WEB18 SOFTWARE SERVICES LIMITED

FINANCIAL STATEMENTS

2017-18

INDEPENDENT AUDITOR'S REPORT

To The Members of Web18 Software Services Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Web18 Software Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and 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 Ind AS Financial Statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Material uncertainty related to Going Concern

We draw attention to Note 21 to the Ind AS financial statements, which indicates that the Company has incurred a net loss of ₹ 147,183/- during the year ended 31st March, 2018 and, as of that date, the accumulated deficit of ₹ 48,731,551/- in other equity has exceeded the paid up share capital, resulting in the net worth being negative at ₹ 4,270,584/- as represented by Equity and the Company's current liabilities exceeded its current assets by ₹ 4,270,584/-. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the Ind AS financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

Other Matter

The Ind AS Financial Statements of the Company for the year ended 31st March, 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on 19th April, 2017.

Our opinion on the Ind AS financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) The matter described in the Material uncertainty related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

   h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 litigations which would impact its financial position.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm’s Registration No. 117366W/W -100018

Manoj H. Dama
Partner
Membership No.107723

Place: Mumbai
Date: 18th April, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEB18 SOFTWARE SERVICES LIMITED

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Web18 Software Services Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W -100018

Manoj H. Dama
Partner
Membership No.107723

Place: Mumbai
Date: 18th April, 2018

Annexure B to the Independent Auditors' Report to the members of Web18 Software Services Limited

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

i. In respect of its fixed assets:

  a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

  b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

  c) The Company does not have any immovable properties of freehold or leasehold land and building which are disclosed as fixed assets, and hence, reporting under clause 3(i)(c) of the Order is not applicable.

ii. The Company does not have any inventory and hence reporting under clause (ii) of paragraph 3 of the Order is not applicable.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of paragraph 3 of the Order is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under and hence reporting under clause (v) of paragraph of the Order is not applicable.

vi. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence reporting under clause (vi) of paragraph 3 of the Order are not applicable.

vii. According to the information and explanations given to us, in respect of statutory dues:

  a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

  b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

  c) There are no dues of income-tax, sales tax, service tax, customs duty, excise duty and value added tax as on 31st March, 2018 on account of disputes.

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of paragraph 3 of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, the Company has not paid / provided any managerial remuneration during the year and hence reporting under clause (xi) of paragraph 3 of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm's Registration No. 117366W/W -100018

Manoj H. Dama
Partner
Membership No.107723

Place: Mumbai
Date: 18th April, 2018

Balance Sheet as at 31st March, 2018

	Notes	As at 31st March, 2018	Amount in ₹ As at 31st March, 2017
ASSETS			
Non-Current Assets			
Property, plant and equipment	1	-	-
Current assets			
Financial Assets			
Cash and cash equivalents	2	10,908	17,558
Other current assets	3	-	19,625
Total Current Assets		**10,908**	**37,183**
Total Assets		**10,908**	**37,183**
Equity And Liabilities			
Equity			
Equity Share Capital	4	4,914,890	4,914,890
Other Equity	5	(9,185,474)	(9,038,291)
Total equity		**(4,270,584)**	**(4,123,401)**
Liabilities			
Current liabilities			
Financial liabilities			
Borrowings	6	100,000	-
Trade payables	7	4,173,798	4,138,918
Other financial liabilities	8	5,423	-
Other current liabilities	9	2,271	21,666
Total Liabilities		**4,281,492**	**4,160,584**
Total Equity and Liabilities		**10,908**	**37,183**

Significant Accounting Policies and accompanying notes (1 to 23) to the financial statements

