City Online SERVICES LIMITED
Internet Services with world class technology

Wi-Fi City

30th June, 2021

To
The General Manager,
Department of Corporate Relations,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400001

Dear Sir,

Scrip Code: 538674

Sub: Outcome of Board Meeting dated 30th June, 2021 and Disclosure as per Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

We wish to inform you that at the meeting of the Board of Directors of the Company held today i.e. on Wednesday, 30th June, 2021, the Board of Directors of the Company have inter-alia considered, approved the following:

1. The standalone and consolidated audited financial results of the Company for the quarter and year ended 31st March, 2021. The said audited financial results were reviewed by the Audit Committee and thereafter approved by the Board of Directors.
2. Appointment of M/s. D. Rambabu & Co., Chartered Accountantas Internal Auditors of the Company for the Financial Year 2021-22.
3. Appointment of Mr. Vivek Surana, Practising Company Secretaryas Secretarial Auditors of the Company for the Financial Year 2021-22.
4. Directors' Report along with Management Discussion and Analysis Report.

In compliance with Regulations 33 & Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Financial Results and Auditors Report issued by the Statutory Auditors of the Company along with the Statement on Impact of Audit Qualifications.

The Board Meeting commenced at 03:00 p.m. and concluded at 08:00 p.m.

This is for your information and records.

Thanking you.

Yours faithfully,
For City Online Services Limited

S. Raghava Rao
Chairman & Managing Director
DIN: 01441612

Encl: As above

City Online SERVICES LIMITED
Internet Services with world class technology

Wi-Fi City

Statement of Audited Financial Results for the Quarter and Year ended on 31st March, 2021

Rs.in lakhs

Sl.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		Audited	Un-Audited	Audited	Audited	Audited
1	**Income**					
	(a) Revenue from operations	264.64	189.82	205.23	829.10	1,146.73
	(b) Other income	4.08	3.81	67.98	104.82	79.39
	Total Income from operations	**268.73**	**193.63**	**273.21**	**933.91**	**1,226.12**
2	**Expenses:**					
	(a) Operating Expenses	183.68	157.56	207.81	595.27	828.27
	(b) Employee benefit expenses	44.55	45.93	53.36	176.52	201.12
	(c) Finance costs	4.51	5.80	5.08	38.36	20.34
	(d) Depreciation and amortization expenses	12.85	14.78	10.53	51.64	42.12
	(e) Other Expenses	44.02	49.79	196.39	184.06	340.82
	Total expenses	**289.61**	**273.86**	**473.18**	**1,045.85**	**1,432.67**
3	**Profit / (loss) before exceptional and extraordinary items and taxation (1-2**	**-20.88**	**-80.23**	**-199.97**	**-111.94**	**-206.55**
4	Exceptional items	-	-	-	-	-
5	**Profit / (loss) before extraordinary items and taxation (3-4)**	**-20.88**	**-80.23**	**-199.97**	**-111.94**	**-206.55**
6	Extraordinary items	-	-	-	-	-
7	**Profit / (loss) before taxation (5-6)**	**-20.88**	**-80.23**	**-199.97**	**-111.94**	**-206.55**
8	**Income tax expenses**					
	(a) Current tax charge / (Credit)					
	(b) Tax relating to earlier years charge / (Credit)					
	(c) Reversal of MAT Credit					
	(d) Deferred tax charge / (Credit)	-	-	-94.95	41.77	-94.95
	Total tax expenses	-	-	**-94.95**	**41.77**	**-94.95**
9	**Profit / (loss) for the period (7 - 8)**	**-20.88**	**-80.23**	**-105.02**	**-153.70**	**-111.60**
10	**Other Comprehensive Income**					
	Item that will not be re-classified to profit or loss	-	-	-		-
	Total other comprehensive income, net of income tax	-	-	-	-	-
11	**Total Comprehensive income (9+10)**	**-20.88**	**-80.23**	**-105.02**	**-153.70**	**-111.60**
12	**Paid up Share Capital (face value of Rs. 10/- per share)**	**516.47**	**516.47**	**516.47**	**516.47**	**516.47**
13	**Reserves Excluding Revaluation Reserves**	-	-	-	**-437.88**	-396.11
14	**Earnings per share of Rs. 5/- each : (Not Annualized)**					
	(a) Basic (Rs)	-0.40	-1.55	-2.03	-2.98	-2.16
	(b) Diluted (Rs)	-0.40	-1.55	-2.03	-2.98	-2.16

Notes to the financial results:

1	The above financial results for the quarter and year ended 31st March, 2021 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th June, 2021
2	These report has been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
3	With effect from 1st April, 2019, the Company has adopted IND AS-116. The Company has recognised lease liabilities and corresponding equivalent right-of-use assets. In the statement of profit and loss for the current quarter, operating lease expenses which were recognised as other expenses in previous periods is now
4	The company is primarily engaged in Internet solutions and services. There are no other reportable segments in terms of Indian Accounting Standard 108 on 'Operating Segments'.
5	The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to possible future uncertainties in the economic conditions because of pandemic. The company has used internal & external sources of information, based on the Company's assessment, no material impact has been noted. Considering that it is a dynamic & evolving situation, the management will continue to closely monitor & evaulate the impact of any material change in macro economic & other related factors, which may have bearing on the company's operations.

By order of the Board
For CITY ONLINE SERVICES LIMITED

S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

CITY ONLINE SERVICES LTD * HYDERABAD *

Place: Hyderabad
Date : 30th June 2021

Regd. Office : 701, 7th Floor, Aditya Trade Center, Ameerpet, Hyderabad - 500 038.
www.cityonlines.com
Phone : 040-67231900, 67231912, 66416882.
CIN No. L72200AP1999PLC032114 GSTIN : (Telangana) 36AABCC2969E1ZQ

Statement of Assets and Liabilities

Sl. No.	Particulars	Rs.in lakhs As at 31st March 2021 Audited	Rs.in lak As at 31st March 202 Audited
A	**ASSETS**		
	NON-CURRENT ASSETS		
	(a) Property, plant and equipment	254.87	121.
	(b) Intangible Assets	0.19	1.
	(c) Right of use of Assets	15.72	29.
	(d) Financial Assets		
	- Investments	4.81	4.
	- other non-current financials assets	22.22	15.
	(e) Other non-current assets	-	0.
	(f) Deferred Tax Asset (Net)	102.12	143.
	TOTAL NON - CURRENT ASSETS	**399.94**	**317.**
	(a) Inventories	-	110.
	(b) Financial Assets		
	- Loan and Advances	25.87	82.
	- Trade receivables	223.07	313.
	- Cash and Cash equivalents	6.65	6.
	- Other Bank balances	116.49	116.
	- Other financial assets	3.39	10.
	(c) Other current assets	88.87	51.
	TOTAL CURRENT ASSETS	**464.34**	**691.7**
	TOTAL ASSETS	**864.28**	**1,008.7**
B	**EQUITY AND LIABILITIES**		
	EQUITY		
	(a) Equity share capital	516.47	560.
	(b) Other equity	-504.91	-396.1
	TOTAL EQUITY	**11.56**	**164.8**
	LIABILITIES		
	NON-CURRENT LIABILITIES		
	(a) Financial Liabilities		
	- Borrowings	9.67	3.3
	- Lease Liability	17.78	31.
	(b) Provisions	22.96	23.3
	TOTAL NON-CURRENT LIABILITIES	**50.42**	**58.6**
	CURRENT LIABILITIES		
	(a) Financial Liabilities		
	- Borrowings	195.79	178.8
	- Trade payables		
	Dues to Micro, Small and Medium enterprises	-	-
	Dues to others	339.62	347.3
	(b) Other current liabilities	259.57	254.9
	(c) Provisions	7.31	4.1
	TOTAL CURRENT LIABILITIES	**802.30**	**785.2**
	TOTAL EQUITY AND LIABILITIES	**864.28**	**1,008.7**

