

WEB18 SOFTWARE SERVICES LIMITED

Web18 Software Services Limited

Independent Auditor's Report

To the Members of Web18 Software Services Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Web18 Software Services Limited (“the Company”), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

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 standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 standalone 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 the standalone 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. 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 standalone financial statements dealt with by this report are in agreement with the books of account.
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its standalone 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

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

per **Siddharth Talwar**
Partner
Membership No.: 512752

Place:
Date:

Balance Sheet as at 31 March, 2015

	Notes	As at 31 March, 2015	All amounts in Rs. As at 31 March, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	2	10,533,690	10,533,690
Reserves and surplus	3	(14,219,727)	(14,065,845)
Non-current liabilities			
Long-term provisions	4	87,549	654,058
Current liabilities			
Trade payables	5	3,127,737	3,412,740
Other current liabilities	6	759,361	297,077
Short-term provisions	7	4,179	16,148
Total		292,789	847,868
Assets			
Non-current assets			
Long-term loans and advances	9	-	100,000
Current assets			
Cash and bank balances	10	264,269	722,688
Short-term loans and advances	11	28,520	25,180
Total		292,789	847,868

Notes 1 to 24 form an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Associates**
Chartered Accountants

per **Siddharth Talwar**
Partner

Place:
Date:

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

Sanjiv Kulshreshtha
Director
DIN

Saurabh Awasthi
Director
DIN

Place:
Date:

Statement of Profit and Loss for the year ended 31st March, 2015

		<i>All amounts in Rs.</i>	
	Notes	Year ended 31 March, 2015	Year ended 31 March, 2014
Revenue			
Revenue from operations	12	1,238,519	2,163,070
Other income	13	34,359	26,724
		<u>1,272,878</u>	<u>2,189,794</u>
Expenses			
Employee benefit expenses	14	1,131,551	2,242,881
Other expenses	15	295,209	269,558
Prior period expenses	16	-	44,938
		<u>1,426,760</u>	<u>2,557,377</u>
Loss for the year before tax		(153,882)	(367,583)
Tax earlier years		-	1,000
Loss for the year after tax		(153,882)	(368,583)
Earnings per share (basic and diluted)	17	(0.31)	(0.75)

Notes 1 to 24 form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Associates**
Chartered Accountants

per **Siddharth Talwar**
Partner

Place:
Date:

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

Sanjiv Kulshreshtha
Director
DIN

Saurabh Awasthi
Director
DIN

Place:
Date:

Cash Flow Statement for the year ended 31 March, 2015

	Year ended 31 March, 2015	<i>All Amounts in Rs.</i> Year ended 31 March, 2014
A) Cash flows from operating activities		
Loss before tax	(153,882)	(368,583)
Adjustments for:		
Sundry balances written back	(34,359)	(26,724)
Interest	-	7,748
Operating loss before working capital changes	(188,241)	(387,559)
Adjustments for :		
Decrease in loans and advances	96,660	722,760
Decrease in current liabilities and provisions	(366,838)	(2,175,712)
Net cash used in operating activities	(458,419)	(1,840,511)
B) Cash flows from financing activities		
Interest paid	-	(7,748)
Net Cash used in financing activities	-	(7,748)
Net (decrease) in cash and cash equivalents	(458,419)	(1,848,259)
Cash and cash equivalents, beginning of the year	722,688	2,570,948
Cash and cash equivalents, end of the year	264,269	722,688
	(458,419)	(1,848,259)

Notes 1 to 24 form an integral part of these financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandiook & Associates**
Chartered Accountants

per **Siddharth Talwar**
Partner

Place:
Date:

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

Sanjiv Kulshreshtha
Director
DIN

Saurabh Awasthi
Director
DIN

Place:
Date:

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

1. Significant accounting policies

a. Basis of preparation

The financial statements have been prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The accounting policies have been consistently applied by Web18 Software Services Limited Limited the 'Company'

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

c. Revenue

Revenue from website support is recognised as per the terms of arrangement and to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured

d. Fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

e. Depreciation/ amortization

Depreciation on fixed assets is provided on straight line basis as per the revised Schedule II of the Companies Act, 2013

f. Foreign currency transactions

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

g. Employee benefits

Employee benefits in the form of Provident Fund is a defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the fund is due. There are no other obligations other than the contribution payable to the fund.