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Membership No.107723

Place: Mumbai
Date: 18th April 2018

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

Sanjiv Kulshreshtha
Director
DIN: 06788866

Deepak Gupta
Director
DIN: 07520015

Place: Mumbai
Date: 18th April 2018

Statement of Profit and Loss for the year ended 31st March, 2018

Amount in ₹

	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
Revenue from operations	10	-	580,498
Other income	11	15,000	363,127
Total Income		**15,000**	**943,625**
EXPENSES			
Employee benefits expense	12	-	783,999
Finance cost	13	6,026	-
Other expenses	14	156,157	232,813
Total Expenses		**162,183**	**1,016,812**
Loss before tax		**(147,183)**	**(73,187)**
Tax expense:			
Current tax of earlier years		-	63,100
		-	**63,100**
Loss for the year		**(147,183)**	**(136,287)**
Other Comprehensive Income		**-**	**-**
Total Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the year		**(147,183)**	**(136,287)**
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	**15**	**(1.90)**	**(1.88)**

Significant Accounting Policies and accompanying notes (1 to 23) to the financial statements

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

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

Manoj H. Dama
Partner
Membership No.107723

Sanjiv Kulshreshtha
Director
DIN: 06788866

Deepak Gupta
Director
DIN: 07520015

Place: Mumbai
Date: 18th April 2018

Place: Mumbai
Date: 18th April 2018

Cash Flow Statement for the year ended 31st March, 2018

Amount in ₹

		Year ended 31st March, 2018	Year ended 31st March, 2017
A)	**Cash flows from operating activities**		
	Loss before tax	(147,183)	(73,187)
	Adjustments for:		
	Sundry balances written back	(15,000)	(363,127)
	Interest expense	6,026	-
	Operating loss before working capital changes	**(162,183)**	**(436,314)**
	Adjustments for :		
	(Increase) / Decrease in other current assets	19,625	16,243
	Increase / (Decrease) in current liabilities and provisions	29,882	(132,031)
	Net cash used in operating activities before taxes	**(106,650)**	**(552,102)**
	Less: Taxes paid	-	(63,100)
	Net cash used in operating activities	**(106,650)**	**(615,202)**
B)	**Cash flows generated from investing activities**	**-**	**-**
C)	**Cash flows from financing activities**	-	-
	Short term borrowings	100,000	
	Net cash generated from financing activities	**100,000**	**-**
	Net (decrease) in cash and cash equivalents	**(6,650)**	**(615,202)**
	Cash and cash equivalents as at the beginning of the year	17,558	632,760
	Cash and cash equivalents as at the end of the year (Refer Note 2)	**10,908**	**17,558**

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Membership No.107723

Place: Mumbai
Date: 18th April 2018

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

Sanjiv Kulshreshtha
Director
DIN: 06788866

Deepak Gupta
Director
DIN: 07520015

Place: Mumbai
Date: 18th April 2018

Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

Amount in ₹

Balance at the beginning of 1st April, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March, 2018
4,914,890	-	4,914,890	-	**4,914,890**

B. Other Equity

Amount in ₹

Particulars	Equity component of compound financial instruments	Reserves and Surplus		Other Comprehensive Income	Total
		Capital Reserve	Retained Earnings	Remeasurements of the defined benefit plans	
Balance as at 1st April, 2016	5,618,800	33,927,277	(48,438,116)	(9,965)	**(8,902,004)**
Total Comprehensive Income for the year	-	-	(136,287)	-	**(136,287)**
Balance at the end of 31st March, 2017	**5,618,800**	**33,927,277**	**(48,574,403)**	**(9,965)**	**(9,038,291)**
Balance as at 1st April, 2017	5,618,800	33,927,277	(48,574,403)	(9,965)	**(9,038,291)**
Total Comprehensive Income for the year	-	-	(147,183)	-	**(147,183)**
Balance at the end of 31st March, 2018	**5,618,800**	**33,927,277**	**(48,721,586)**	**(9,965)**	**(9,185,474)**

As per our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Manoj H. Dama
Partner
Membership No.107723

Place: Mumbai
Date: 18th April 2018

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

Sanjiv Kulshreshtha
Director
DIN: 06788866

Deepak Gupta
Director
DIN: 07520015

Place: Mumbai
Date: 18th April 2018

Notes to the Financial Statements for the year ended 31st March, 2018

A CORPORATE INFORMATION

Web18 Software Services Limited ("the Company") is a company incorporated in India. The registered office of the company is situated at 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 except for certain financial assets and liabilities, Defined benefit plans - plan assets and Equity settled share based payments which have been measured at fair value amount.

