CITY ONLINE SERVICES LIMITED

27th

ANNUAL REPORT

2025-26

Corporate Information

Board of Directors:

1. Mr. Suryadevara Raghava Rao - Chairman & Managing Director (DIN: 01441612)
2. Mr. Harinath Chava - Whole-time Director (DIN: 01441704)
3. Mr. Krishna Mohan Ramineni - Whole-time Director & CFO (DIN: 01678152)
4. Mrs. Suryadevara Naga Durga - Non-Executive Director (DIN: 06697556)
5. Mr. Seshu Babu Kanuri - Independent Director (DIN: 05272233)
6. Mr. Rambabu Talluri - Independent Director (DIN: 07507003)

Company Secretary:

Jyoti Tyagi

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. Krishna Mohan Ramineni - Member

NOMINATION & REMUNERATION COMMITTEE:

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

STAKEHOLDER RELATIONSHIP COMMITTEE:

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

INDEPENDENT DIRECTORS:

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

REGISTRAR & SHARE TRANSFER AGENTS

Xl 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

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF MEMBERS OF CITY ONLINE SERVICES LIMITED WILL BE HELD ON WEDNESDAY, THE 30TH DAY OF SEPTEMBER, 2026 AT 10.30 A.M. AT REGISTERED OFFICE OF THE COMPANY SITUATED AT 701, 7TH FLOOR, ADITYA TRADE CENTER, AMEERPET, HYDERABAD, TELANGANA- 500034, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Assets and Liabilities as at March 31st 2026, 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. Suryadevara Naga Durga (DIN: 06697556), who retires by rotation and being eligible, offers herself, for re -appointment.

SPECIAL BUSINESS:

3. Sale/Disposal of Business/Undertaking of the Company:

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

   "RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 37A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), and subject to such other approvals, consents, permissions and sanctions as may be necessary, and the provisions of the Memorandum and Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to sell, transfer, assign, convey, dispose of or otherwise divest the whole or substantially the whole of the business/undertaking of the Company ("Undertaking"), together with such assets, liabilities, contracts, licences, permits, employees, rights and obligations as may be identified by the Board in connection with such sale/disposal, to one or more prospective purchaser(s)/transferee(s) to be identified and finalised by the Board through an appropriate commercial process.

RESOLVED FURTHER THAT the sale/disposal of the Undertaking shall be undertaken for cash consideration and/or such other legally permissible form of consideration as may be determined by the Board, based on an independent valuation and prevailing market conditions, provided that the consideration shall not be less than the fair market value of the Undertaking as determined by an independent registered valuer appointed by the Company, unless otherwise permitted under applicable law and approved by the Board for reasons to be recorded.

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, finalise and execute the definitive agreement(s), including business transfer agreement, slump sale agreement, asset purchase agreement, conveyance deed, assignment agreement and/or any other agreement or document as may be necessary or desirable for giving effect to the aforesaid sale/disposal, and to determine the final purchaser(s), consideration, payment terms, completion date, conditions precedent, representations, warranties, indemnities and other commercial and legal terms, subject to applicable laws and the parameters approved by the Members pursuant to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine the exact assets, properties, rights, contracts, licences, permits, employees, liabilities and other components forming part of the Undertaking to be transferred, to the extent permissible under applicable law and the definitive transaction documents.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make all necessary applications, filings, disclosures and intimations with the stock exchanges, statutory and regulatory authorities and other governmental authorities, and to obtain all requisite approvals, consents and permissions in connection with the proposed transaction.

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."

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

Sd/-
Suryadevara Raghava Rao
Chairman & Managing Director
(DIN- 01441612)

Place: Hyderabad
Date: 14.08.2026

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 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.

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 escrow 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. A letter providing the web-link, including the exact path, where complete details of the Annual Report is available to those members who have not so registered.

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.

b. The remote e-Voting period commences on Sunday, September 27, 2026 (9.00 A.M. IST) and ends on Tuesday, September 29, 2026 (5.00 P.M. IST). During this period, Members holding shares either in physical mode or in demat mode, as on Wednesday, September 23, 2026 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., Wednesday, September 23, 2026.

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:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	a. Users who have opted for 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 is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider ("ESP") i.e. CDSL, for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all ESP i.e. CDSL/NSDL, so that the user can visit the ESP website directly. c. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. CDSL where the e-Voting is in progress.

Individual Shareholders holding securities in Demat mode with NSDL	a. 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. b. 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. c. 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- CDSL and you will be re-directed to the CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. d. 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. e. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. f. A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. g. 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- CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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.

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

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).

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

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/-
Suryadevara Raghava Rao
Chairman & Managing Director
(DIN- 01441612)

Place: Hyderabad
Date: 14.08.2026

EXPLANATORY STATEMENT

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

ITEM NO. 3:

The Board of Directors of the Company ("Board"), at its meeting held on August 14, 2026, reviewed the financial and operational performance of the Business and its prospects and observed that the Business has been incurring losses and has not generated adequate returns on the capital and resources deployed therein. Despite the efforts undertaken by the Company to improve the performance of the Business, the Business continues to face challenges and its financial performance remains unsatisfactory. The Board has also evaluated the future prospects of the Business and is of the view that, considering the prevailing market conditions, competitive environment, continuing losses, capital requirements and the limited visibility of sustainable and profitable growth in the foreseeable future, the Business does not presently offer adequate prospects for creating sustainable value for the Company and its shareholders.

Accordingly, the Board is of the considered view that continued deployment of the Company's financial, managerial and other resources in the Business may not be commercially prudent and that an exit from the Business, by way of sale, transfer, slump sale, business transfer or other legally permissible mode, would be in the best interests of the Company and its stakeholders.

Board after considering various aspects, has approved the proposal to undertake the sale, transfer, assignment, disposal or other divestment of the whole or substantially whole business / undertaking of the Company ("Undertaking"), subject to, inter alia, approval of the Members of the Company and such other approvals as may be required under applicable laws.

The Undertaking proposed to be sold/disposed of constitutes the whole / substantially the whole of an undertaking of the Company within the meaning of Section 180(1)(a) of the Companies Act, 2013. Accordingly, the approval of the Members by way of a Special Resolution is required for the proposed sale/disposal. Further, Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a listed entity carrying out the sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking to obtain prior approval of its shareholders by way of a Special Resolution.

Proposed purchaser:

As on the date of this Notice, the Company has not entered into any definitive agreement with a purchaser for the proposed sale/disposal. The Company proposes to identify and finalise the purchaser(s) through an appropriate commercial process, which may include discussions/negotiations with prospective strategic or financial investors, purchasers or other interested parties. The purchaser(s) shall be selected having regard to the interests of the Company and its stakeholders and subject to applicable law. The purchaser(s) shall not be a related party of the Company unless the transaction is separately approved and undertaken in accordance with the applicable provisions relating to related party transactions.

Accordingly, the identity of the purchaser(s) is not ascertainable as on the date of this Notice.

Consideration:

As on the date of this Notice, the final sale consideration has not been determined. The consideration will be negotiated and determined by the Board based on, inter alia, an independent valuation of the business of the Company, the financial and operating performance, prevailing market conditions, offers received from prospective purchasers, commercial terms and other relevant factors. The Company proposes that the consideration shall not be lower than the fair market value determined by an independent registered valuer, except where otherwise permitted under applicable law and the Board, after recording appropriate reasons, considers such terms to be in the best interests of the Company.

The consideration is presently expected to be received primarily in cash, although the Board may agree to such other form or combination of consideration as may be legally permissible and commercially appropriate.

Expected timing:

The proposed sale/disposal is expected to be completed subject to identification and finalisation of the purchaser, execution of definitive agreements, satisfaction of conditions precedent and receipt of all applicable statutory, regulatory, contractual and third-party approvals.

As no definitive sale agreement has been executed as on the date of this Notice, the exact date of completion cannot presently be determined.

Related party transaction

As the purchaser has not yet been identified, it cannot presently be determined whether the proposed transaction will constitute a related party transaction. The Company shall ensure that, if the eventual purchaser is a related party, all applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws relating to related party transactions will be duly complied with, including obtaining such additional approvals as may be required.

The proposed transaction shall be subject to such approvals, consents, permissions and sanctions as may be required from the stock exchanges, governmental authorities, lenders, contractual counterparties or other regulatory/statutory authorities, as applicable. The Company shall make the requisite disclosures to the stock exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable SEBI circulars.