Short term employee benefits (medical, leave travel allowance etc.) expected to be paid in exchange for the services rendered are recognized on undiscounted basis.

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date. The defined benefit obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined.

Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary using projected unit credit method at the year end. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

h. Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, Earnings Per Share. Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the result would be anti-dilutive.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

i. Income tax

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961 as applicable to the financial year. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In a situation, where the Company has unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified year.

j. Provisions and contingent liabilities

The Company makes a provision when there is a present obligation as a result of a past event and where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

k. Cash and cash equivalent

Cash and cash equivalent comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	As at 31 March, 2015	All amounts in Rs. As at 31 March, 2014
2. Share capital		
(a) Authorized shares capital		
500,000 (Previous year 500,000) equity shares of Rs. 10 each	5,000,000	5,000,000
6,000,000 (Previous year 6,000,000) 1.4% cumulative, optionally redeemable, convertible preference shares of Rs. 10 each	60,000,000	60,000,000
	<u>65,000,000</u>	<u>65,000,000</u>
(b) Issued, subscribed and fully paid-up capital		
491,489 (Previous year 491,489) equity shares of Rs. 10 each, fully paid-up	4,914,890	4,914,890
1.4% 561,880 (Previous year 561,880) cumulative, optionally redeemable, convertible preference shares of Rs. 10 each	5,618,800	5,618,800
	<u>10,533,690</u>	<u>10,533,690</u>

(c) Reconciliation of the shares outstanding

There is no movement in equity share capital and preference share capital during the current and previous year.

(d) Description of the rights, preferences and restrictions attached to each class of shares

i) Equity shares

The Company has only one class of equity shares having the par value of Rs. 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 the equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) 1.4% cumulative, optionally redeemable, convertible preference shares

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 the 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.

(e) Details of shares held by holding company

i) Equity shares

Name of the entity	Nature of relationship	31 March, 2015		31 March, 2014	
		No. of shares	% of holding	No. of shares	% of holding
E 18 Limited, Cyprus*	Holding company	491,483	100	491,483	100

* Remaining shares are held by nominees of E-18 Limited Cyprus

ii) 1.4% cumulative, optionally redeemable, convertible preference shares

Name of the entity	Nature of relationship	31 March, 2015		31 March, 2014	
		No. of shares	% of holding	No. of shares	% of holding
E 18 Limited, Cyprus	Holding company	561,880	100	561,880	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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

All amounts in Rs.

(f) Details of shareholders holding more than 5% shares in the Company

i) Equity shares

Name of the entity	Nature of relationship	31 March, 2015		31 March, 2014	
		No. of shares	% of holding	No. of shares	% of holding
E 18 Limited, Cyprus*	Holding company	491,483	100	491,483	100

* Remaining shares are held by nominees of E-18 Limited Cyprus

ii) 1.4% cumulative, optionally redeemable, preference shares

Name of the entity	Nature of relationship	31 March, 2015		31 March, 2014	
		No. of shares	% of holding	No. of shares	% of holding
E 18 Limited, Cyprus	Holding company	561,880	100	561,880	100

- g. No shares have been issued for consideration other than cash or as bonus shares in the current reporting period and in the last five years immediately preceding the current reporting period.

	As at 31 March, 2015	As at 31 March, 2014
3. Reserve and surplus		
Capital reserve	33,927,277	33,927,277
Deficit in the statement of profit and loss		
Balance at the beginning of the year	(47,993,122)	(47,624,539)
Loss for the year	(153,882)	(368,583)
Balance at the end of the year	<u>(48,147,004)</u>	<u>(47,993,122)</u>
	<u>(14,219,727)</u>	<u>(14,065,845)</u>
4. Long term provisions		
Provision for gratuity	63,000	558,552
Provision for compensated absences	24,549	95,506
	<u>87,549</u>	<u>654,058</u>
5. Trade payables		
Due to micro, small and medium enterprises*	-	-
Due to others	3,127,737	3,412,740
	<u>3,127,737</u>	<u>3,412,740</u>
6. Other current liabilities		
Statutory dues payable	7,244	51,291
Payable to employees	752,117	245,786
	<u>759,361</u>	<u>297,077</u>

*The management has identified enterprises which have provided goods and services to the Company and qualify under the definition of micro and small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may payable in accordance with the provisions of the MSMEDA is not expected to be material.