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

The 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.

(b) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(c) Provisions and Contigencies

Provisions are recognised when the Company has a present obligation as a result of a past events, 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

(d) 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 as at the Balance Sheet date on the basis of actuarial valuation.

Notes to the Financial Statements for the year ended 31st March, 2018

(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.

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.

(e) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and 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 income tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

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.

(f) Revenue recognition

Revenue from operations includes sale of services. Sale of services includes revenue from website support services.

Sale of services is 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. Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest Income from a financial asset is recognised using effective interest rate method.

(g) 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 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.

Notes to the Financial Statements for the year ended 31st March, 2018

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.

d) **Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment assessment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables, Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivable. Further, Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

II Financial liabilities

i **Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of 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.

III Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

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.

Notes to the Financial Statements for the year ended 31st March, 2018

Note 1: Property, Plant and Equipment

Amount in ₹

Description	Gross block			Depreciation			Net block	
	As at 1st April, 2017	Additions	As at 31st March, 2018	As at 1st April, 2017	For the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Office Equipment	420,907	-	420,907	420,907	-	420,907	-	-
Total	**420,907**	**-**	**420,907**	**420,907**	**-**	**420,907**	**-**	**-**
Previous year	**(420,907)**	**-**	**(420,907)**	**(420,907)**	**-**	**(420,907)**	**-**	**-**

Amount in ₹

		As at 31st March, 2018	As at 31st March, 2017
2	**Cash and cash equivalents**		
	Balance with Bank		
	In current account	10,908	17,558
	Total	**10,908**	**17,558**

Amount in ₹

		As at 31st March, 2018	As at 31st March, 2017
3	**Other Current assets**		
	(Unsecured and considered good)		
	Balance with service tax/ sales tax authorities,etc.	-	19,625
	Total	**-**	**19,625**

Notes to the Financial Statements for the year ended 31st March, 2018

4 Share Capital

Amount in ₹

Particulars	**As at 31st March, 2018**		**As at 31st March, 2017**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
(a) Authorised Share Capital:				
i) Equity shares of ₹ 10 each	500,000	5,000,000	500,000	5,000,000
ii) 14% Cumulative, optionaly redeemable, convertible preferance shares of ₹ 10 each	6,000,000	60,000,000	6,000,000	60,000,000
(b) Issued, subscribed and paid up capital				
Equity Shares of ₹10 each fully paid up	491,489	4,914,890	491,489	4,914,890
Total	**491,489**	**4,914,890**	**491,489**	**4,914,890**

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 wil 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, 2018**		**As at 31st March, 2017**	
	No. of Shares	**% of holding**	**No. of Shares**	**% of holding**
E-18 Limited, Mauritius	491,489	100	491,489	100
Total	**491,489**	**100**	**491,489**	**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, 2018**		**As at 31st March, 2017**	
	No. of Shares	**% of holding**	**No. of Shares**	**% of holding**
E-18 Limited, Mauritius	491,489	100	491,489	100
Total	**491,489**	**100**	**491,489**	**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.

Notes to the Financial Statements for the year ended 31st March, 2018

4.4 Shares issued for consideration other than cash

There are no bonus shares issued , Shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

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, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares opening balance	491,489	4,914,890	491,489	4,914,890
Add : Shares issued	-	-	-	-
Equity Shares closing balance	**491,489**	**4,914,890**	**491,489**	**4,914,890**

Amount in ₹

	As at 31st March, 2018	As at 31st March, 2017
5 Other Equity		
a. Equity component of other Financial Instruments:		
Opening balance	5,618,800	5,618,800
	5,618,800	**5,618,800**

Preference shares are redeemable at a premium of ₹ 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 15 year period. The holder of preference shares shall have preference over equity shareholders in the event of liquidation of the Company.

