WEB18 SOFTWARE SERVICES LIMITED

Independent Auditor's Report

To the Members of Web18 Software Services Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Web18 Software Services Limited ('the Company**'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 20 April 2016 and 15 April 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 financial statements dealt with by this report are in agreement with the books of account;

   d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

   e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

   f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 19 April 2017 as per Annexure II expressed unqualified opinion;

   g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company does not have any pending litigation 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;

      iv. the company, as detailed in Note 19 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

For **Walker Chandiok & Associates**
Chartered Accountants
Firm's Registration No.: 001329N

per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 13 April 2017

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Associates**
Chartered Accountants
Firm's Registration No.: 001329N

per **Rakesh Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 13th April 2017

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Web18 Software Services Limited ("the Company") as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ("IFCoFR") of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 financial control stated in the Guidance Note on Audit of IFCoFR issued by the Institute of Chartered Accountants of India. 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 the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 IFCoFR issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Associates**
Chartered Accountants
Firm's Registration No.: 001329N

per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 13 April 2017

Balance Sheet as at 31st March, 2017

All Amount in ₹

	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	1	-	-	-
Total Non-current Assets	**-**	**-**	**-**	
Current assets				
Financial assets				
Cash and cash equivalents	2	17,558	6,32,760	2,64,269
Other current assets	3	19,625	35,868	28,520
Total Current Assets		**37,183**	**6,68,628**	**2,92,789**
Total Assets		**37,183**	**6,68,628**	**2,92,789**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	4	49,14,890	49,14,890	49,14,890
Other equity	5	(90,38,291)	(89,02,004)	(86,00,927)
Total Equity		**(41,23,401)**	**(39,87,114)**	**(36,86,037)**
Liabilities				
Non-current liabilities				
Provisions	6	**-**	1,17,550	87,549
Total Non-current Liabilities		**-**	**1,17,550**	**87,549**
Current liabilities				
Financial liabilities				
Trade payables	7	41,38,918	37,57,323	31,27,737
Others	8	-	7,62,617	7,52,117
Other current liabilities	9	21,666	12,558	7,244
Provisions	10	-	5,694	4,179
Total Current Liabilities		**41,60,584**	**45,38,192**	**38,91,277**
Total Equity and Liabilities		**37,183**	**6,68,628**	**2,92,789**

Significant Accounting Policies
See accompanying Notes to the Financial Statements 1 to 23

As per our Report of even date

For Walker Chandiok & Associates
Chartered Accountants
Firm's Registration No.: 001329N

For and on behalf of the Board of Directors of
Web18 Software Services Limited

Rakesh R Agarwal
Partner
Membership No.: 109632

Sanjiv Kulshreshta
Director
DIN 06788866

Karanvir Singh Gil
Director
DIN 07283590

Place: Mumbai
Date: 13th April 2017

Place : Noida
Date: 13th April 2017

Statement of Profit and Loss for the year ended 31st March, 2017

All Amount in ₹

	Note No.	2016-17	2015-16
Income			
Revenue from Operations	11	5,80,498	11,49,743
Other Income	12	3,63,127	11,721
Total Income		**9,43,625**	**11,61,464**
Expenses			
Employee benefits expense	13	7,83,999	10,56,581
Other expenses	14	2,32,813	3,95,995
Total Expenses		**10,16,812**	**14,52,576**
Loss before Tax		**(73,187)**	**(2,91,112)**
Tax expense:			
Current year		-	-
Earlier years	18	63,100	-
		63,100	**-**
Loss for the year		**(1,36,287)**	**(2,91,112)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		-	(9,965)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income		**-**	**(9,965)**
Total Comprehensive Income for the year		**(1,36,287)**	**(3,01,077)**
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in Rs.)	15	**(1.88)**	**(2.19)**

Significant Accounting Policies

See accompanying Notes to the Financial Statements 1 to 23

As per our Report of even date

For Walker Chandiok & Associates
Chartered Accountants
Firm's Registration No.: 001329N

Rakesh R Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 13th April 2017

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Director
DIN 06788866

Karanvir Singh Gil
Director
DIN 07283590

Place : Noida
Date: 13th April 2017

Statement of Changes in Equity for the year ended 31st March, 2017

A. Equity Share Capital All amount in ₹

Balance as at 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance as at 31st March, 2016	Changes in equity share capital during the year 2016-17	Balance as at 31st March, 2017
49,14,890	-	49,14,890	-	49,14,890