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	As at 31 March, 2015	As at 31 March, 2014
7. Short term provisions		
Provision for gratuity	3,158	13,855
Provision for compensated absences	1,021	2,293
	<u>4,179</u>	<u>16,148</u>

8. Fixed assets

Particulars	Computer and related equipment	Total
Gross block		
At 1 April 2013 / 31 March 2014	560,691	560,691
Reversal on account of disposals	(139,784)	(139,784)
At 31 March 2015	420,907	420,907
Accumulated depreciation/amortisation		
At 1 April 2013	560,691	560,691
Reversal on account of disposals	(139,784)	(139,784)
At 31 March 2015	420,907	420,907
Net Block		
At 31 March 2014	-	-
At 31 March 2015	-	-

All amounts in Rs.

	As at 31 March, 2015	As at 31 March, 2014
9. Long-term loans and advances		
Security deposit	<u> </u>	<u>100,000</u>
	<u> </u>	<u>100,000</u>
10. Cash and cash equivalents		
Balances with banks		
in current accounts	<u>264,269</u>	<u>722,688</u>
	<u>264,269</u>	<u>722,688</u>
11. Short term loans and advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind	<u>28,520</u>	<u>25,180</u>
	<u>28,520</u>	<u>25,180</u>

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	Year ended 31 March, 2015	<i>All amounts in Rs.</i> Year ended 31 March, 2014
12. Revenue from operations		
Income from sale of services		
Income relating to website support services	1,238,519	2,163,070
	<u>1,238,519</u>	<u>2,163,070</u>
13. Other income		
Sundry balances written back	34,359	26,724
	<u>34,359</u>	<u>26,724</u>
14. Employee benefits expense		
Salaries, wages and bonus	1,002,719	2,118,310
Contribution to provident fund and other funds	62,921	124,571
Staff welfare expenses	65,911	-
	<u>1,131,551</u>	<u>2,242,881</u>
15. Other expenses		
Communication expenses	7,677	10,032
Insurance	2,517	25,185
Travelling and conveyance	17,140	-
Legal and professional charges*	239,611	187,800
Sundry balances written off	-	2,500
Miscellaneous expenses	28,264	44,041
	<u>295,209</u>	<u>269,558</u>
* Legal and professional charges include		
Payment to auditors		
As auditor:		
Statutory audit fee:	100,000	100,000
For re-imburement of expenses	22,850	41,638
	<u>122,850</u>	<u>141,638</u>
16. Prior period expenses		
Interest	-	7,748
Equipment hire charge	-	37,190
	<u>-</u>	<u>44,938</u>
17. Earnings per share		
Loss after tax attributable to equity shareholders	(153,882)	(368,583)
Weighted average number of equity shares outstanding during the year	491,489	491,489
Nominal value of equity shares	10.00	10.00
Earnings per share (basic and diluted)	<u>(0.31)</u>	<u>(0.75)</u>

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

All amounts in Rs.

18. Employee benefits

31 March, 2015

18.1 Defined benefit plans

Amount recognized in statement of profit and loss

Particulars	Gratuity		Compensated Absences	
	31 March, 2015	31 March, 2014	31 March, 2015	31 March, 2014
Current service cost	9,215	34,153	3,645	7,523
Interest cost on benefit obligation	48,655	46,513	8,313	9,462
Net actuarial (gain)/loss recognized in the year	(160,273)	(55,476)	(10,215)	(6,553)
Expense charged to Statement of Profit and Loss	(102,403)	25,190	1,743	10,432

Particulars	Gratuity		Compensated Absences	
	31 March, 2015	31 March, 2014	31 March, 2015	31 March, 2014
Opening defined benefit obligation	572,407	547,217	97,799	111,312
Liability on transfer of employee	-	-	-	-
Current service cost	9,215	34,153	3,645	7,523
Interest cost	48,655	46,513	8,313	9,462
Benefits paid	(403,846)	-	(73,972)	(23,945)
Actuarial (gain)/losses on obligation	(160,273)	(55,476)	(10,215)	(6,553)
Closing defined benefit obligation	66,158	572,407	25,570	97,799

Current portion of the obligation at the end of the year

	3,158	13,855	1,021	2,293
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Non-Current portion of the obligation at the end of the year

	63,000	558,552	24,549	95,506
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The principal assumptions used in determining gratuity and Compensated absence benefit obligations for the company's plan are shown below:

Particulars	Gratuity		Compensated Absences	
	31 March, 2015	31 March, 2014	31 March, 2015	31 March, 2014
Discount rate	8.00%	8.50%	8.00%	8.50%
Expected salary escalation rate	5.50%	6.00%	5.50%	6.00%
Mortality table	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)
Withdrawal rate				
- upto 30 years	3.00%	3.00%	3.00%	3.00%
- from 31 to 44 years	2.00%	2.00%	2.00%	2.00%
- above 44 years	1.00%	1.00%	1.00%	1.00%

18.2 Defined contribution plans

Contribution to defined contribution plan, recognized as expense for the year are as under:

	31 March, 2015	31 March, 2014
Provident fund	62,921	124,571

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

19. Related party disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

19.1 List of related Parties and relationship

Sr No	Name of Related Party	Relationship
1	Independent Media Trust (w.e.f. 07.07.2014)	Enterprises exercising control
2	Adventure Marketing Private Limited (w.e.f. 07.07.2014)#	
3	Watermark Infratech Private Limited (w.e.f. 07.07.2014)#	
4	Colorful Media Private Limited (w.e.f. 07.07.2014)#	
5	RB Media Holdings Private Limited (w.e.f. 07.07.2014)#	
6	RB Mediasoft Private Limited (w.e.f. 07.07.2014)#	
7	RRB Mediasoft Private Limited (w.e.f. 07.07.2014)#	
8	RB Holdings Private Limited (w.e.f. 07.07.2014)#	
9	Network18 Media & Investments Limited	
10	E 18 Limited, Cyprus	
11	Reliance Industries Limited (RIL) (w.e.f. 07.07.2014)	Beneficiary/Protector of Independent Media Trust
12	Reliance Industrial Investments and Holdings Limited (w.e.f. 07.07.2014)	
13	e-Eighteen.com Ltd	Subsidiary
14	Vandana Malik (Up to 6 July 2014)	Key managerial personnel
15	Raghav Bahl (Up to 6 July 2014)	

Control by Independent Media Trust of which RIL is the sole beneficiary

19.2 Related party transactions

b) The following transactions were carried out with related parties in the ordinary course of business

Particulars	Enterprises exercising control		Subsidiaries		Key Managerial Personnel	
	2015	2014	2015	2014	2015	2014
Income from website support						
Network18 Media & Investments Limited	1,238,519	2,163,069	-	-	-	-
Total	1,238,519	2,163,069	-	-	-	-
Expenditure incurred by Company on behalf of other						
Network18 Media & Investments Limited	48,409	66,000	-	-	-	-
Total	48,409	66,000	-	-	-	-
Remuneration paid						
Vandana Malik	-	-	-	-	-	1,009,924
Total	-	-	-	-	-	1,009,924
Expenditure incurred by others on behalf of the Company						
Network18 Media & Investments Limited	-	7,748	-	-	-	-
Total	-	7,748	-	-	-	-
Amount payable						
e-Eighteen.com Ltd	2,453	421,815	2,453	421,815	-	-
Network18 Media & Investments Limited	3,005,666	2,901,211	-	-	-	-
Total	3,008,119	3,323,026	2,453	421,815	-	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2015

	<i>All amounts in Rs.</i>	
	Year ended 31 March, 2015	Year ended 31 March, 2014
20. Contingent liabilities		
Preference dividend on 1.4% cumulative, redeemable, convertible preference shares not provided for	<u>661,717</u>	<u>583,054</u>
	<u>661,717</u>	<u>583,054</u>
21. During the year, the Company has incurred loss after tax of Rs. 153,882 resulting in accumulated losses of Rs. 48,147,004 as at 31 March 2015. These accumulated losses represent erosion of hundred percent of net worth of the Company.		
22. Prior year comparatives		
Previous year figures have been regrouped/recast wherever considered necessary.		
23. No provision for tax has been made in the financial statements, as there is no taxable income under the provisions of the Income-Tax Act, 1961. Further, no provision for deferred tax asset on carried forward losses has been recognised in the financial statements as there no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. There are no other items of timing difference between taxable income and accounting income.		
24. The company operates in single business segment in India only as there is no separate reportable business or geographical segment as per Accounting Standard on Segment Reporting (As-17)		

For **Walker Chandiok & Associates**
Chartered Accountants

per **Siddharth Talwar**
Partner

Place:
Date:

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

Sanjiv Kulshreshtha
Director
DIN

Saurabh Awasthi
Director
DIN

Place:
Date: