

**HASMUKH SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

6/327, NAWAB BUILDING

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INDEPENDENT AUDITOR'S REPORT

To,

The members of Web Werks India Private Limited,

Report on the Standalone Financial Statements:

We have audited the accompanying standalone financial statements of Web Werks India Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, and financial performance 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. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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.

Auditors Responsibility:

Our responsibility is to express an opinion on these Standalone financial statements based on 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.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control 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 with reference to financial statements and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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

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:

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 March 31, 2018 and its profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

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

1) As required by section 143 (3) of the Act, we report that :

- a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of audit.
- b) In our opinion, proper books of Accounts as required by law have been kept by the company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, and the Statement of Profit and Loss, dealt with by this report are in agreement with the books of accounts and with the returns received from the branches not visited by us.
- 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;
- e) On the basis of written representations received from the directors as on 31st March, 2018, and taken on record by Board of Directors, none of the director is disqualified as on 31st March, 2018 from being appointed as Director in terms of

Section 164 (2) of the Act;

- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- 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, 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 derivatives contracts for which there were any material foreseeable losses
 - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

For Hasmukh Shah & Associates.

Chartered Accountants

Firm.Regn. No. : 112953W



(Hasmukh Parekh)

Proprietor

Membership No: - 046337

Date: 31st August, 2018

Place: Mumbai

ANNEXURE A:

ANNEXURE Referred to in our report of even date to the Members of Web Werks India Private Limited for the year ended 31st March 2018

1. (a) The Company has maintained proper records showing full particulars including quantitative details and location of the Fixed Assets.
(b) As informed to us, the Fixed Assets have been physically verified by the management at reasonable intervals, having regard to the size of the Company and the nature of Fixed Assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
2. The Company is a service company; accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion and according to the information and explanations given to us, the Company has not made any loan and investment as said in the provisions of section 185 and 186 of the Act.
5. In our opinion and according to the information and explanation given to us, the Company, during the year, has not accepted any deposits from the public.
6. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, cess and other statutory dues with appropriate authorities. According to information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at March 31, 2018 for a period of more than six months from the day they became payable.
(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, Duty of Customs, Duty of Excise, or Value added tax or cess which have not deposited on account of any dispute.

8. The Company has not defaulted in repayment of loans or borrowing obtained from financial institution/ bank.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. As per the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, provisions of section 197 read with Schedule V to the Act. are not applicable to the company. Accordingly, paragraph 3(xi) of the Order is not applicable
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review accordingly, paragraph 3 (xiv) of the Order is not applicable.
15. According to the information and explanations give to us and based on our examination of the records of the Company, The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Hasmukh Shah & Associates.

Chartered Accountants

Firm.Regn. No. : 112953W



(Hasmukh Parekh)

Proprietor

Membership No: - 046337

Date: 31st August, 2018

Place: Mumbai

ANNEXURE B :

Report on the Internal Financial Controls 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 Web Werks India Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note" and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, 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,, considering nature of business, size of operation and organisational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting by way of direct control of the directors and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.

For Hasmukh Shah & Associates.
Chartered Accountants
Firm.Regn. No. : 112953W



(Hasmukh Parekh)
Proprietor
Membership No: - 046337
Date: 31st August, 2018
Place: Mumbai

WEB WORKS INDIA PRIVATE LIMITED

BALANCE SHEET AS AT 31st March, 2018

(Amount in Rs.)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
Equity and Liabilities			
Shareholder's Funds			
Share Capital	2	2,02,000	2,02,000
Reserves and Surplus	3	22,17,30,047	14,61,84,641
		22,19,32,047	14,63,86,641
Non-Current Liabilities			
Long term Borrowings	4	3,77,218	5,19,644
Deffered Tax Liability	5	12,90,810	37,45,542
		16,68,028	42,65,186
Current Liabilities			
Trade Payable	6.a	5,66,34,782	4,36,14,362
Other current liabilities	6.b	5,54,66,260	3,05,80,237
		11,21,01,041	7,41,94,599
TOTAL		33,57,01,116	22,48,46,426
Assets			
Non-current assets			
Fixed assets :			
Tangible Assets	7	6,62,77,804	2,60,61,054
Investment	8	2,93,77,019	1,33,86,611
Long Term Loans and Advances	9	1,42,19,497	1,36,35,103
		10,98,74,320	5,30,82,768
Current assets			
Trade Receivable	10	14,83,16,960	7,22,42,186
Cash and cash equivalents	11	4,87,22,780	7,47,37,074
Short Term Loans and Advances	12	2,87,87,056	2,47,84,398
		22,58,26,796	17,17,63,658
TOTAL		33,57,01,116	22,48,46,426
Significant Accounting Policies and Notes on Accounts	1		
As per our report of even date attached			
For Hasmukh Shah & Associates Chartered Accountants Firm Regn. No. : 112953W			
(Hasmukh Parekh) Proprietor Membership No :- 046337			
Place : Mumbai Date : 31st August ,2018			
		For and on behalf of the Board For Web Werks India Private Limited	
		Nishant A. Rathi Director (DIN : 00655960)	Nikhil A. Rathi Director (DIN :00655695)
		Place : Mumbai Date : 31st August ,2018	