For CITY ONLINE SERVICES LIMITED

S. RAGHAVA RAO
CHAIRMAN & MANAGING DIRECTOR

Standalone Cash Flow Statement

Particulars	Rs.in lakhs For the Year ended 31-03-21 (Audited)	Rs.in lakhs For the Year ended 31-03-20 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Proift before tax	-111.94	-206.55
Adjusted for		
Depreciation and amortisation	51.64	42.12
Interest expense	38.36	20.34
Interest on lease liability	1.73	-
Remeasurement of post employee benefits	0.08	0.06
Remeasurements of financial assets	0.31	0.10
Interest on capital from partnership firm	-	-
Expected credit loss allowance	-	-
Share of (profit)/loss from partnership firm	-	-
Capital Reserve	44.51	
Profit on sale of property, plant & equipment	-	-
Impairment Loss	-	123.84
Write Back of Liabilities	-65.45	63.06
Provision written back	-2.41	-0.39
Interest income	-1.88	-2.41
Operating Profit before Working Capital changes	**-45.06**	**40.17**
Change in working capital	295.16	-57.18
Cash generated from operations	**250.10**	**-17.01**
Direct Taxes Paid	-	-
Net cash flow from operating activities (A)	**250.10**	**-17.01**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets	-170.31	-8.19
Investment in deposits	-6.23	-
Proceeds from sale of property, plant and equipment	-	-
Interest received	1.88	2.41
Interest on capital from partnership firm	-	-
Share of (profit)/loss from partnership firm	-	-
Increase in non current investments	0.01	-0.00
Net cash used in Investing Activities - (B)	**-174.65**	**-5.79**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	6.30	-9.24
Decrease in Share capital	-44.51	-
Payment of Lease liability	-15.87	-
(Repayment) / Proceeds from working capital borrowings	16.98	43.86
Interest paid	-38.36	-20.34
Net Cash used in Finance Activities - (C)	**-75.46**	**14.28**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	-0.01	-8.52
Opening Balance in Cash and cash equivalents	6.65	15.17
Closing Balance in Cash and cash equivalents	**6.65**	**6.65**

For CITY ONLINE SERVICES LIMITED

S. RAGHAVA RAO
CHAIRMAN & MANAGING DIRECTOR

City Online
SERVICES LIMITED
Internet Services with world class technology

Wi-Fi City

Statement of Consolidated Audited Financial Results for the Quarter and Year ended on 31st March, 2021

Rs.in lakhs

Sl.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		Audited	Un-Audited	Audited	Audited	Audited
1	**Income**					
	(a) Revenue from operations	283.15	190.51	216.68	851.69	1,152.53
	(b) Other income	-13.94	0.88	70.23	69.75	96.14
	Total Income from operations	**269.20**	**191.40**	**286.91**	**921.44**	**1,248.67**
2	**Expenses:**					
	(a) Purchases	-	-	-	-	822.84
	(b) Operating Expenses	202.42	157.59	207.81	608.44	-
	(c) Cost of Sales	-	-	-	-	-
	(d) Employee benefit expenses	46.54	46.28	53.36	178.51	201.12
	(e) Finance costs	4.51	5.80	5.08	38.49	20.38
	(f) Depreciation and amortization expenses	16.07	16.39	10.99	58.59	45.31
	(g) Other Expenses	63.19	56.26	207.37	202.91	358.21
	Total expenses	**332.73**	**282.32**	**484.61**	**1,086.94**	**1,447.87**
3	**Profit / (loss) before exceptional and extraordinary items and taxation (1-2)**	**-63.53**	**-90.93**	**-197.70**	**-165.50**	**-199.20**
4	Exceptional items	-	-	-	-	-
5	**Profit / (loss) before extraordinary items and taxation (3-4)**	**-63.53**	**-90.93**	**-197.70**	**-165.50**	**-199.20**
6	Extraordinary items	-	-	-	-	-
7	**Profit / (loss) before taxation (5-6)**	**-63.53**	**-90.93**	**-197.70**	**-165.50**	**-199.20**
8	**Income tax expenses**					
	(a) Current tax charge / (Credit)	-			8.32	
	(b) Tax relating to earlier years charge / (Credit)	-				
	(c) Reversal of MAT Credit	-	-	-		0.02
	(d) Deferred tax charge / (Credit)	-	-	41.64	38.63	-94.55
	Total tax expenses	**-**	**-**	**41.64**	**46.95**	**-94.53**
9	**Profit / (loss) for the period (7 - 8)**	**-63.53**	**-90.93**	**-239.34**	**-212.45**	**-104.66**
10	**Other Comprehensive Income**					
	Items that will not be reclassified to profit or loss	-	-	0.49	0.31	0.16
	Total other comprehensive income, net of income tax	**-**	**-**	**0.49**	**0.31**	**0.16**
11	**Total Comprehensive income (9+10)**	**-63.53**	**-90.93**	**-238.85**	**-212.14**	**-104.51**
12	**Paid up Share Capital (face value of Rs. 10/- per share)**	**516.47**	**516.47**	**516.47**	**516.47**	**516.47**
13	**Reserves Excluding Revaluation Reserves**					
14	**Earnings per share of Rs. 5/- each : (Not Annualized)**					
	(a) Basic (Rs)	-1.23	-1.76	-4.63	-4.11	-2.03
	(b) Diluted (Rs)	-1.23	-1.76	-4.63	-4.11	-2.03

Notes to the financial results:

1	The above financial results for the quarter and year ended 31st March, 2021 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30th June, 2021.
2	These report has been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
3	With effect from 1st April, 2019, the Company has adopted IND AS-116. The Company has recognised lease liabilities and corresponding equivalent right-of-use assets. In the statement of profit and loss for the current quarter, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use assets and finance cost for interest accrued on lease liability. The application of IND AS-116 did not have any significant impact in the financial results of the Company.
4	The company is primarily engaged in Internet solutions and services. There are no other reportable segments in terms of Indian Accounting Standard 108 on 'Operating Segments'.
5	The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial results. In developing the assumptions relating to possible future uncertainties in the economic conditions because of pandemic. The company has used internal & external sources of information, based on the Company's assessment, no material impact has been noted. Considering that it is a dynamic & evolving situation, the management will continue to closely monitor & evaulate the impact of any material change in macro economic & other related factors, which may have bearing on the company's operations.

By order of the Board
For CITY ONLINE SERVICES LIMITED

S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

CITY ONLINE SERVICES LTD * HYDERABAD *

Place: Hyderabad
Date: 30th June, 2021

Regd. Office : 701, 7th Floor, Aditya Trade Center, Ameerpet, Hyderabad - 500 038.
www.cityonlines.com
Phone : 040-67231900, 67231912, 66416882.
CIN No. L72200AP1999PLC032114 GSTIN : (Telangana) 36AABCC2969E1ZQ

Consolidated Statement of Assets and Liabilities

Sl. No.	Particulars	As at 31st March 2021 (Rs.in lakhs)	As at 31st March 2020 (Rs.in lakhs)
		Audited	Audited
A	**ASSETS**		
	NON-CURRENT ASSETS		
	(a) Property, plant and equipment	321.32	131.32
	(b) Intangible Assets	3.19	1.04
	(c) Right of use of Assets	15.72	29.40
	(d) Financial Assets		-
	- Investments	2.81	2.82
	- other non-current financials assets	22.22	15.99
	(e) Other non-current assets	-	0.20
	(f) Deferred Tax Asset (Net)	104.28	143.89
	TOTAL NON - CURRENT ASSETS	**469.54**	**324.66**
	CURRENT ASSETS		
	(a) Inventories	-	110.86
	(b) Financial Assets		-
	- Loans & Advances	0.25	-
	- Trade receivables	230.67	345.61
	- Cash and Cash equivalents	7.94	7.92
	- Other financial assets	7.87	10.42
	- Bank balances other than above	116.49	116.49
	(c) Income Taxes	57.96	49.96
	(d) Other current assets	40.35	8.66
	TOTAL CURRENT ASSETS	**461.53**	**649.92**
	TOTAL ASSETS	**931.08**	**974.58**
B	**EQUITY AND LIABILITIES**		
	EQUITY		
	(a) Equity share capital	516.47	560.98
	(b) Other equity	-553.00	-440.13
	TOTAL EQUITY	**-36.53**	**120.85**
	LIABILITIES		
	NON-CURRENT LIABILITIES		
	(a) Financial Liabilities		
	- Borrowings	9.67	3.37
	- Lease Liability	17.78	31.93
	- Others	-	-
	(b) Other Long Term Liabilities	-	-
	(c) Provisions	22.96	23.39
	(d Deferred tax liabilities(net)	-	0.97
	TOTAL NON-CURRENT LIABILITIES	**50.42**	**59.67**
	CURRENT LIABILITIES		
	(a) Financial Liabilities		
	- Borrowings	304.89	178.82
	- Trade payables		
	Dues to micro and small enterprises		
	Dues to others	358.76	346.20
	- Other current financial liabilities	1.33	4.15
	- Lease liabilities	-	-
	(b) Other current liabilities	252.21	264.89
	TOTAL CURRENT LIABILITIES	**917.18**	**794.06**
	TOTAL EQUITY AND LIABILITIES	**931.08**	**974.58**