	As at 31st March, 2018	As at 31st March, 2017
b. Capital Reserve		
Opening balance	33,927,277	33,927,277
	33,927,277	**33,927,277**
c. Retained Earnings		
Opening balance	(48,584,368)	(48,448,081)
Add: Profit for the year	(147,183)	(136,287)
	(48,731,551)	**(48,584,368)**
Total	**(9,185,474)**	**(9,038,291)**

Notes to the Financial Statements for the year ended 31st March, 2018

			Amount in ₹
		As at 31st March, 2018	**As at 31st March, 2017**
6	**Borrowings - Current**		
	Loan from related party	100,000	-
	Total	**100,000**	**-**

			Amount in ₹
		As at 31st March, 2018	**As at 31st March, 2017**
7	**Trade payables**		
	Trade and other payable	4,173,798	4,138,918
	Total	**4,173,798**	**4,138,918**

According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the period. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the said Act have not been given.

			Amount in ₹
		As at 31st March, 2018	**As at 31st March, 2017**
8	**Other Financial Liabilities**		
	Interest accured but not due	5,423	-
	Total	**5,423**	**-**
9	**Other Current Liabilities**		
	Statutory dues payable	2,271	6,666
	Others	-	15,000
	Total	**2,271**	**21,666**

			Amount in ₹
		Year ended 31st March, 2018	**Year ended 31st March, 2017**
10	**Revenue from Operations**		
	Sale of services	-	580,498
	Total	**-**	**580,498**

Notes to the Financial Statements for the year ended 31st March, 2018

		Year ended 31st March, 2018	Amount in ₹ Year ended 31st March, 2017
11	**Other Income**		
	Sundry balances written back	15,000	363,127
	Total	**15,000**	**363,127**

		Year ended 31st March, 2018	Amount in ₹ Year ended 31st March, 2017
12	**Employee Benefits Expense**		
	Salaries and wages	-	746,021
	Contribution to provident and other funds	-	37,978
	Total	**-**	**783,999**

		Year ended 31st March, 2018	Amount in ₹ Year ended 31st March, 2017
13	**Finance Costs**		
	Interest cost	6 026	-
	Total	**6,026**	**-**

Notes to the Financial Statements for the year ended 31st March, 2018

		Year ended 31st March, 2018	Year ended 31st March, 2017
			Amount in ₹
14	**Other Expenses**		
	Insurance	-	22,205
	Travelling and conveyance expenses	-	7,380
	Professional fees (Refer Note 14.1)	132,805	189,038
	General expenses	23,352	14,190
	Total	**156,157**	**232,813**

		Year ended 31st March, 2018	Year ended 31st March, 2017
			Amount in ₹
14.1	**Includes payment to Auditors :**		
	(a) Statutory Audit fees	83,333	100,000
	(b) Limited review fees	16,667	-
	(c) Out of pocket expenses	-	12,988
	Total	**100,000**	**112,988**

			Year ended 31st March, 2018	Year ended 31st March, 2017
				Amount in ₹
15	**Earnings per share (EPS)**			
	Net Loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders	₹	(147,183)	(136,287)
	Less: Preference dividend	₹	(786,632)	(786,632)
	Accumulated loss after preference dividend	₹	(933,815)	(922,919)
	Weighted average number of equity shares used as denominator for calculating basic and diluted EPS	Number	491,489	491,489
	Face value per equity share	₹/ share	10	10
	Earnings per share (Basic and Diluted)	₹/ share	**(1.90)**	**(1.88)**

Notes to the Financial Statements for the year ended 31st March, 2018

16 Related party disclosures

As per Ind AS 24, the disclousers of transactions with related parties are given below:

a) List of related parties where control exists and related parties with whome transactions have taken place and relationship:

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	Teesta Retail Private Limited	
10	Network18 Media & Investments Limited	
11	E18 Limited, Mauritius	
12	Web18 Holdings Limited	
13	Television eighteen media & Investment Limited, Mauritius	
14	Reliance Industries Limited	Beneficiary/Protector of Independent Media Trust
15	Reliance Industrial Investments and Holdings Limited	
16	e-Eighteen.com Limited	Fellow subsidiary
17	Setpro18 Distribution Limited	

