	-
- Anu Digital Arts Private Limited	-	-
Sales:	-	-
- Info-Fi City online Consortium	-	-
Payments received for sale of services :	-	-
- Info-Fi City online Consortium	-	-
Fixed Asset purchase:	-	-
- S. Raghava Rao	-	0.80
Electricity and Maintenance	-	-
- City Online Digital Private Limited	-	-
Rent	-	-
- City Online Digital Private Limited	-	-

CITY ONLINE SERVICES LIMITED

c) Related party balances:

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current investments:	-	2.34
- City Online Media Private Limited	-	-
- City Online Digital Private Limited	-	-
- Broadway City Online Consortium	-	-
- Info-Fi City online Consortium	-	2.34
Loans and Advances Given/(Taken) :	13.72	12.68
- City Online Media Private Limited	-1.25	-2.00
- City Online Digital Private Limited	14.97	14.68
Advance from customers:		
- Info-Fi City online Consortium	-	-
Other payables:	0.80	0.80
- S. Raghava Rao	0.80	0.80

38. Leases:

Operating Lease

Assets taken on cancellable operating lease

The company is obligated under cancellable lease for office premises. Total lease rental expenses recognized in the statement of profit and loss for the year are as follows;

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cancellable	24.44	37.09
Total	24.44	37.09

39. Earnings per Share (EPS):

i. Reconciliation of earnings used in calculating earnings per share:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after taxation as per statement of profit and loss (for basic EPS)	3.51	(20.99)
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	3.51	(20.99)

CITY ONLINE SERVICES LIMITED

ii. Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of weighted average equity shares considered for calculating of basic EPS	51.65	51.65
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	51.65	51.65

iii. Earnings per share:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
- Basic (Rs.)	0.07	(0.41)
- Diluted (Rs.)	0.07	(0.41)

40. Expenditure in Foreign Currency:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Membership Fee	-	-
Total	-	-

41. Balance Confirmations

Confirmations of receivables and payable balances have not been received by the Company, hence, reliance is placed on the balances as per books. In the opinion of the management, the amounts are realizable / payable in the ordinary course of business.

42. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2025 and March 31, 2024 in the financial statements based on information received and available with the company.

43. Fair Value Measurements

i. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

CITY ONLINE SERVICES LIMITED

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii. Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2025	March 31, 2024
Fair Value Hierarchy	3	3
Financial Assets		
Other Financial Assets – Security Deposits	13.44	13.44
Other Financial Assets – Trade Receivables	68.07	122.41
Financial Liabilities		
Borrowings	-	-

iii. Financial Instruments by category

For amortized cost instruments, carrying value represents the best estimate of fair value:

Particulars	31-03-2025			31-03-2024		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
FINANCIAL ASSETS						
Other investments	-	-	0.50	-	-	2.84
- Loans & Advances	-	-	14.97	-	-	14.68
- Trade receivables	-	-	68.07	-	-	136.42
- Cash and cash equivalents	-	-	0.11	-	-	4.49
- Bank balances other than above	-	-	154.05	-	-	148.16
- Other financial assets	-	-	45.00	-	-	41.15
TOTAL	-	-	282.70	-	-	331.90
FINANCIAL LIABILITIES						
Borrowings	-	-	98.53	-	-	132.04
Trade Payables	-	-	182.30	-	-	266.03
TOTAL	-	-	280.93	-	-	398.06

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company holds investment in its subsidiaries.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's board of directors that the

CITY ONLINE SERVICES LIMITED

Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The carrying amounts reported in the statement of financial position for cash and cash equivalents, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short maturity.

44. Financial Instruments Risk Management

i. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has exposure only to financial instruments at fixed interest rates. Hence, the company is not exposed to significant interest rate risk.

b. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily towards operating activities (when revenue or expense is denominated in a foreign currency).

ii. Credit Risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company, leading to a financial loss. The Company is mainly exposed to the risk of its balances with the bankers and trade and other receivables.

Ageing of receivables is as follows:

Particulars	March 31, 2025	March 31, 2024
Past due not impaired:		
0-90 Days	58.62	76.86
91-180 Days	5.04	14.90
181-360 Days	2.66	4.57
Greater than 360 Days	1.75	40.09
Less: Provision for Credit Losses	-	(14.01)
Total	68.07	122.41

CITY ONLINE SERVICES LIMITED

iii. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. The Company's principal sources of liquidity are the cash flows generated from operations. The Company has no long-term borrowings and believes that the working capital is sufficient for its current requirements. Accordingly, no liquidity risk is perceived.

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is insignificant.