For CITY ONLINE SERVICES LIMITED

S. RAGHAVA RAO
CHAIRMAN & MANAGING DIRECTOR

Consolidated Cash Flow Statement

Particulars	For the Year ended 31-03-21 (Audited)	For the Year ended 31-03-20 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Proift before tax	-118.38	-199.20
Adjusted for		
Depreciation and amortisation	58.59	45.31
Interest expense	38.49	20.38
Interest on Lease Liability	1.73	-
Interest income	-1.88	-2.41
Impairment Loss	-	100.18
Write Back of Liabilities	-65.45	63.06
Provision written back	-2.41	-0.39
Remeasurements of financial assets	-	0.10
Interest on security deposit	-	-0.26
Capital Reserve	44.51	
Chit dividend	-	-
Loss on chit funds	-	-
Expected credit loss allowance	-	-
Share of profit from Partnership firm [Net]	-	-
Profit on sale of property, plant & equipment	-21.69	-
Interest on capital from Partnership firm	-	-
Remeasurement of post employee benefits	0.39	0.06
Operating Profit before Working Capital changes	-66.11	26.84
Change in working capital	344.71	-43.57
Cash generated from operations	**278.60**	**-16.73**
Direct Taxes Paid	7.56	0.17
Net cash flow from operating activities (A)	**286.16**	**-16.56**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in fixed deposits	-6.23	-
ROU Asset	-	-
(Proceeds)/ Investment in chit fund	-	-
Investment in partnership firm	-	-
Chit dividend	-	-
Interest received	1.88	2.41
Interest on Security Deposit.	-	0.26
Interest on capital from Partnership firm	-	-
Share of profit from Partnership firm [Net]	-	-
Sale of property, plant and equipment	30.16	-
Increase / Decrease in non current inventements	0.01	
Purchase of property, plant and equipment, including intangible assets	-236.38	-8.19
Net cash used in Investing Activities - (B)	**-210.55**	**-5.53**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	6.30	-9.24
Decrease in Share capital	-44.51	-
Lease Liability	-15.87	
Proceeds/ (repayment) of short term borrowings	16.98	43.86
Loss on chit funds	-	-
Interest paid	-38.49	-20.38
Net Cash used in Finance Activities - (C)	**-75.59**	**14.23**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	0.02	-7.85
Opening Balance in Cash and cash equivalents	7.92	15.78
Closing Balance in Cash and cash equivalents	7.94	7.92

For CITY ONLINE SERVICES LIMITED

S. RAGHAVA RAO
CHAIRMAN & MANAGING DIRECTOR

City Online SERVICES LIMITED
Internet Services with world class technology

Wi-Fi City

ANNEXURE I

Statement on Impact of Audit Qualifications of CITY ONLINE SERVICES LIMITED (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

			Rs. in lakhs	Rs. in lakhs
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	933.91	933.91
	2.	Total Expenditure	1045.85	1072.00
	3.	Net Profit/(Loss)	(111.94)	(137.81)
	4.	Earnings/(Loss) Per Share	(2.17)	(2.67)
	5.	Total Assets	864.28	838.41
	6.	Total Liabilities	802.29	802.29
	7.	Net Worth	11.56	(14.31)
	8.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification:**

"Loans & Advances" in the Balance Sheet comprises of Loans & advances given to one party having negative net worth carried at a cost of Rs.25.87 Lakhs and recovery of the same is unascertainable. However, no provision has been made in the books of accounts. Had the company created a provision of Rs. 25.87 Lakhs, the results of the operations of the company for the current financial year would have resulted in loss of Rs.137.81 Lakhs and the amount under "Loans & Advances" under current assets would be lower by Rs. 25.87 Lakhs.

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:** Second time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

- **We have noted above observations**

	e. **For Audit Qualification(s) where the impact is not quantified by the auditor: Nil**
III.	**Signatories:**
	• **CEO/Managing Director**
	• **CFO**
	• **Audit Committee Chairman**
	• **Statutory Auditor**
	Place: Hyderabad
	Date: 30th June, 2021

Laxminiwas & Co
chartered accountants

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF CITY ONLINE SERVICES LIMITED

Report on the Audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying Standalone Financial Results of **City Online Services Limited** (the "Company") for the quarter and year ended 31 March 2021, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the "**Basis for Qualified Opinion**" section of our report, these standalone financial results:

i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended 31 March, 2021.