Accordingly, the Board of Directors recommends the passing of the above Resolution as an Special Resolution set out in the Item No. 3 of the notice.

None of the Directors/ Key Managerial Personnel and their relatives of the Company's, in any way, concerned or interested, financially or otherwise, in the Resolution.

Annexure A– for the Item no. 2 of the notice:

As required under regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standard – 2 on General Meetings brief particulars of the Directors seeking appointment/re-appointment are given as under:

Name of the Director	Mrs. Suryadevara Naga Durga
Age	62 Years
Date of first appointment on the Board	29.09.2014
Brief Resume	She has rich experience in administration.
Qualification and Experience	Intermediate
Expertise in specific functional areas	Administration
Terms and conditions ~~of appointment or re-appointment~~	On existing terms & conditions
Details of remuneration sought to be paid	--
Remuneration last drawn by Director	--
Number of Meetings of the Board attended during the year	5 out of 5
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
Shares held in the Company	40,000 Equity shares
Inter se relationship with any Director	Wife of Mr. Suryadevara Raghava Rao

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

Sd/-
Suryadevara Raghava Rao
Chairman & Managing Director
(DIN- 01441612)

Place: Hyderabad
Date: 14.08.2026

DIRECTORS' REPORT

To,

The Members of City Online Services Limited.

We have pleasure in presenting the 27th Directors' Report on the business and operations of the Company together with the audited Financial Statements for the year ended 31st March, 2026.

1. FINANCIAL SUMMARY/HIGHLIGHTS:

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

(Rs. In Lakhs)

Particular	2025-26	2024-25
Revenue from Operations	772.22	750.81
Other income	40.24	28.69
Total Income	**812.47**	**779.50**
Less: Total Expenses except interest and depreciation	808.37	711.36
Profit/(Loss) Before Interest and Depreciation	4.10	68.14
Less: Interest	6.79	10.74
Less: Depreciation	28.05	33.19
Profit/(Loss) before exceptional items	**-30.74**	**24.20**
Exceptional Items	--	--
Net Profit/(Loss) Before Tax	-30.74	24.20
Less: Tax Expense	16.47	20.69
Net Profit/(Loss) for the year After Tax	**-47.21**	**3.51**
Other Comprehensive Income	--	23.46
Total Comprehensive Income	-47.21	26.97
Earning per Equity Share		
Basic	-0.91	0.07
Diluted (in Rs.)	-0.91	0.07

2. REVIEW OF OPERATIONS:

During the Year under the review, the Company has recorded an Income of Rs. 812.47 Lakhs and loss of Rs. 47.21 Lakhs as against the Income of Rs. 779.50 Lakhs and a profit of Rs. 3.51 Lakhs in the previous Financial Year ending 31.03.2025.

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 2025-26.

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.

However, the Board of Directors of the Company at its meeting held on 14th August, 2026, has considered and approved the proposal to explore strategic options for the sale/divestment of the business/undertaking of the Company, subject to the approval of the shareholders of the Company and such other approvals as may be required under applicable laws and regulations.

In this regard, the Board of Directors were authorized to undertake the process of identifying and evaluating suitable prospective buyers and to initiate discussions with potential buyers for evaluating the proposed transaction. Further the proposed sale/divestment, if pursued, shall be

subject to satisfactory due diligence, negotiation and execution of definitive agreements and receipt of requisite approvals from the Board of Directors, shareholders, lenders, regulatory/statutory authorities and other stakeholders, as may be applicable.

As on the date of this Report, no definitive agreement or binding commitment has been entered into with any prospective buyer in respect of the proposed sale/divestment.

The Company shall make appropriate disclosures to the Stock Exchange(s), as and when required, in accordance with the applicable provisions of law and regulations upon occurrence of any material development in the matter.

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 31.03.2026 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 31.03.2026 is Rs. 5,16,47,000/- divided into 51,64,700 equity shares of Rs.10/- each.

9. BOARD MEETINGS:

The Board of Directors duly met five (05) times during the Financial Year from 1st April 2025 to 31st March 2026. The dates on which the meetings were held are 29.05.2025, 13.08.2025, 01.09.2025, 14.11.2025 and 13.02.2026.

ATTENDANCE OF DIRECTORS:

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

7. 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.

8. 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 IND AS-24.

9. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANANGERIAL PERSONNEL:

- Mrs. S. Nagadurga retires by rotation and being eligible offers herself for re-appointment.

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.

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

No Independent Directors were appointed during Financial Year 2025-26.

11. 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, 2025 is available on the website of the Company

12. 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 25thAnnual 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, 2026 and has noted the following Qualification:

Sl. No.	Qualification	Explanation
1.	We draw attention to Note No.18 to the financial statements wherein the net worth of the company is completely eroded, Current Liabilities exceed the Current Assets. This situation indicates that a| material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial	The Management acknowledges the observation regarding the erosion of the Company's net worth and the excess of current liabilities over current assets. The Company has been incurring losses, resulting in a negative net worth of ₹54.72 lakhs as at 31st

		March 2026. The Management is taking necessary steps to improve the financial position and profitability of the Company. The Management is confident that, through improvement in business operations, better cost control, strengthening of revenue generation and other appropriate financial measures, the Company will improve its profitability and strengthen its net worth. The Management is committed to taking all necessary measures during the current financial year to improve the financial performance and make the net worth positive. Accordingly, the financial statements have been prepared on a going-concern basis
2	We observed differences in the revenue as per books of accounts with the revenue reported in GST Returns, thereby resulting in under reporting of Revenue to the Authorities by Rs. 42.06 Lakhs.	The Management acknowledges the observation regarding the difference of ₹42.06 lakhs between revenue as per the books of accounts and the revenue reported in GST returns. The Management will reconcile the difference between the books of accounts and GST returns and take necessary corrective measures,

		including making appropriate amendments/adjustments in the relevant statutory returns, wherever applicable. The Management will also strengthen its internal reconciliation procedures to avoid such differences in future.
3	A discrepancy was observed between the input tax credit recorded in the books of accounts and the input tax credit reported in GSTR-38 returns Specifically, CGST and SGST balances in the books are overstated by Rs. 2.13 Lakhs and 2.26 Lakhs respectively, whereas IGST is understated by Rs. 0.69 Lakhs.	The Management acknowledges the discrepancy observed between the input tax credit recorded in the books of accounts and the ITC reported in GSTR-3B, including the differences in CGST, SGST and IGST balances. The Management will undertake a detailed reconciliation of ITC as per the books with the GST returns and GST portal records. Necessary accounting adjustments and/or corrections in the GST returns, wherever applicable, will be carried out. The Management will also ensure regular reconciliation of ITC in future to prevent recurrence of such

4	As of 31st March 2026, we have identified unbilled revenue amounting to Rs. 18.88 Lakhs. This represents services rendered, but invoices were not raised and issued.	The Management acknowledges the observation relating to unbilled revenue of ₹18.88 lakhs as at 31st March 2026, representing services rendered for which invoices had not been raised as of the reporting date. The Management will review and reconcile the unbilled revenue and ensure that invoices are raised and accounted for appropriately in accordance with the applicable accounting standards and contractual terms. Appropriate internal controls will also be strengthened to ensure timely invoicing in future.
5	The Company has not recognized Expected Credit Loss on financial assets as required by Ind AS 109. Management has not performed impairment assessment using the ECL model.	The Management acknowledges the observation regarding non-recognition of Expected Credit Loss (ECL) on financial assets. The Management will undertake the necessary assessment of financial assets in accordance with the requirements of Ind AS 109 and determine the appropriate provision for expected credit losses based on the applicable ECL methodology. Necessary accounting adjustments, wherever required, will be made in the financial statements.