B. Other Equity All amount in ₹

Particulars	Equity component of compound financial instruments	Reserves and Surplus		Remeasurements of the defined benefit plans	Total
		Capital Reserve	Retained Earnings		
For the year 2015-16					
Balance as at 1st April 2015	**5,61,88,00**	**33,92,72,77**	**(48,14,70,04)**	**-**	**(8,60,09,27)**
Total Comprehensive Income for the year	-		(2,91,112)	(9,965)	(3,01,077)
Balance at the end of 31st March 2016	**5,61,88,00**	**3,39,27,277**	**(4,84,38,116)**	**(9,965)**	**(89,02,004)**
For the year 2016-17					
Balance at the beginning of the reporting period	**5,61,88,00**	**33,92,72,77**	**(48,43,81,16)**	**(99,65)**	**(8,90,20,04)**
Total Comprehensive Income for the year			(13,62,87)	-	(13,62,87)
Balance at the end of 31st March 2017	**5,61,88,00**	**33,92,72,77**	**(4,8,57,44,03)**	**(99,65)**	**(9,03,82,91)**

As per our Report of even date

For Walker Chandiok & Associates
Chartered Accountants
Firm's Registration No.: 001329N

Rakesh R Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 13th April 2017

For and on behalf of the Board of Directors of
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Sanjiv Kulshreshta
Director
DIN 06788866

Karanvir Singh Gil
Director
DIN 07283590

Place : Noida
Date: 13th April 2017

Cash Flow Statement for the year ended 31 March, 2017

Amount in Rupees

		2016-17	2015-16
A:	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss before tax	(73,187)	(2,91,112)
	Adjustments for:		
	Sundry balances written back	(3,63,127)	(11,721)
	Operating loss before working capital changes	**(4,36,314)**	**(3,02,833)**
	Adjustments for :		
	(Increase) / Decrease in loans and advances	16,243	(7,348)
	Increase / (Decrease) in current liabilities and provisions	(1,32,031)	6,78,672
	Net cash (used in) / from operating activities before taxes	**(5,52,102)**	**3,68,491**
	Less: Taxes paid	**(63,100)**	-
	Net cash (used in) / from operating activities	**(6,15,202)**	**3,68,491**
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Net Cash (used in)/from investing activities	**-**	**-**
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Net Cash (used in)/from financing activities	**-**	**-**
	Net increase / (decrease) in cash and cash equivalents	**(6,15,202)**	**3,68,491**
	Cash and cash equivalents as at the beginning of the year	6,32,760	2,64,269
	Cash and cash equivalents as at the end of the year	**17,558**	**6,32,760**
	Cash and cash equivalents includes:		
	Balance with banks		
	in current account	17,558	6,32,760
		17,558	**6,32,760**

As per our Report of even date

For Walker Chandiok & Associates
Chartered Accountants
Firm's Registration No.: 001329N

Rakesh R Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 13th April 2017

For and on behalf of the Board of Directors of
Web18 Software Services Limited

Sanjiv Kulshreshta
Director
DIN 06788866

Karanvir Singh Gil
Director
DIN 07283590

Place : Noida
Date: 13th April 2017

Summary of the Significant Accounting Policies and other explantory Information

A CORPORATE INFORMATION

Web18 Software Services Limited ("the Company") is a company incorporated in India. The address of its registered office is First Floor, Empire Complex, 414- Senapati Bapat Marg, Lower Parel, Mumbai- 400 013. The Principle activities of the company is to provide web support services.

B ACCOUNTING POLICIES

B.1 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended 31st March 2016, the Company has prepared its financial statements in accordance with the requirement of Indian GAAP, which includes Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) .

These financial statements are the Company's first Ind AS financial statements and as covered by Ind AS 101 - First time adoption of Indian Accounting Standards.

Company's financial statements are presented in Indian Rupees (₹), which is its functional currency.

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Tangible assets carrying value under previous GAAP is recognised as deemed cost.

(b) Provisions and Contigencies

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

(c) Employee Benefits

(i) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(ii) Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recongnised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of acturial valuation.