WEB WERKS INDIA PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in Rs.)			
Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017
Income			
Revenue from operations	13	50,03,21,951	38,23,54,604
Other Income	14	39,29,926	43,22,977
Total Revenue		50,42,51,877	38,66,77,582
Expenses			
Employee benefit expense	15	17,44,49,123	14,13,51,721
Financial costs	16	5,42,736	4,93,184
Depreciation and amortization expense	7	2,25,51,444	3,77,19,603
Administration and other expenses	17	20,62,43,154	13,94,45,225
Total Expenses		40,37,86,457	31,90,09,732
Profit before Tax		10,04,65,419	6,76,67,849
Tax expense:			
Current tax		2,73,74,746	2,66,67,927
Deferred tax		(24,54,732)	-
Profit/(Loss) for the year		7,55,45,405	4,09,99,922
Earning per equity share of face value of Rs.10/- each	18	3,739.87	2,029.70
Basic and Diluted			
Significant Accounting Policies and Notes on Accounts	1		
As per our report of even date attached			
For Hasmukh Shah & Associates Chartered Accountants Firm Regn. No. : 112953W		For and on behalf of the Board For Web Werks India Private Limited	
(Hasmukh Parekh) Proprietor Membership No :- 046337		Nishant A. Rathi Director (DIN : 00655960)	Nikhil A. Rathi Director (DIN :00655695)
Place : Mumbai Date : 31st August ,2018		Place : Mumbai Date : 31st August ,2018	

WEB WERKS INDIA PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2018

2. SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Authorised Share Capital 250,000 Equity Shares (Previous year 50,000) of Rs. 10/- each	25,00,000	5,00,000
	25,00,000	5,00,000
Issued, subscribed & fully paid up 20,200 Equity Shares (Previous year 20,200) of Rs. 10/- each fully paid up	2,02,000	2,02,000
	2,02,000	2,02,000
Total		

a) Reconciliation of Shares outstanding at the beginning and at the end of the reporting

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No of Shares	(in Rs)	No of Shares	(in Rs)
Shares outstanding at the beginning of the period	20,200	2,02,000	20,200	2,02,000
Issued during the period	-	-	-	-
Shares outstanding at the end of the period	20,200	2,02,000	20,200	2,02,000

b) Terms/ Rights attached to Equity Shares

The company has only one class of issued shares having par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No of Shares	% of Holding	No of Shares	% of Holding
Nikhil Rathi	10,100	50%	10,100	50%
Nishant Rathi	10,100	50%	10,100	50%
	20,200	100%	20,200	100%



WEB WERKS INDIA PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2018

(Amount in Rs.)

3. RESERVE AND SURPLUS

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) <u>General Reserve</u>		
Opening Balance	200,00,000	200,00,000
Add: Addition during the year	-	-
Less: Utilised during the year for:		
Closing Balance	200,00,000	200,00,000
b) <u>Security Premium Account</u>		
Opening Balance	2,00,000	2,00,000
Add: Premium on shares issued during the year	-	-
Less: Utilised during the year for:		
Closing Balance	2,00,000	2,00,000
c) <u>Profit and Loss Account</u>		
Opening Balance	1259,84,641	849,84,719
Add: Profit for the year	755,45,405	409,99,922
Less: Appropriations	-	-
Closing Balance	2015,30,047	1259,84,641
Total	2217,30,047	1461,84,641

4. LONG TERM BORROWINGS

Particulars	As at 31st March, 2018	As at 31st March, 2017
Secured Loan		
Vehicle Term Loans # From Bank	3,77,218	5,19,644
Total	3,77,218	5,19,644

Vehicle term loan from Bank and Financial institution are secured against hypothecation of respective vehicles and are repayable in equated monthly instalments on reducing balance method.