6	The Company has granted loans to a related party amounting to Rs. 0.54 Lakhs during the current financial year, aggregating to a total outstanding loan of Rs. 15.51 lakhs as at the balance sheet date. Considering the Company's negative net worth, the aforesaid loans exceed the limits prescribed under Section 186(2) of the Companies Act, 2013. However, the Company has not| obtained the requisite approval of shareholders by way of a special resolution, and unanimously approval of the Board of Directors as required under Section 186(5) of the Act.	The Management acknowledges the observation regarding loans granted to a related party amounting to ₹0.54 lakhs during the year, with total outstanding loans of ₹15.51 lakhs as at 31st March 2026, and the requirement of compliance with Section 186 of the Companies Act, 2013. The Management will review the said transactions and take necessary steps to ensure compliance with the applicable provisions of the Companies Act, 2013. The Company will obtain the requisite approvals, wherever applicable, and ensure that all future transactions involving loans, guarantees, investments or other financial assistance are undertaken in accordance with the provisions of the Act and applicable rules. The Management is committed to strengthening its statutory compliance and internal control processes to ensure timely compliance with all applicable legal and regulatory requirements.

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 31.03.2026. The report of the Secretarial Auditor is enclosed herewith vide Annexure – 2of this Report.

Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report for the Financial Year ended March 31, 2026 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 31.03.2026.

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 2025-26.

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.

13. 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.

14. 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;

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;

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.

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 2025-26, (4) four meetings of the Audit Committee were held on the 29.05.2025, 13.08.2025, 14.11.2025 and 13.02.2026.

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. Rambabu Talluri	Chairman	NED(I)	4	3
Mr. Seshu Babu Kanuri	Member	NED(I)	4	2
Mr. R. Krishna Mohan	Member	ED	4	4

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.

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 2025-26, (1) one meeting of the Nomination & Remuneration Committee meeting was held on 13.02.2026.

Name	Designation	Category	No. of Meetings held	No. of meetings attended
Mr. Seshu Babu Kanuri	Chairman	NED(I)	1	1
Mr. Rambabu Talluri	Member	NED(I)	1	-
Mrs. S. Naga Durga	Member	NED	1	1

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.

During the Financial Year 2025-26, (1) one meeting of the Stakeholders and Relationship Committee meeting held on the 13.02.2026.

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

NED (I): Non-Executive Independent director

ED: Executive director

15. 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 2025-26, 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.

16. 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 statues, 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.

17. 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).

18. 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. Direct meetings with the Chairman are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

19. 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.

20. 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 2025-26 in accordance with relevant accounting standard issued by the Institute of Chartered Accountants of India.

21. REVISION OF FINANCIAL STATEMENTS:

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

22. INVESTOR EDUCTION 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.

23. 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

24. 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.

25. 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.

26. 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.

27. 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.

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, 1.22:1 and 2.48:1 respectively.

28. 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 lain 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.

29. 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.

30. 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.

31. 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.

32. 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.

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.

33. SECRETARIAL STANDARDS:

The Company is in compliance with the applicable secretarial standards.

34. 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

35. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

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

36. 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 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 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, 2015and 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 an 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.

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.

37. 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.

38. 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.

39. 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.

40. INSURANCE:

The properties and assets of your Company are adequately insured.

41. CREDIT & GUARANTEE FACILITIES:

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

42. 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.

43. 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.

44. 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.

45. 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.

46. 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

Sd/-
Suryadevara Raghava Rao
Chairman & Managing Director
(DIN- 01441612)

Place: Hyderabad
Date: 14.08.2026

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACOUNT

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.

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				

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

Sd/-
Suryadevara Raghava Rao
Chairman & Managing Director
(DIN- 01441612)

Place: Hyderabad
Date: 14.08.2026

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, 2026

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, 2025 and ended 31st March, 2026 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, 2026 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;

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 2025-26:

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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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.

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 5 meetings of the Board of Directors, 4 meetings of the Audit committee, 1 Meeting of Stakeholder Relationship Committee, 1 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

(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:

- 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.
- 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: A024531H001123904
Peer review Cer no: 1809/2022

Place: Hyderabad
Date: 14.08.2026

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: A024531H001123904
Peer review Cer no: 1809/2022

Place: Hyderabad
Date: 14.08.2026

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 vie 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 increase in turnover compared to finical year 24-25 and also your company has made a loss of 47.21 Lakhs, your company hopes to make up this loss in the coming years and it has taken all steps in that direction.

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	2025-26	2024-25	Remarks
Debtors turnover ratio	8.22	7.88	--
Inventory turnover ratio	NA	NA	NA, Service Industry
Interest coverage ratio	NA	NA	No Long-Term Debt
Current ratio	0.57	0.62	--
Debt equity ratio	NA	NA	No Long-Term Debt
Operating profit margin (%)	-3.10%	4.65%	--
Net profit margin (%)	-3.98%	3.22%	--
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 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

Sd/-
Suryadevara Raghava Rao
Chairman & Managing Director
(DIN- 01441612)

Place: Hyderabad
Date: 14.08.2026

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	4,55,000	1:1.22
Harinath Chava	9,25,000	1:2.48

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 2025-26	FY 2024-25	
Suryadevara Raghava Rao	Managing Director	-	-	-
Krishna Mohan Ramineni	Whole-time Director & CFO	4,55,000	1,25,000	264%
Harinath Chava	Whole-time Director	9,25,000	6,20,000	49.19%
Jyoti Tyagi	Company Secretary	2,75,000	1,15,000	-

* Remuneration paid to Mr. Krishna Mohan Ramineni and Mr. Harinath Chava is within the limited approved by the shareholders of the Company.

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

Particulars	Remuneration		Increase/ (Decrease)%
	FY 2025-26	FY 2024-25	
Median Remuneration of all the employees per Month*	3,72,500	2,87,500	29.57%

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

4.

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2026	43

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 nay 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.

CITY ONLINE SERVICES LIMITED

ANNEXURE- 5

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 PERSONNEL) RULES, 2014

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 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
S. Jagan Mohan Rao	Branch Incharge	1292760	Permanent	DECE, 23	05-06-2001	58	NIL	NIL	NIL
Girish Kumar U.J	Sr. Network Admin	748440	Permanent	BCA/18	01-04-2006	45	NIL	NIL	NIL
Shaik Shaukath Ali Ansari	Sr. Network Admin	705600	Permanent	MBA/3	26-07-2021	42	NIL	NIL	NIL
Sunil Varma Vanapala	Sr. Network Admin	630000	Permanent	B.Tech/9	02-02-2015	35	NIL	NIL	NIL
Vijaya laxmi A	HR & Finance Manager	587868	Permanent	M. Com & MBA/14	10-12-2010	43	NIL	NIL	NIL
P. Satya Satish	Sr.Network Admin	587868	Permanent	B.Com/18	15-06-2006	46	NIL	NIL	NIL
Muktha Bai G	Accounts Manager	462672	Permanent	BA/20	09-04-2004	46	NIL	NIL	NIL
Santhosh S	Sr.Network Admin	498672	Permanent	BCA/14	22-01-2010	39	NIL	NIL	NIL
Govardhan Reddy M	Sr. Network Admin	439332	Permanent	SSc/16	19-11-2008	42	NIL	NIL	NIL
Ch.Durga Praveen	Sr. Network Support engineer	4,51,500	Permanent	B.Tech/6	09-08-2018	33	NIL	NIL	NIL

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, 2026, 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 effect of 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, 2026, its loss, its total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. We draw attention to Note No.18 to the financial statements wherein the net worth of the company is completely eroded, Current Liabilities exceed the Current Assets. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter and we have not been able to corroborate the Management's contention regarding preparation of financial statements of the company on going concern basis, notwithstanding the fact that the company continues to incur cash losses, its net worth has been fully eroded (Negative Networth as on 31st March 2026 54.72 Lakhs)

2. We observed differences in the revenue as per books of accounts with the revenue reported in GST Returns, thereby resulting in under reporting of Revenue to the Authorities by Rs. 42.06 Lakhs.

3. A discrepancy was observed between the input tax credit recorded in the books of accounts and the input tax credit reported in GSTR-3B returns. Specifically, CGST and SGST balances in the books are overstated by Rs. 2.13 lakhs and Rs. 2.26 lakhs, respectively, whereas IGST is understated by Rs. 0.69 lakhs.

4. As of 31st March 2026, we have identified unbilled revenue amounting to ₹18.88 lakhs. This represents services rendered, but invoices were not raised and issued.

5. The Company has not recognized Expected Credit Loss on financial assets as required by Ind AS 109. Management has not performed impairment assessment using the ECL model.

6. The Company has granted loans to a related party amounting to Rs. 0.54 Lakhs during the current financial year, aggregating to a total outstanding loan of Rs. 15.51 lakhs as at the balance sheet date. Considering the Company's negative net worth, the aforesaid loans exceed the limits prescribed under Section 186(2) of the Companies Act, 2013. However, the Company has not obtained the requisite approval of shareholders by way of a special resolution, and unanimous approval of the Board of Directors as required under Section 186(5) of the Act.

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 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.

Emphasis of Matter

We draw attention to the following matters:

1. We draw attention to Note 3 to the financial statements relating to

Property Plant and Equipment, the Company is under the process of reconciling and checking Expired Assets, Assets fully depreciated as on the balance sheet date.

This indicates deficiencies in fixed asset records. Unable to obtain sufficient audit evidence on accuracy, completeness, existence and valuation of PPE. Impact on depreciation, retained earnings and carrying value remains undetermined.

2. Note 12 to the financial statements represents the balance amounting to Rs. 83.15 Lakhs under the head "Financial Assets- Trade Receivables" regarding amount receivable from Sundry Debtors as on balance sheet date is subject to confirmations and reconciliations and consequential adjustments, if any.

3. Note 23 to the financial statements represents the balance amounting to Rs. 220.54 Lakhs under the head "Financial Liabilities - Trade Payables" regarding amount payable to sundry creditors as on balance sheet date is subject to confirmations and reconciliations and consequential adjustments, if any.

4. We draw attention to Note 23 of the financial statements relating to trade payables balances, the Company is under the process of identifying MSME Creditors and its ageing.

Our Opinion 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 of the current period. Except for the matter described in the Basis for Qualified Opinion section, we have determined that there are no Key Audit Matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance, but does not include the Standalone Financial Statements and our auditors' reports thereon.

The above referred information is expected to be made available to us after the date of this audit report.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstance and the applicable laws and regulations. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the Standalone 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.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management'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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the

Standalone 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 auditors' 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We draw attention to the following matters:

1. We identified certain lease agreements pertaining to office buildings and tower sites had expired as on the balance sheet date. The management informed us that operations continue at such locations and renewal processes for the respective lease agreements are under progress. Pending renewal of these agreements may expose the Company to potential legal, operational, or financial implications.

2. The Government of India has notified four Labour Codes - namely the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 - with effect from 21 November 2025, which

consolidates 29 existing labour laws. The Ministry of Labour & Employment has published draft Central Rules and FAQs on these codes, but the relevant rules are yet to be notified. Based on the available information as at reporting date, no material liability is envisaged in this regard.

Our Opinion is not modified in respect of the above matters.

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, 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 IND AS 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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.

(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 which 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 2026.

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 to be used when the Company has not received funds in the capacity of intermediary)

(c) Based on audit procedures that have 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 31,2026 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

Sd/-
P V Ram
Partner
FRN: 001420S/S200034
M No: 029565
UDIN NO:26029565JRGPZC7044

Place: Hyderabad
Date:29-05-2026.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of CITY ONLINE SERVICES LIMITED on the Financial Statements for the year ended 31st March, 2026)

To the best of our information and the books of account and records examined by us in the normal course of audit, we state that:

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 does not maintain proper records showing full particulars including quantitative details and situation of property plant & equipment and intangible assets.

(b) As informed to us, the Company has not conducted physical verification of its entire Property, Plant and Equipment during the year. Further, we observed a difference of Rs. 59.67 lakhs between the Written Down Value (WDV) as per the Fixed Asset Register and the balances appearing in the books of account. Additionally, accumulated depreciation and amortization as per the Fixed Asset Register and books of account differ by Rs. 59.74 lakhs. The reconciliation of the aforesaid differences is stated to be under progress by the management.

(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 does not own any immovable properties. In respect of immovable properties taken on lease and disclosed in the financial statements as right-of-use assets, certain lease agreements have expired and are pending renewal as at the balance sheet date. The details of such properties are provided in "Appendix A" to this report.

(d) According to the Information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) or Intangible Assets during the year. Therefore, Clause 3(i)(d) of the Order is not applicable to the Company.

(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, 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, the inventory has been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable. In our opinion the coverage and the procedure of such verification by the management is appropriate.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions. Therefore, Clause 3(ii)(b) of the Order is not applicable to the Company and hence not commented upon.

iii.

(a) In our opinion and according to the information and explanations given to us, the Company has granted loans or provided advances in the nature of loans to the following entities. However, the Company has not provided any Security or stood guarantee during the year to Subsidiary, Joint Venture, Associates & Others.

Particulars	Guarantees	Loans	Advances in nature of Loans
Aggregate amount granted/provided during the year:			
- Subsidiary	-	-	-
- Joint Ventures	-	-	-
- Others	-	0.54	3.95
Balance outstanding as at balance sheet date in respect of above cases:			
- Subsidiary	-	-	-
- Joint Ventures	-	-	-
- Others	-	0.54	1.35

(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) In our opinion, and according to the information and explanations given to us, the schedule of repayment of principal and payment of interest with respect to loans and advances in the nature of loans, has not been stipulated and the repayments or receipts are not regular in following cases.

Name of the Party	Amount (Rs. In Lakhs)	Due Date	Date of Payment	Extent of delay	Remarks
City Online Digital Private Limited	15.51	-	-	-	There is no repayment schedule and due date for repayment. Accordingly delay in payment cannot be identified. Also there is no repayment of this loan from past 3 years.

(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 and due date for repayment in respect of the following company, where the loan or advance in the nature of loan granted, have been renewed or extended or fresh loans granted to the same party.

Name of the Parties	Relation with Company	Aggregate amount of Loans or advances in the nature of Loans granted to the party during the year (in Rs. Lakhs)	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (in Rs. Lakhs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
City Online Digital Private Limited	Related Party (Common Directors)	0.54	-	12.03%

(f) According to the information and explanations given to us and on the basis of our examination of the records, the company has granted following 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.

Name of the Party	Nature of Party	Amount (Rs. In Lakhs)	Total Outstanding as at balance sheet date (Rs. in Lakhs)	Due Date	Date of Payment
City Online Digital Private Limited	Related Party (Common Directors)	0.54	15.51	-	-

iv. According to the information and explanations given to us, the Company has not complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans granted during the year, as the limits prescribed under the said section have been exceeded and the requisite Board Resolution and Special Resolution have not been passed.

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, 2026 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 2026, following are the undisputed statutory dues payable for a period of more than 6 months from the date they become payable:

Name of the Statue	**Nature of Dues**	**Amount (Rs. in Lakhs)**
Employees Provident Fund and Miscellaneous Act, 1952	Provident Fund	-
Professional Tax	Professional Tax	2. 69
Income-Tax Act, 1961	TDS deducted amount	-
GST Act,2017		182.56

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.

ix.

a) 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 willful defaulter by any bank or financial institution or any other lenders.

c) According to the information and explanations given to us and on the basis of the examination of records of the company, the company does not have term loans. Therefore, clause ix(c) of paragraph 3 of the order is not applicable to the company.

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, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares, convertible debentures (fully, partially or optionally) during the year and therefore provisions of Section 42 and 62 of the Act are not applicable to the Company.

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.

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.

c) According to the information and explanations given to us, there were no whistle-blower complaints in the company.

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.

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 nature of its business.

b) The internal audit report of the Company issued till the date of the audit report, for the period under audit has 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. In our opinion and according to the information and explanations given to us, the Company has incurred cash losses of Rs. 10.94 Lakhs in the financial year 2025-26.

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.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that material uncertainty exists as on the date of the audit report that company is not 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. Further, our opinion is based on the information provided to us. We do not give assurance as to the future viability of the company.

xx. According to the information and explanation provided to us and based on the examination of records of the company. The company is not subjected to compliance requirements with respect to section 135 of The Companies Act, 2013. Therefore, the Clause (xx) (a) & (b) of the Order is not applicable.

xxi. The Company did not have any Subsidiary or Associate or Joint Venture, preparation of Consolidated Financials is not applicable to the Company, hence reporting under Clause 3(xxi) of the Order is not applicable.

For Komandoor & Co LLP
Chartered Accountants

Sd/-
P V Ram
Partner
FRN: 001420S/S200034
M No: 029565
UDIN NO:26029565JRGPZC7044

Place: Hyderabad
Date:29-05-2026.

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 2026, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

(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.

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, 2026 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.

For Komandoor & Co LLP
Chartered Accountants

Sd/-
P V Ram
Partner
FRN: 001420S/S200034
M No: 029565
UDIN NO:26029565JRGPZC7044

Place: Hyderabad
Date:29-05-2026.

CITY ONLINE SERVICES LIMITED

Balance Sheet as at March 31, 2026

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

	Particulars	Note	As at March 31, 2026	As at March 31, 2025
A	**ASSETS**			
1	**Non-Current Assets**			
	(a) Property, plant and equipment	3	102.47	130.34
	(b) Intangible assets	4	0.04	0.10
	(c) Right of use of Asset	5	-	
	(d) Financial Assets		-	
	- Investments	6	0.50	0.50
	- Other financial non-current assets	7	17.54	13.44
	(e) Deferred tax assets [Net]	8	58.53	75.00
	(f) Other non-current assets	9	-	
	Total Non-Current Assets [A]		**179.08**	**219.38**
2	**Current Assets**			
	(a) Inventories	10	5.82	
	(b) Financial Assets			
	- Loans and Advances	11	15.51	14.97
	- Trade receivables	12	102.03	85.93
	- Cash and cash equivalents	13	0.30	0.11
	- Other Bank balances	14	64.16	154.05
	- Other financial current assets	15	21.84	3.53
	(c) Other current assets	16	75.31	86.79
	Total Current Assets [B]		**284.97**	**345.37**
	TOTAL ASSETS [A+B]		**464.05**	**564.75**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share Capital	17	516.47	516.47
	(b) Other Equity	18	-571.19	-523.98
	Total Equity [A]		**-54.72**	**-7.51**
2	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	- Borrowings	19	-	-
	-Lease liability	20	-	-
	(b) Provisions	21	17.71	15.63
	Total Non-Current Liabilities [B]		**17.71**	**15.63**
3	**Current Liabilities**			
	(a) Financial Liabilities			
	- Borrowings	22	15.59	98.53
	- Trade payables	23	220.54	182.30
	-Provisions	24	0.92	5.81
	-Other current financial liabilities	24A	17.52	15.13
	(b) Other current liabilities	25	246.49	254.87
	Total Current Liabilities [C]		**501.06**	**556.63**
	TOTAL EQUITY AND LIABILITIES [A+B+C]		**464.05**	**564.75**
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements			

As per our Audit Report of even date attached
For Komandoor & Co LLP
Chartered Accountants

Sd/-
P V Ram
Partner
FRN: 001420S/S200034
M No: 029565
UDIN NO:26029565JRGPZC7044

Place: Hyderabad
Date:29-05-2026.

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
Whole-time Director & CFO
DIN :01678152

Sd/-
Jyothi Tyagi
Company Secretary

CITY ONLINE SERVICES LIMITED

Statement of Profit and Loss for the period ended March 31, 2026

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

	Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I	**REVENUE**			
	Revenue from Operations [Gross]	26	772.22	750.81
	Other Operating Income	27		-
	Total Revenue from Operations		**772.22**	**750.81**
	Other Income	28	40.24	28.69
	TOTAL REVENUE [I]		**812.47**	**779.50**
II	**EXPENSES**			
	Employee benefit expenses	29	177.27	165.72
	Finance costs	30	6.79	10.74
	Depreciation and amortization expense	3, 4 & 5	28.05	33.19
	Bandwidth expenses	31	520.95	461.34
	Other expenses	32	110.16	84.31
	TOTAL EXPENSES [II]		**843.21**	**755.30**
III	**Profit/(Loss) Before Tax**		**-30.74**	**24.20**
IV	**Tax Expense:**			
	- Current tax	33	-	3.78
	- Deferred tax	33	16.47	16.91
V	**Profit/(Loss) for the period**		**-47.21**	**3.51**
VI	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of post-employment benefit obligations		-	9.45
	- Remeasurements of financial assets			14.01
	- Recognition of borrowings using effective interest rate			
	Other comprehensive income for the year, net of tax		**-47.21**	**26.97**
VII	**Earnings per equity share Rs. 10/- each fully paid**			
	- Basic	39	-0.91	0.07
	- Diluted	39	-0.91	0.07
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements			

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Whole-time Director & CFO
DIN :01678152

Sd/-
Jyothi Tyagi
Company Secretary

CITY ONLINE SERVICES LIMITED

Cash Flow Statement for the period ended March 31, 2026

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

Particulars	Note	For the year ended March 31, 2026		For the year ended March 31, 2025	
A. Cash flow from operating activities					
Profit / (Loss) before tax		**-30.74**		**24.20**	
Adjustments:					
Depreciation and amortisation		28.05		33.19	
Finance cost		6.79		10.74	
Assets Writeoff		0.02		-	
Remeasurement of post employee benefits		-		9.45	
Remeasurements of financial assets		-		14.01	
Interest on Deposits		-10.59		-	
Sale of Scrap		-0.08		-	
Provision written back		-		-15.42	
			-6.55	-10.24	65.93
Cash generated before working capital changes			**-6.55**		**65.93**
(Increase)/Decrease in inventories		-5.82		-	
(Increase)/Decrease in trade receivables		-16.10		54.34	
(Increase)/Decrease in Short term loans & Advances				-0.30	
(Increase)/Decrease in other Financial current assets		-17.65		-3.85	
(Increase)/Decrease in other bank balances				-5.89	
(Increase)/Decrease in other Financial non current assets		-4.10		-	
(Increase)/Decrease in other current assets		11.48		2.20	
Increase/(Decrease) in long term provisions		2.08		-8.26	
Increase/(Decrease) in Trade Payables		38.23		-83.72	
Increase/(Decrease) in Short term provisions		-4.89		-0.27	
Increase/(Decrease) in Financial current liabilties		2.39		-	
Increase/(Decrease) in other current liabilities		-8.38		16.91	
			-2.75		-28.85
Cash generated from operations			**-9.30**		**37.09**
Direct taxes refund/ (paid)			-		-3.78
Net cash flow from operating activities (A)			**-9.30**		**33.32**
B. Cash flows from investing activities					
Purchase / (Proceeds) of property, plant and equipment, including intangible assets		-0.14		-1.06	
Loans to related Parties		-0.54		-	
Investment in bank deposits		99.81		-	
Income from Sale of Scrap		0.08		10.24	
			99.20	2.34	11.53
Net cash flow used in investing activities (B)			**99.20**		**11.53**
C. Cash flows from financing activities					
(Repayment)/Proceeds from long term borrowings		-		-	
Decrease in Share capital		-		-	
Payment of Lease liability		-		-4.98	
(Repayment) / Proceeds from working capital borrowings		-89.71		-33.51	
			-89.71	-10.74	-49.23
Net cash flow used in financing activities (C)			**-89.71**		**-49.23**
D. Net Increase/(decrease) in cash and cash equivalents (A+B+C)			**0.19**		**-4.38**
E. Cash and cash equivalents					
at the beginning of the year	13		0.11		4.49
at the end of the year			**0.30**		**0.11**
Components of cash and cash equivalents					
Balance with banks					
- In current accounts			0.16		0.06
- Deposits with maturity less than 3 months			-		-
Cash on hand			0.14		0.05
Less: Bank overdraft					
Cash and cash equivalents at the end of the year			**0.30**		**0.11**
Corporate information	1				
Summary of significant accounting policies	2				
Accompanying notes forming an integral part of the financial statements					

As per our Audit Report of even date attached
For Komandoor & Co LLP
Chartered Accountants

Sd/-
P V Ram
Partner
FRN: 001420S/S200034
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Place: Hyderabad
Date:29-05-2026.

For and on behalf of the Board of Directors of
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Sd/-
S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Sd/-
R. Krishna Mohan
Whole-time Director & CFO
DIN :01678152

Sd/-
Jyothi Tyagi
Company Secretary

CITY ONLINE SERVICES LIMITED

Statement of Changes in Equity for the period ended March 31, 2026

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

A. Equity Share Capital

Particulars	As at March 31, 2026	As at March 31, 2025
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**

B. Other Equity

Particulars	As at March 31, 2026	As at March 31, 2025
Movement in other equity is as follows:		
I. Investment subsidy	**4.00**	**4.00**
II. Capital Reserve	**44.51**	**44.51**
II. Retained Earnings		
(i) Opening Balance	-572.49	-575.19
(ii) Profit/(Loss) for the year	-47.21	3.51
(iii) Other comprehensive income		-0.81
	-619.70	**-572.49**
Total	**-571.19**	**-523.98**

As per our Audit Report of even date attached
For Komandoor & Co LLP
Chartered Accountants

Sd/-
P V Ram
Partner
FRN: 001420S/S200034
M No: 029565
UDIN NO:26029565JRGPZC7044

Place: Hyderabad
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Chairman and Managing Director
DIN: 01441612

Sd/-
R. Krishna Mohan
Whole-time Director & CFO
DIN :01678152

Sd/-
Jyothi Tyagi
Company Secretary

Corporate information and Summary of significant accounting policies

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 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 financials 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 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

Notes forming part of the Financial Statements
(All amounts in Rs. In Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	As at March 31, 2026	As at March 31, 2025
Plant & Machinery	79.62	101.81
Furniture and Fittings	-	1.02
Motor Vehicles	1.32	4.00
Computers and Data Processing Units	2.60	2.80
Office Equipment	18.93	20.71
Total	**102.47**	**130.34**

For period ended March 31, 2026

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	114.61	912.29
Additions					0.77	0.77
Disposals					0.65	0.65
Balance as at March 31, 2026	**647.41**	**6.55**	**22.02**	**121.70**	**114.73**	912.41
II. Accumulated Depreciation						-
Opening Balance	545.56	5.49	18.02	118.86	93.22	781.15
Depreciation expense for the period	22.18	1.03	2.68	0.21	1.89	27.99
Eliminated on disposal of assets						-
Balance as at March 31, 2026	79.67	0.03	1.32	2.63	19.62	103.27
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, 2026	**79.62**	**-**	**1.32**	**2.60**	**18.93**	**102.47**
Carrying value as at March 31, 2025	**101.81**	**1.02**	**4.00**	**2.80**	**20.71**	**130.34**

For period ended December 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	114.73	912.41
Additions					0.27	0.27
Disposals					**0.50**	0.50
Balance as at December 31, 2025	**647.41**	**6.55**	**22.02**	**121.70**	**114.49**	912.18
II. Accumulated Depreciation						-
Opening Balance	556.65	5.49	19.36	118.97	94.21	794.68
Depreciation expense for the period	5.73	1.02	0.67	0.05	0.45	7.92
Eliminated on disposal of assets						-
Balance as at December 31, 2025	562.38	6.51	20.03	119.02	94.66	802.60
III. Assets Write off	0.04	0.03		0.03	0.69	0.79
IV. Net Block [I-II-III]						
Carrying value as at December 31, 2025	**84.99**	**0.01**	**1.99**	**2.65**	**19.15**	**108.78**
Carrying value as at March 31, 2025	**101.81**	**1.02**	**4.00**	**2.80**	**20.71**	**130.34**

Notes forming part of the Financial Statements

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

Note 4: Intangible Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Computer Software	0.04	0.10
Total	**0.04**	**0.10**

For period ended March 31, 2026

Description of Assets	Computer Software
I. Gross Block	
Opening Balance	5.67
Additions	
Disposals	
Balance as at March 31, 2026	**5.67**
II. Accumulated Amortization	
Opening Balance	5.57
Amortization expense for the year	0.05
Eliminated on disposal of assets	
Balance as at March 31, 2026	**5.63**
III. Net Block [I-II]	0.04
Carrying value as at March 31, 2026	**0.04**
Carrying value as at March 31, 2025	**0.10**

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**

Notes forming part of the Financial Statements

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

Note 5: Right of use of Asset

	Particulars	As at March 31, 2026	As at March 31, 2025
	Right of use of Asset	-	4.53
	Less: Effect of Lease Modification as per Ind As - 116	-	
	Add: Rou created during the year	-	
	Less: Depreciation	-	4.53
	Total	**-**	**-**

Note 6: Non-Current Investments

	Particulars	As at March 31, 2026	As at March 31, 2025
(i)	**Investments in equity instruments (fully paid-up)**		
	Unquoted Investments		
	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)	**Others investments, unquoted**		
(a)	**Investments in partnership firms**		
	- In-fo City Online Consortium	-	-
(b)	**Investments in government securities [valued at cost]**		
	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**	**0.50**
	Total [A+B]	**0.50**	**0.50**
Notes			
Aggregate amount of unquoted investments		0.50	0.50
Investments carried at cost		0.50	0.50

Notes forming part of the Financial Statements

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

Note 7: Other non-current assets

	Particulars	As at March 31, 2026	As at March 31, 2025
	Deposits		
	- Rental Deposits (Net)	17.54	13.44
	- Others	-	-
	Security deposit IND AS	-	-
	Security deposit IND AS 2	-	-
	Total	**17.54**	**13.44**

Note 8: Deferred tax asset [Net]

	Particulars	As at March 31, 2026	As at March 31, 2025
	Deferred tax asset	58.53	75.00
	Total	**58.53**	**75.00**

Note 9: Other non-current assets

	Particulars	As at March 31, 2026	As at March 31, 2025
	Prepaid expenses	-	-
	Total	**-**	**-**

Note 10: Inventories

	Particulars	As at March 31, 2026	As at March 31, 2025
	Stock in trade	5.82	-
	Total	**5.82**	**-**

Note 11: Current Loans

	Particulars	As at March 31, 2026	As at March 31, 2025
	Unsecured, considered good		
	Loans and advances to related parties	15.51	14.97
	Total	**15.51**	**14.97**

Notes forming part of the Financial Statements

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

Note 12: Trade Receivables

	Particulars	As at March 31, 2026	As at March 31, 2025
	Unsecured, considered good		
	Un-billed revenue	18.88	17.86
	Outstanding for a period exceeding six months	83.15	68.07
	Others	-	-
	Less: Provision for credit losses	-	-
	Total	**102.03**	**85.93**

As at 31st March, 2026

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	57.63	11.95	12.07	1.50	-	83.15
2.Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
3.Disputed Trade Receivables-considered good	-	-	-	-	-	-
4. Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-

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	-	-	-	-	-	-

Note 13: Cash and cash equivalents

	Particulars	As at March 31, 2026	As at March 31, 2025
	Balance with banks		
	- In current accounts	0.16	0.06
	- Deposits with original maturity of less than 3 months	-	-
	Cash on hand	0.14	0.05
	Total	**0.30**	**0.11**

Notes forming part of the Financial Statements

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

Note 14: Bank balances other than above

	Particulars	As at March 31, 2026	As at March 31, 2025
	On deposit accounts		
	- Remaining maturity for less than 12 months	64.16	154.05
	Total	**64.16**	**154.05**

Note 15: Other financial current assets

	Particulars	As at March 31, 2026	As at March 31, 2025
	Security Deposits	-	-
	Interest accrued but not due FD	0.66	-
	Interest accrued but not due IT	20.44	1.87
	Loans to employees	0.74	1.66
	Total	**21.84**	**3.53**

Note 16: Other current assets

	Particulars	As at March 31, 2026	As at March 31, 2025
	Prepaid(Current)	-	-
	Advances to suppliers	-	-
	TDS Receivable	69.53	72.52
	Other current assets		
	- Statutory	-	
	- Others		4.10
	Prepaid expenses	5.78	10.17
	Total	**75.31**	**86.79**

Notes forming part of the Financial Statements
(All amounts in Rs. In Lakhs, unless otherwise stated)

Note 17: Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	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	77.00	770.00	77.00	770.00
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				
Period ended March 31, 2026				
- Number of shares	51.65	-	-	51.65
- Amount	**516.47**	**-**	**-**	**516.47**
Year ended March 31, 2025				
- Number of shares	51.65	-	-	51.65
- Amount	**516.47**	**-**	**-**	**516.47**

(b) Rights, preferences and restrictions attached to shares
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.

Notes forming part of the Financial Statements

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

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

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
S. Raghava Rao	6.85	13.25%	6.85	13.25%

*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.

Note 18: Other Equity

	Particulars	As at March 31, 2026	As at March 31, 2025
	Investment subsidy	4.00	4.00
	Capital Reserve	44.51	44.51
	Retained Earnings	-619.70	-572.49
	Total	**-571.19**	**-523.98**

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, 2026	As at March 31, 2025
	From Banks		
	- Secured	-	-
	- Unsecured	-	-
	Total	**-**	**-**

Note 20: Leases

	Particulars	As at March 31, 2026	As at March 31, 2025
	Lease liability	-	
	Total	**-**	**-**

Notes forming part of the Financial Statements
(All amounts in Rs. In Lakhs, unless otherwise stated)

Note 21: Non-Current Provisions

	Particulars	As at March 31, 2026	As at March 31, 2025
	Provision for Employee Benefits		
	- Gratuity	17.71	15.63
	Total	**17.71**	**15.63**

Note 22: Current Borrowings

	Particulars	As at March 31, 2026	As at March 31, 2025
	From Banks		
	- Secured	-	-
	- Unsecured	-	0.89
	Current maturities of borrowings - Non-current		
	From Banks		
	- Secured	-	
	- Unsecured	-	
	Bank overdraft		
	- Secured	8.33	96.39
	Loans from related parties	7.26	1.25
	Loans from others		
	Total	**15.59**	**98.53**

Note 23: Trade payables

	Particulars	As at March 31, 2026	As at March 31, 2025
	Creditors - Suppliers	220.54	166.13
	Other Payables	-	16.17
	Total	**220.54**	**182.30**

Note 24: Provision

	Particulars	As at March 31, 2026	As at March 31, 2025
	Provision for Employee benefits - Gratuity	-	0.32
	For Expenses	0.92	5.48
	Total	**0.92**	**5.81**

Notes forming part of the Financial Statements
(All amounts in Rs. In Lakhs, unless otherwise stated)

Note 24A: Other current financial liabilities

	Particulars	As at March 31, 2026	As at March 31, 2025
	Salary payable	17.52	15.13
	Total	**17.52**	**15.13**

Note 25: Other Current Liabilities

	Particulars	As at March 31, 2026	As at March 31, 2025
	Statutory liabilities	219.44	231.97
	Advance from customers	-	5.93
	Others	-	1.64
	Provision for GST Expenditure	5.49	
	Provision for Income Tax	7.27	7.73
	Deferred income	14.28	7.60
	Deposits from customers	-	
	Total	**246.49**	**254.87**

Note 26: Revenue from operations [Gross]

	Particulars	For the Year ended March 31, 2026	For the year ended March 31, 2025
	Income from internet services	764.63	746.64
	Income from VOIP services	-	-
	Income from hardware sales	4.99	1.22
	Income from Installation charges	2.60	2.95
	Total	**772.22**	**750.81**

Note 27: Other Operating Income

	Particulars	For the Year ended March 31, 2026	For the year ended March 31, 2025
	Miscellaneous income		
	Total	**-**	**-**

Notes forming part of the Financial Statements
(All amounts in Rs. In Lakhs, unless otherwise stated)

Note 28: Other Income

	Particulars	For the Year ended March 31, 2026	For the year ended March 31, 2025
	Interest income on deposits	10.59	10.24
	Interest on I.T Refund	21.32	0.78
	Excess provisions written back	7.81	15.42
	Sale of Scrap	0.08	0.05
	Interest income on rental deposits INDAS Adj	-	0.29
	Write back of Trade Payables	-	-
	Write back of unidentified credits	-	-
	Profit on modification of Lease	-	-
	Discounts received	-	0.00
	Others (Cable line expense)	-	1.90
	Income Tax provision written back	0.45	
	Total	**40.24**	**28.69**

Note 29: Employee Benefit Expenses

	Particulars	For the Year ended March 31, 2026	For the year ended March 31, 2025
	Salaries, allowances and wages	148.17	147.50
	Director's remuneration	13.80	7.45
	Contribution to provident and other funds	13.13	8.96
	Staff welfare expenses	2.17	1.82
	Total	**177.27**	**165.72**

Note 30: Finance Costs

	Particulars	For the Year ended March 31, 2026	For the year ended March 31, 2025
	Interest expense on:		
	- Working Capital	5.50	8.70
	- Term Loan	-	0.03
	- Interest on lease liability	-	0.21
	Bank Charges	1.29	1.79
	Total	**6.79**	**10.74**

Notes forming part of the Financial Statements

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

Note 31: Bandwidth Expenses

	Particulars	For the Year ended March 31, 2026	For the year ended March 31, 2025
	Bandwidth charges	406.07	338.97
	Repairs and maintenance	14.97	34.90
	Electricity	27.38	30.18
	Rent networking	14.89	14.89
	Cable line expenses	51.22	38.93
	Installation expenses	5.57	3.14
	Last Mile Charges(Expenses)	-	-
	Other operating expenses	0.85	0.34
	Total	**520.95**	**461.34**

Notes forming part of the Financial Statements

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

Note 32: Other Expenses

	Particulars	For the Year ended March 31, 2026	For the year ended March 31, 2025
	Office Rent	31.56	24.44
	Rates and taxes	9.95	2.70
	Sales commission	-	0.70
	Insurance	0.61	0.80
	Auditors' remuneration (Including Provision):	-	
	- Statutory audit	3.00	3.25
	- Tax audit	-	-
	- Fees for limited review	-	-
	- Others	8.74	0.14
	- Certification	-	-
	Travelling and conveyance	9.56	10.59
	Sitting Fees	0.50	0.16
	Legal and professional charges	5.22	7.98
	Advertisement expenses	0.44	0.48
	Business promotion expenses	2.89	-
	Communication cost	3.66	3.69
	Bad debts written off	-	-
	Assets Writeoff	0.02	-
	Printing and stationery	0.85	0.57
	Repairs & Maintenance	-	10.41
	Tally Renewal charges	-	-
	Office Maintenance exp	4.98	2.83
	Postage and courier	0.43	0.36
	Interest on tds late payments	-	
	ISP Membership fees	-	0.76
	Bse Listing Fees	4.25	3.25
	Subsidiary Equity Written off	-	1.85
	Share of loss from Partnership firm	-	-
	Interest Accrued Written off	-	8.05
	Expenses IND AS	-	-
	General Expenses	0.71	0.48
	Miscellaneous expenses	22.80	0.84
	Total	**110.16**	**84.31**

Notes forming part of the Financial Statements

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

Ratio Analysis

Sl.No	Ratios	Formula	FY 25-26			FY 24-25			(+/-) % of change	Reason for varience more than 25%
			Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
1	Current Ratio	Current Assets/Current liabilities	284.97	501.06	0.57	345.37	556.63	0.62	-8%	
2	Debt-Equity Ratio	Total Debt(Borrowings)/ Shareholders equity	15.59	-54.72	-0.28	572.26	-7.51	-76.22	-100%	
3	Debt service coverage Ratio	PAT+Finance cost in P&L +Depreciation/ Finance Cost(P&I+ capitalised) +Lease and Principal repayments(long term	-12.38	95.73	-0.13	32.93	8.73	3.77	103%	
4	Return on Equity Ratio	PAT/ Share holders equity	-47.21	-54.72	0.86	3.51	-7.51	-0.47	-284%	
5	Inventory Turnover	Net sales/ Avg. Inventory	772.22	2.91	265.19	-	-	-	#DIV/0!	
6	Trade Receivables turnover	Net sales / Avg. Trade receivables	772.22	93.98	8.22	1,501.62	190.47	7.88	4%	
7	Trade payables turnover	Net purchases/ Avg. payables	406.07	201.42	2.02	677.94	448.33	1.51	33%	
8	Net capital turnover	Net sales/ Avg. working capital	772.22	-213.67	-3.61	1,501.62	-487.64	-3.08	17%	
9	Net profit ratio	Net profit / net sales	-47.21	772.22	-0.06	24.20	750.81	0.03	290%	
10	Return on Capital employed	EBIT/ capital employed	-23.95	-37.01	0.65	32.93	8.12	4.06	84%	
11	Return on investment	Current value of investment/ cost of investment	0.50	0.50	1.00	0.50	2.84	0.18	468%	

34. Contingent Liabilities:

i) Performance Guarantee:

Particulars	As at March 31, 2026	As at March 31, 2025
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, 2026	March 31, 2025
Current service cost	1.01	1.05
Interest cost on benefit obligation	1.07	1.68
Past Service cost – vested benefits	-	-
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognized in the year	-0.32	-9.45
Net benefit expense	**1.76**	**-6.72**

Balance Sheet

Benefit liability

Particulars	March 31, 2026	March 31, 2025
Present value of defined benefit obligation	17.71	15.95
Fair value of plan assets	-	-
Plan liability	**17.71**	**15.95**

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

Particulars	March 31, 2026	March 31, 2025
Opening defined benefit obligation	15.95	24.58
Current service cost	1.01	1.05
Interest cost	1.07	1.68
Benefits paid	0	-1.90
Actuarial gain/(losses) on obligation	-0.32	-9.45
Closing defined benefit obligation	**17.71**	**15.95**

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

Particulars	March 31, 2026	March 31, 2025
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, 2026	March 31, 2025
Discount rate (%)	7.48%	6.75%
Salary escalation (%)	3.00%	3.00%
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 financials 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.

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, 2026	For the year ended March 31, 2025
Managerial Remuneration:	**13.8**	**7.45**
- S. Raghava Rao	-	-
- R. Krishna Mohan	4.55	1.25
- C.H. Harinath	9.25	6.20
Loans and advances given:	**0.54**	**0.30**
- City Online Digital Private Limited	0.54	0.30
- City Online Media Private Limited	-	-
Loans and advances received:	**-**	**-**
- City Online Media Private Limited	-	-
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	-	-
Electricity and Maintenance		
- City Online Digital Private Limited	-	-
Rent		
- City Online Digital Private Limited	-	-

c) Related party balances:

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current investments:	**-**	**-**
- City Online Media Private Limited	-	-
- City Online Digital Private Limited	-	-
- Broadway City Online Consortium	-	-
- Info-Fi City online Consortium	-	-

Loans and Advances Given/(Taken):	**14.26**	**13.72**
- City Online Media Private Limited	- 1.25	-1.25
- City Online Digital Private Limited	15.51	14.97
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, 2026	For the year ended March 31, 2025
Cancellable	31.56	24.44
Total	**31.56**	**24.44**

39. Earnings per Share (EPS):

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after taxation as per statement of profit and loss (for basic EPS)	**-47.21**	**3.51**
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	**-47.21**	**3.51**

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

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
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, 2026	For the year ended March 31, 2025
- Basic (Rs.)	-0.91	0.07
- Diluted (Rs.)	-0.91	0.07

40. Expenditure in Foreign Currency:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
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, 2026 and March 31, 2025 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:

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, 2026	March 31, 2025
Fair Value Hierarchy	3	3
Financial Assets		
Other Financial Assets – Security Deposits	17.54	13.44
Other Financial Assets – Trade Receivables	83.15	68.07
Financial Liabilities		
Borrowings	-	-

iii. Financial Instruments by category

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

Particulars	31-03-2026			31-03-2025		
FINANCIAL ASSETS	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Other investments	-	-	0.50	-	-	0.50
- Loans & Advances	-	-	15.51	-	-	14.97
- Trade receivables	-	-	83.15	-	-	68.07
- Cash and cash equivalents	-	-	0.30	-	-	0.11
- Bank balances other than above	-	-	64.16	-	-	154.05
- Other financial assets	-	-	39.38			16.97
TOTAL	**-**	**-**	**203.00**	**-**	**-**	**254.67**
FINANCIAL LIABILITIES						
Borrowings	-	-	15.59	-	-	98.53
Trade Payables	-	-	220.54	-	-	182.30
TOTAL	**-**	**-**	**236.13**	**-**	**-**	**280.93**

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 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, 2026	March 31, 2025
Past due not impaired:		
0-90 Days	53.43	58.62
91-180 Days	4.20	5.04
181-360 Days	11.95	2.66
Greater than 360 Days	13.57	1.75
Less: Provision for Credit Losses	-	
Total	**83.15**	**68.07**

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
March 31, 2026				
Borrowings	7.26	8.33	-	**15.59**
Trade Payables	157.24	63.3	-	**220.54**
Total			**-**	**236.13**
March 31, 2025				
Borrowings	97.28	1.25	-	**98.53**
Trade Payables	153.28	4.07	-	**182.30**
Total	**250.56**	**5.32**	**-**	**255.88**

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.

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

Particulars	31-Mar-26	31-Mar-25
Current Borrowings [Refer Note 22]	15.59	98.53
Total Debt	**15.59**	**98.53**
As a percentage of total capital	-39.84%	108.25%
Equity [Refer Note 17 and 18]	**(54.72)**	**(7.51)**
As a percentage of total capital	-139.84%	-8.25%
Total Capital [Debt and Equity]	**(39.13)**	**91.02**

As per our Audit Report of even date attached
For Komandoor & Co LLP
Chartered Accountants

Sd/-
P V Ram
Partner
FRN: 001420S/S200034
M No: 029565
UDIN NO:26029565JRGPZC7044

Place: Hyderabad
Date:29-05-2026.

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
Whole-time Director & CFO
DIN :01678152

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, 7thFloor, Aditya Trade Center, Ameerpet, Hyderabad, Telangana – 500034.

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 27th Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2026 at 10.30 A.M. at the Registered Office of the Company at 701, 7th Floor, Aditya Trade Center, Ameerpet, Hyderabad, Telangana – 500034 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, 2026, 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. Suryadevara Naga Durga (DIN: 06697556), who retires by rotation and being eligible, offers herself, for re -appointment.
3. Sale/Disposal of Business/Undertaking of the Company.

Affix Revenue Stamp

Signed this …..… day of…….. 2026

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

701, 7TH FLOOR, ADITYA TRADE CENTER, AMEERPET, HYDERABAD, TELANGANA – 500034.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 27th Annual General Meeting of the Company, to be held on 30th Day of September, 2026 at 10.30 A.M. at the Registered Office of the Company at 701, 7th Floor, Aditya Trade Center, Ameerpet, Hyderabad, Telangana – 500034 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature_____

Shareholders/Proxy's full name_____

(In block letters)

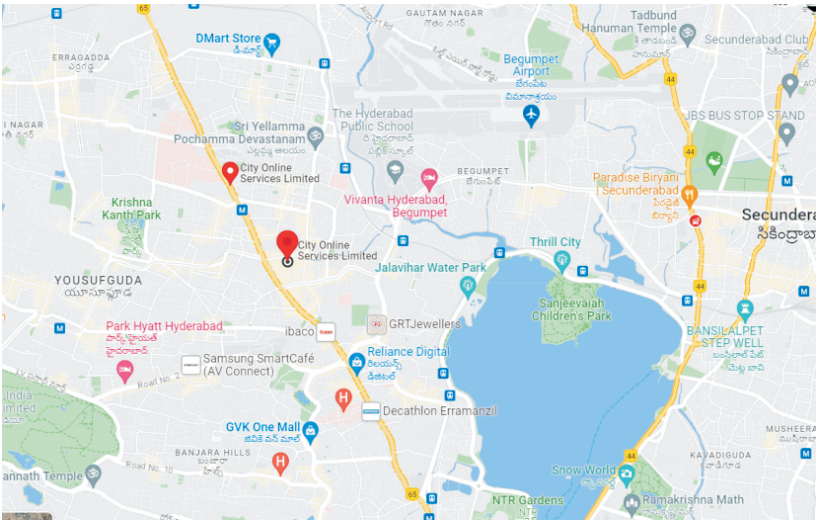
Folio No./ Client ID_____

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.

ROUTE MAP


GAUTAM NAGAR
Tadbund
Hanuman Temple
Secunderabad Club
DMart Store
ERRAGADDA
Begumpet
Airport
The Hyderabad
Public School
Sri Yellamma
Pochamma Devastanam
City Online
Services Limited
BEGUMPET
JBS BUS STOP STAND
Paradise Biryani
Secunderabad
Krishna
Kanth Park
Vivanta Hyderabad,
Begumpet
Secunderabad
City Online
Services Limited
Thrill City
Jalavihar Water Park
YOUSUFGUDA
Sanjeevaiah
Children's Park
Park Hyatt Hyderabad
ibaco
GRTJewellers
BANSILALPET
STEP WELL
Samsung SmartCafé
(AV Connect)
Reliance Digital
Decathlon Erramanzil
GVK One Mall
BANJARA HILLS
MUSHEERA
KAVADIGUDA
Snow World
NTR Gardens
Ramakrishna Math

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