(iii) Post-Employment Benefits
Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Summary of the Significant Accounting Policies and other explantory Information

Defined Benefit Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(d) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

(e) Revenue recognition

Revenue is recognised 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.

Revenue is recognised only if following condition are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Comapny retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- It can be reliably measured and it is reasonable to expect ultimate collection

Revenue from operations includes services measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Sale of services includes revenue from website support services.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(f) Financial instruments

I Financial Assets

i Initial recognition and measurement:

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition of financial assets , which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

ii Subsequent measurement:

a) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

Summary of the Significant Accounting Policies and other explantory Information

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iii Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

a) Financial assets at amortised cost

b) Financial assets measured at fair value through Other Comprehensive income

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses historical loss experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

II Financial liabilities

i Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

ii Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

C Critical accounting judgements and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Estimated useful lives of tangible assets:

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value.Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.

b) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

D First time adoption of Ind AS:

The Company has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the opening Reserves as at 1st April 2015 and all the periods presented have been restated accordingly.

Exemptions from retrospective application:

i) Fair value as deemed cost exemption:

The Company has elected to measure any item of property, plant and equipment at its carrying value at the transition date.

Notes to the Standalone Financial Statements for the year ended 31st March 2017

Note 1: Property, Plant and Equipment

All amount in ₹

Description	Gross block					Depreciation					Net block		
	As at 1st April, 2015	Additions	As at 31st March, 2016	Additions	As at 31st March, 2017	As at 1st April, 2015	For the year	As at 31st March, 2016	For the year	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Office Equipment	4,20,907	-	4,20,907	-	4,20,907	4,20,907	-	4,20,907	-	4,20,907	-	-	-
Total	**4,20,907**	**-**	**4,20,907**	**-**	**4,20,907**	**4,20,907**	**-**	**4,20,907**	**-**	**4,20,907**	**-**	**-**	**-**

Notes to the Standalone Financial Statements for the year ended 31st March 2017

2 Cash and Cash Equivalents

All amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents			
Balance with Bank			
In current account	17,558	6,32,760	2,64,269
Total	**17,558**	**6,32,760**	**2,64,269**

3 Other Current Assets

All amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(Unsecured and Considered Good)			
Balance with service tax/ sales tax authorities,etc.	19,625	13,442	-
Others	-	22,426	28,520
Total	**19,625**	**35,868**	**28,520**

Notes to the Standalone Financial Statements for the year ended 31st March 2017

4 Share Capital All amount in ₹

	Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
(a)	**Authorised Share Capital:**						
	Equity shares of ₹ 10 each	5,00,000	50,00,000	5,00,000	50,00,000	5,00,000	50,00,000
	14% Cumulative, optionally redeemable, convertible preference shares of ₹ 10 each	60,00,000	6,00,00,000	60,00,000	6,00,00,000	60,00,000	6,00,00,000
(b)	**Issued, subscribed and paid up capital**						
	Equity Shares of Rs.10 each fully paid up	4,91,489	49,14,890	4,91,489	49,14,890	4,91,489	49,14,890
	TOTAL	**4,91,489**	**49,14,890**	**4,91,489**	**49,14,890**	**4,91,489**	**49,14,890**

4.1 Description of the rights, preferences and restrictions attached to each class of shares

The Company has only one class of equity share having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. All shareholders are equally entitled to dividends. The Company declares and pays dividend in Indian Rupees which is proposed by the Board of Directors and is subject to the approval of the shareholders in the coming Annual General Meeting.In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

4.2 Details of shares held by holding company

Name of the entity	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
E-18 Limited, Mauritius	4,91,489	100	4,91,489	100	4,91,489	100
	4,91,489	**100**	**4,91,489**	**100**	**4,91,489**	**100**

As per the records of the Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

4.3 Details of shareholders holding more than 5% shares of the Company:

Name of the entity	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
E-18 Limited, Mauritius	4,91,489	100	4,91,489	100	4,91,489	100
	4,91,489	**100**	**4,91,489**	**100**	**4,91,489**	**100**

As per the records of the Company, including its register of shareholders/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

4.4 Shares issued for consideration other than cash

No shares have been issued pursuant to a contract without payment being received in cash, allotted as fully paid up bonus issued or brought back in the current reporting period and in the last five years immediately preceding the current reporting period.