* Controlled by Independent Media Trust of which Reliance Industries Limited is the sole beneficiary

Notes to the Financial Statements for the year ended 31st March, 2018

b) Details of transaction and balances with related party:

All amounts in ₹

Particulars	Enterprises exercising control	Fellow subsidiaries
Transactions during the year		
Income from website support		
Network18 Media & Investments Limited	-	-
	(580,498)	(-)
Total	**-**	**-**
	(580,498)	**(-)**
Loan taken during the year		
Setpro18 Distribution Limited	-	100,000
	(-)	(-)
Total	**-**	**100,000**
	(-)	**(-)**
Interest expenses		
Setpro18 Distribution Limited	6,026	-
	(-)	(-)
Total	**6,026**	**-**
	(-)	**(-)**
Balances at the year end		
Amount payable		
Network18 Media & Investments Limited	3,732,733	-
	(3,747,206)	**(-)**
Setpro18 Distribution Limited	-	105,423
	(-)	(-)
E-Eighteen.com Ltd	-	323,386
	(-)	(323,386)
Total	**3,732,733**	**428,809**
	(3,747,206)	**(323,386)**

figures in brackets represents figures for previous year

Notes to the Financial Statements for the year ended 31st March, 2018

17 Contingent liabilities

All amounts in ₹

	As at 31st March, 2018	As at 31st March, 2017
Preference dividend on 14% cumulative, redeemable, convertible preference shares not provided for	8,981,806	8,195,174
Total	**8,981,806**	**8,195,174**

18 Deferred tax assets/ liabilities (net)

In the absence of reasonable certainty, the Company has not recognised the deferred tax assets (net) amounting to ₹ 1,523,582 (Previous year ₹ 2,145,469) arising out of financials assets, unabsorbed depreciation, brought forward tax losses and other items. The same shall be reassessed at subsequent balance sheet date.

19 TAXATION

a) Income Tax recognised in Profit or Loss

All amounts in ₹

	Year ended 31st March, 2018	Year ended 31st March, 2017
Tax Expenses		
current tax - earlier year tax	-	63,100
Tax Expense recognised in Statement of Profit and Loss	**-**	**63,100**

b) The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars		
Profit before Tax	(147,183)	(73,187)
Applicable Tax Rate	25.75%	29.87%
Computed Tax Expense	(37,900)	(21,861)
Tax Effect of :		
Effect of Carried forward losses utilised for tax purpose	37,900	21,861
Tax expenses of earlier year	-	63,100
Tax Expenses recognised in Statement of Profit and Loss	**-**	**63,100**
Effective Tax Rate	0%	0%

c) Current Tax Assets

All amounts in ₹

	As at 31st March, 2018	As at 31st March, 2017
Charge relating to prior period	-	63,100
Tax paid	-	(63,100)
At the end of the year	**-**	**-**

Notes to the Financial Statements for the year ended 31st March, 2018

20 The Scheme for Merger by Absorption (the ‘Scheme’) for merger of 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, E-18 Limited and Network18 Holdings Limited into Network18 Media & Investments Limited (‘Transferee Company’) with appointed date as 1st April, 2016, has been filed with National Company Law Tribunal, Mumbai Bench, for approval. The Transferee Company has decided to continue Colosceum Media Private Limited, a wholly owned subsidiariey of the Transferee Company and the Scheme was filed accordingly.

21 The Company has incurred net loss of ₹ 147,183 during the year ended 31st March, 2018 and as of that date the Company’s accumulated losses amount to ₹ 48,731,551 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.

22 The Company is engaged in only one segment and hence there is no separate reportable segment as per Ind AS 108 ‘Operating Segments’. Since the Company’s operations are primarily in India, it has determined single geographical segment.

23 The financial statements were approved for issue by the Board of Directors on 18th April, 2018.

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

Sanjiv Kulshreshtha	**Deepak Gupta**
Director	Director
DIN: 06788866	DIN: 07520015

Place: Mumbai
Date: 18th April 2018