Basis for Qualified Opinion

1) "Loans & Advances" in the Balance Sheet comprises of Loans & advances given to one party having negative net worth carried at a cost of Rs.25.87 Lakhs and recovery of the same is unascertainable. However, no provision has been made in the books of accounts. Had the company created a provision of Rs. 25.87 Lakhs, the results of the operations of the company for the current financial year would have resulted in loss before taxes of Rs.137.81 Lakhs and the amount under "Loans & Advances" under current assets would be NIL.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* 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 results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters

a. Balances shown under "Trade receivables" & "Trade payables" represents Rs. 223.06 Lakhs & Rs. 339.62 Lakhs respectively. The balance confirmation is not received and the reconciliation could not be performed. The impact that may result on reconciliation cannot be ascertained, if any.
b. "Other current liabilities" includes Statutory Liabilities outstanding viz., GST, VAT, TDS, PT, PF, ESI as on 31st March, 2021 amounting to Rs. 188.20 Lakhs.

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

Management's Responsibilities for the Financial Results

These financial results have been prepared on the basis of the annual financial statements.

The Company's Management and Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

- Identify and assess the risks of material misstatement of the financial results, 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 responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results 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 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.

Other matters

The Standalone financial results include the results for the quarter ended 31st March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **Laxminiwas & Co**
Chartered Accountants
Firm Registration No: 011168S

LAXMINIWAS & Co.
HYDERABAD
CHARTERED ACCOUNTANTS

Guha Roy Ashish Kumar
Partner
Membership No: 018659
UDIN: 21018659AAAAAR9930

Hyderabad
30th June, 2021

Laxminiwas & Co
chartered accountants

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF CITY ONLINE SERVICES LIMITED

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Consolidated financial results of City Online Services Limited ("hereinafter referred to as the Holding Company") and its subsidiaries listed below (Holding Company and its subsidiaries together referred to as "the Group) for the quarter and year ended on 31st March 2021 attached herewith, being submitted by the Holding Company pursuant to the requirement of regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports on separate audited financial statements or financial results or financial information of the subsidiary. The statement includes the results of the following entities:

List of Subsidiaries:

1. City Online Media Private Limited
2. City Online Digital Private Limited

i) are presented in accordance with the requirements of regulation 33 of the Listing Regulations in this regard; and

ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the Consolidated net profit and other comprehensive income and other financial information of the group for the year ended 31st March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made 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.

Emphasis of Matter

We draw attention to the following matters

a. Balances shown under "Trade receivables" & "Trade payables" represents Rs. 230.67 Lakhs & Rs. 358.76 Lakhs respectively. The balance confirmation is not received and the reconciliation could not be performed. The impact that may result on reconciliation cannot be ascertained, if any.

b. "Other current liabilities" includes Statutory Liabilities outstanding viz., GST, VAT, TDS, PT, PF, ESI as on 31st March, 2021 amounting to Rs. 194.54 Lakhs.

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

Management's Responsibilities for the Consolidated Financial Results

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under section 133 of the Act read relevant rules issued thereunder and other accounting principles generally accepted in India and incompliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the Companies included in the Group are responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 Consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company as aforesaid.

In preparing the Consolidated financial results, the respective Board of Directors of the companies in the group are responsible for assessing the each 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 respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Respective Board of Directors of the companies included in the group are responsible for overseeing the financial reporting process of the group.

Auditor's Responsibilities for the Audit of the Consolidated financial results

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial results, 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 financial controls 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 system 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 the Board of Directors.

- Conclude on the appropriateness of Board of Directors 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 Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial results, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. We remain solely responsible for our audit opinion.

LAXMINIWAS & CO. HYDERABAD CHARTERED ACCOUNTANTS

We communicate with those charged with governance of the holding company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other matters

The Consolidated financial results include the results for the quarter ended 31st March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures of previous quarter of the current financial year which were subject to limited review by us.

For Laxminiwas & Co.

Chartered Accountants
Firm's Registration Number: 011168S

LAXMINIWAS & Co. HYDERABAD CHARTERED ACCOUNTANTS

Guha Roy Ashish Kumar

Partner
Membership Number: 018659
UDIN: 21018659AAAAAS3721

Hyderabad
Date: 30th June 2021