4.5 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	₹	No. of Shares	₹	No. of Shares	₹
Equity Shares opening balance	4,91,489	49,14,890	4,91,489	49,14,890	4,91,489	49,14,890
Add : Shares issued during the year	-	-	-	-	-	-
Equity Shares closing balance	**4,91,489**	**49,14,890**	**4,91,489**	**49,14,890**	**4,91,489**	**49,14,890**

Notes to the Standalone Financial Statements for the year ended 31st March 2017

5 Other Equity All amount in ₹

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a.	**Equity Component of Other Financial Instruments:**			
	Opening balance	56,18,800	56,18,800	
		56,18,800	**56,18,800**	**56,18,800**

Preference shares are redeemable at a premium of Rs 90 at the end of 10 years. The preference shareholders or the Company can convert the preference shares into equity shares at any time during the 10 year period at a conversion price which shall be decided by the Board of Directors of the Company in compliance with the prevailing guidelines. The holder of preference shares shall have preference over equity shareholders in the event of liquidation of the Company.

b.	**Capital Reserve**	**3,39,27,277**	**3,39,27,277**	**3,39,27,277**
c.	**Retained Earnings**			
	Opening balance	(4,84,48,081)	(4,81,47,004)	
	Add: Profit for the year	(1,36,287)	(2,91,112)	
	Add: Other comprehensive Income	-	(9,965)	
		(4,85,84,368)	**(4,84,48,081)**	**(4,81,47,004)**
		(90,38,291)	**(89,02,004)**	**86,00,927**

6 Provisions All amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for gratuity (refer note 13)	-	88,019	63,000
Provision for compensated absences	-	29,531	24,549
Total	-	**1,17,550**	**87,549**

7 Trade Payables All amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Micro, Small and Medium Enterprises	-	-	-
Others	41,38,918	37,57,323	31,27,737
Total	**41,38,918**	**37,57,323**	**31,27,737**

7.1 Trade Payables

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

All amount in ₹

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Principal amount due and remaining unpaid	-	-	-
Interest due on above and the unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed day during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-
Total	-	-	-

Notes to the Standalone Financial Statements for the year ended 31st March 2017

8 Other Financial Liabilities All amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Payable to employees	-	7,62,617	7,52,117
Total	**-**	**7,62,617**	**7,52,117**

9 Other Current Liabilities All amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory dues payable	6,666	12,558	7,244
Others	15,000	-	-
Total	**21,666**	**12,558**	**7,244**

10 Current Provisions All amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for gratuity (refer note 13)	-	4,446	3,158
Provision for compensated absences	-	1,248	1,021
Total	**-**	**5,694**	**4,179**

All amount in ₹

11 Revenue from Operations	**2016-17**	**2015-16**
Sale of services	5,80,498	11,49,743
Total	**5,80,498**	**11,49,743**

All amount in ₹

12 Other Income	**2016-17**	**2015-16**
Sundry balances written back	3,63,127	11,721
Total	**3,63,127**	**11,721**

All amount in ₹

13 Employee Benefits Expense	**2016-17**	**2015-16**
Salaries and wages	7,46,021	9,70,496
Contribution to provident and other funds	37,978	49,028
Staff welfare expenses	-	20,715
Gratuity expense	-	16,342
Total	**7,83,999**	**10,56,581**

Notes to the Standalone Financial Statements for the year ended 31st March 2017

13.1 Defined Benefit Plans

The Company provides gratuity (which is unfunded) as employee benefit schemes to its employees.

The following table sets out the status of the defined benefit scheme and the amount recognised in the financial statements:

i) Reconciliation of opening and closing balances of Defined Benefit Obligation:

All amount in ₹

Particulars	**Gratuity**	
	As at 31st March 2017	**As at 31st March 2016**
Defined Benefit obligation at beginning of the year	-	66,158
Current Service Cost	-	11,049
Interest Cost	-	5,293
Actuarial (gain)/ loss	-	9,965
Benefits paid/ Reversal	-	-
Defined Benefit obligation at year end	**-**	**92,465**

ii) Expenses recognised during the year:

All amount in ₹

Particulars	**Gratuity**	
	As at 31st March 2017	**As at 31st March 2016**
Current Service Cost	-	11,049
Interest Cost	-	5,293
Net Cost	**-**	**16,342**
Other Comprehensive Income		
Actuarial (gain) / loss for the year on defined benefit obligation	-	9,965
Total	**-**	**9,965**

iii) Actuarial assumptions:

Particulars	**Gratuity**	
	As at 31st March 2017	**As at 31st March 2016**
Mortality Table	**-**	100% 0f IALM (06-08)
Discount rate (per annum)	-	8.00%
Expected rate of return on plan assets (per annum)	**-**	
Rate of escalation in salary (per annum)	-	5.50%

The discount rate is based on the prevailing market yields of Government of India Bonds as at the Balance Sheet date for the estimated term of the obligations.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

iv) The expected contributions for Defined Benefit Plan for the next financial year will be in line with financial year 2016-17.

v) Sensitivity Analysis of the defined benefit obligation :

Significant Acturial Assumptions for the determination of the defined benefit obligation are discount trade and expected salary increase. The sensitivity analysis below, have been determined based on resonably possible changes of the assumptions occuring at end of the reporting period , while holding all other assumptions constant. The result of Sesitivity analysis is given below:

Notes to the Standalone Financial Statements for the year ended 31st March 2017

All amount in ₹

Particulars	Gratuity	
	As at 31st March 2017	As at 31st March 2016
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	-	92,465
i) Impact due to increase of 0.50%	-	(7,455)
ii) Impact due to decrease of 0.50%	-	8,362
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	-	92,465
i) Impact due to increase of 0.50%	-	8,529
ii) Impact due to decrease of 0.50%	-	(7,656)

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

(A) Investment risk – The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds; if the return on plan asset is below this rate, it will create a plan deficit.

(B) Interest risk - A decrease in the discount rate will increase the plan liability.

C) Longevity risk – The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(D) Salary risk – The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

14 Other Expenses

All amount in ₹

Particulars	2016-17	2015-16
Insurance	22,205	282
Travelling and conveyance expenses	7,380	14,630
Professional fees	76,050	2,13,560
Payment to Auditors*	1,12,988	1,07,862
General expenses	14,190	59,661
Total	**2,32,813**	**3,95,995**

14.1 *Payment to Auditors :

All amount in ₹

Particulars	2016-17	2015-16
Auditor:		
(a) Statutory Audit Fees	1,00,000	1,00,000
(b) Out Of Pocket Expenses	12,988	7,862
Total	**1,12,988**	**1,07,862**

15 Earnings Per Share (EPS)

All amount in ₹

Particulars	2016-17	2015-16
Net (Loss)after tax as per Profit and Loss Statement attributable to Equity Shareholders	(1,36,287)	(2,91,112)
Less: Preference dividend	(7,86,632)	(7,86,632)
Accumulated loss after preference dividend	(9,22,919)	(10,77,744)
Weighted average number of equity shares used as denominator for alculating basic and diluted EPS	4,91,489	4,91,489
Face value per equity share	10	10
Earnings per share (basic and diluted)	**(1.88)**	**(2.19)**

Notes to the Standalone Financial Statements for the year ended 31st March 2017

16 Related Party Disclosures

(a) As per Ind AS 24, the disclosures of transactions with related parties are given below:
List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1	Independent Media Trust	Enterprises exercising control
2	Adventure Marketing Private Limited*	
3	Watermark Infratech Private Limited*	
4	Colorful Media Private Limited*	
5	RB Media Holdings Private Limited*	
6	RB Mediasoft Private Limited*	
7	RRB Mediasoft Private Limited*	
8	RB Holdings Private Limited*	
9	Network18 Media & Investments Limited	
10	Television eighteen media & Investment Limited, Mauritius	
11	Teesta Retail Private Limited (formerly Shinano Retail Private Limited which has merged with Teesta Retail Private Limited effective 29.12.2016) *	
12	Reliance Industries Limited (RIL)	Beneficiary/Protector of Independent Media Trust
13	Reliance Industrial Investments and Holdings Limited	
14	e-eighteen.com Limited	Fellow Subsidiary
15	E18 Limited, Mauritius	Holding Company

* Control by the Independent media trust of which RIL is the sole beneficiary

(b) Transaction during the year with related parties

All amount in ₹

Particulars	Holding company/ Ultimate holding company/ Intermediate holding company/Enterprises exercising control	
	Year ended 2016-17	Year ended 2015-16
Transactions during the year		
Income from website support		
Network18 Media & Investments Limited	5,80,498	11,49,743
Total	**5,80,498**	**11,49,743**

All amount in ₹

Particulars	Holding company/ Ultimate holding company/ Intermediate holding company/Enterprises exercising control		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Amount payable			
E-Eighteen.com Ltd	3,23,386	3,23,386	2,453
Network18 Media & Investments Limited	37,47,206	32,01,289	30,05,666
Total	**40,70,592**	**35,24,675**	**30,08,119**

Notes to the Standalone Financial Statements for the year ended 31st March 2017

17 Contingent Liabilities

All amount in ₹

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Preference dividend on 14% cumulative, redeemable, convertible preference shares not provided for	81,95,174	74,08,542	66,19,755
	81,95,174	**74,08,542**	**66,19,755**

18 Deferred Tax Assets/ Liabilities (net) All amount in ₹

In the absence of reasonable certainty, the Company has not recognised the deferred tax assets (net) amounting to ₹ 21,45,469 (Previous year ₹ 17,85,976 and as on 1st April, 2015 ₹ 14,90,097) arising out of financials assets, unabsorbed depreciation, brought forward tax losses and other items. The same shall be reassessed at subsequent balance sheet date.

All amount in ₹

	2016-17	2015-16
18.1 Taxation		
a) Income Tax recognised in Profit or Loss		
Tax Expneses		
current year	-	-
earlier years	63,100	-
Total Income Tax Expense recognised in the current year	**63,100**	**-**

All amount in ₹

b) Current Tax Assets	**As at 31st March, 2017**	**As at 31st March, 2016**
At start of year	-	-
Charge for the year	-	-
Charge relating to prior period	63,100	-
Tax paid during the year	(63,100)	-
At the end of the year	**-**	**-**

19 Details of Specified Bank Notes (SBN) held and transacted during the period 8th November 2016 to 30th December 2016:

All amount in ₹

	SBN	Other denomination notes	Total
Closing cash in hand as on 8th November 2016	**-**	**-**	**-**
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30th December 2016	**-**		

Notes to the Standalone Financial Statements for the year ended 31st March 2017

20 There are no adjustments on translation of the financial results in accordance with Ind AS from the previous Indian GAAP for the corresponding period ended 31st March, 2016 and opening balance as at 1st April, 2015, hence no reconciliation of its equity and net loss for the respective periods have been furnished.

21 "The Board of Directors, vide their written resolution, have approved the amalgamation of the Company with Network18 Media & Investments Limited ("Transferee Company") in accordance with the proposed Scheme of Amalgamation for amalgamation of Colosceum Media Private Limited, Digital18 Media Limited, Capital18 Fincap Private Limited, RVT Finhold Private Limited, RRK Finhold Private Limited, RRB Investments Private Limited, Setpro18 Distribution Limited, Reed Infomedia India Private Limited, Web18 Software Services Limited, Television Eighteen Media and Investments Limited, Television Eighteen Mauritius Limited, Web18 Holdings Limited, E18 Limited and Network18 Holdings Limited with the 'Transferee Company' with appointed date as 1st April, 2016, subject to necessary approvals".

22 The Company has incurred net loss of ₹ 1,36,287 during the year ended 31st March, 2017 and as of that date the Company's accumulated losses amount to ₹ 4,85,74,403 which has resulted in negative net worth of the Company. Network18 Media & Investments Limited, the holding company, has agreed to provide financial support to meet the obligations of the Company in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

23 As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by Accounting Standard 108 "Segment Reporting", have not been provided in these financial statements.

As per our Report of even date

For Walker Chandiok & Associates
Chartered Accountants
Firm's Registration No.: 001329N

Rakesh R Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 13th April 2017

For and on behalf of the Board of Directors of
Web18 Software Services Limited

Sanjiv Kulshreshta
Director
DIN 06788866

Karanvir Singh Gil
Director
DIN 07283590

Place : Noida
Date: 13th April 2017