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>March 31, 2025</u>				
Borrowings	97.28	1.25	-	98.53
Trade Payables	153.28	4.07	-	157.35
Total	250.56	5.32	-	255.88
<u>March 31, 2024</u>				
Borrowings	132.04	-	-	132.04
Trade Payables	240.21	20.24	5.58	266.03
Total	372.25	20.24	5.58	398.07

45. Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of gearing ratio. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

CITY ONLINE SERVICES LIMITED

The capital for the reporting year under review is summarized as follows:

Particulars	31-Mar-25	31-Mar-24
Current Borrowings [Refer Note 22]	98.53	132.04
Total Debt	98.53	132.04
As a percentage of total capital	108.25%	135.34%
Equity [Refer Note 17 and 18]	(7.51)	(34.48)
As a percentage of total capital	-8.25%	-35.34%
Total Capital [Debt and Equity]	91.02	97.56

As per our report on even date

For KOMANDOOR & CO LLP
Chartered Accountants
Firm Reg. No.:001420S/S200034

Sd/-
K Narasimhan
Partner
Membership No. 021345

Place: Hyderabad
Date: 29-05-2025

For and on behalf of the Board of Directors of
CITY ONLINE SERVICES LIMITED

Sd/-
S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Sd/-
R. Krishna Mohan
Finance Director
DIN:01678152

Sd/-
Jyoti Tyagi
Company secretary

CITY ONLINE SERVICES LIMITED

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L72200TG1999PLC032114
Name of the company : City Online Services Limited
Registered office : 701, 7th Floor, Aditya Trade Center, Ameerpet,
Hyderabad, Telangana – 500038

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

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

1. Name :

Address : _

E-mail Id :

Signature:, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Monday, the 29th day of September, 2025 at 10.30 A.M. at the Registered Office of the Company at 701, 7th Floor, Aditya Trade Center, Ameerpet, Hyderabad, Telangana – 500038 and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

Resolutions:

1. To receive, consider and adopt the Audited Statement of Assets and Liabilities as at March 31st, 2025, the Statement of Profit and Loss and Cash Flow Statement for the Financial Year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. S. Naga Durga (DIN: 06697556), who retires by rotation and being eligible, offers herself, for re-appointment.
3. Re-appointment of Mr. S. Raghava Rao, as Chairman and Managing Director of the Company.
4. Re-appointment of Mr. Krishna Mohan Ramineni, as a whole time Director of the Company.
5. Re-appointment of Mr. Harinath Chava, as a Whole time Director of the Company.
6. Appointment of Mr. Seshu Babu Kanuri (DIN: 05272233) as Independent Director of the Company.
7. Appointment of Mr. Rambabu Talluri (DIN: 07507003) as Independent Director of the Company.

CITY ONLINE SERVICES LIMITED

Signed this day of..... 2025

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CITY ONLINE SERVICES LIMITED

CITY ONLINE SERVICES LIMITED

701, 7TH FLOOR, ADITYA TRADE CENTER, AMEERPET, HYDERABAD, TELANGANA –
500038

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 26th Annual General Meeting of the Company, to be held on 29TH DAY OF SEPTEMBER, 2025 AT 10.30 A.M. at the Registered Office of the Company at 701, 7th Floor, Aditya Trade Center, Ameerpet, Hyderabad, Telangana – 500038 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____
(In block letters)

Folio No./ Client ID _____

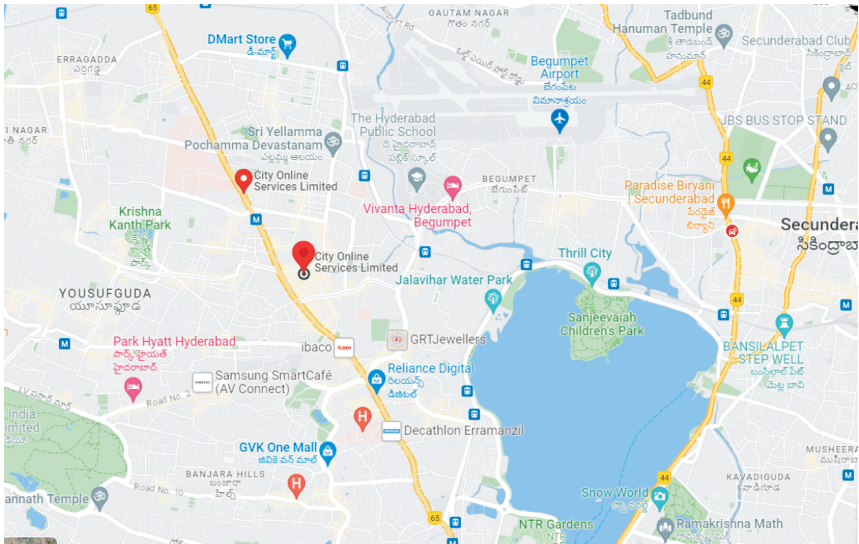
No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

CITY ONLINE SERVICES LIMITED

ROUTE MAP



If undelivered please return to :
CITY ONLINE SERVICES LIMITED

701, 7th Floor, Aditya Trade Center,
Ameerpet, Hyderabad,
Telangana – 500038.
Ph No 040-66416882, Fax: 66416891