5. DEFERRED TAX LIABILITY

Particulars	As at 31st March, 2018	As at 31st March, 2017
On Account of Fixed Assets	12,90,810	37,45,542
Total	12,90,810	37,45,542

6. TRADE PAYABLE AND OTHER CURRENT LIABILITY

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) <u>Trade Payables</u>		
Amount due to Micro, Small and Medium Enterprises (refer note below)	-	-
Others	566,34,782	436,14,362
Total	566,34,782	436,14,362
b) <u>Other Current Liabilities</u>		
Statutory dues payable	171,57,883	42,081
Other Payable	244,80,589	305,38,156
Advance received from customers	63,00,944	-
Payable to Related Parties	75,26,844	-
Total	554,66,260	305,80,237

The company is in the process of compiling relevant information from its supplier about their coverage under the Micro, Small & Medium Enterprises Development Act, 2006. As at 31st March, 2018, no supplier has intimated the company about their status as Micro, Small & Medium enterprise or its registration with the appropriate authority under the Micro, Small & Medium Enterprise Development Act, 2006.



WEB WERKS INDIA PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2018

NOTE 7 : FIXED ASSETS AND DEPRECIATION

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2017	Additions	Deductions	As on 31.03.2018	As on 01.04.2017	Depreciation for the year	As on 31.03.2018	As on 31.03.2017
Motor Vehicles	21,14,225	59,207	-	21,73,432	18,66,371	84,376	2,22,685	2,47,854
Computers and data processing units	1218,47,525	356,72,596	-	1575,20,121	1126,70,549	139,69,640	308,79,932	91,76,976
Furniture and fittings	123,96,836	26,91,992	-	150,88,828	63,57,764	18,67,055	68,64,009	60,39,072
Office Equipments	207,27,039	243,44,399	-	450,71,438	101,29,887	66,30,373	283,11,178	105,97,152
Current Year	1570,85,625	627,68,194	-	2198,53,819	1310,24,571	225,51,444	662,77,804	260,61,054
Previous Year	1555,51,318	211,86,662	196,52,355	1570,85,625	1008,43,587	377,19,603	260,61,054	547,07,731



8. NON CURRENT INVESTMENT

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Mutual Fund	2,93,77,019	1,33,86,611
	2,93,77,019	1,33,86,611

9. LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Unsecured, considered good Security Deposits	1,42,19,497	1,36,35,103
	1,42,19,497	1,36,35,103

10. TRADE RECEIVABLE

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unsecured, considered good		
a) Outstanding for a period exceeding 6 months from the date they are due for payment	46,78,637	34,94,003
Less than 6 months	931,23,262	687,48,183
b) Related Parties	505,15,061	-
	1483,16,960	722,42,186
Less: Provision for Doubtful Debts	-	-
Total	1483,16,960	722,42,186

11. CASH AND CASH EQUIVALENTS

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance with Banks:		
In Current Account	302,28,723	428,70,104
In OD Account	2,05,778	19,177
Cash in Hand	12,239	1,47,127
Other Bank Balances :		
Bank Deposit	137,46,863	227,00,666
Deposits for Bank Guarantee	45,29,176	90,00,000
less than 3 months	-	-
more than 12 months	-	-
more than 3 months but upto 12 months	-	-
Total	487,22,780	747,37,074

12. SHORT TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
a) Prepaid Expenses	9,66,478	7,29,425
b) Other Loans and Advances		
Income Tax and FBT paid (Net of Provision for taxation)	1,80,90,767	80,36,753
Other Loans and Advances	97,29,811	1,60,18,221
Total	2,87,87,056	2,47,84,398



WEB WERKS INDIA PRIVATE LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st March, 2018

(Amount in Rs.)		
13. REVENUE FROM OPERATION		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Managed Services	26,07,93,767	18,49,85,335
Web Hosting & Domain Name Registration	23,95,28,184	19,73,69,269
Total	50,03,21,951	38,23,54,604

(Amount in Rs.)		
14. OTHER INCOME		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest Received	12,40,160	15,40,219
Dividend Income	11,46,088	74,254
Others	15,43,678	27,08,504
Total	39,29,926	43,22,977

(Amount in Rs.)		
15. EMPLOYEE BENEFIT EXPENSE		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Salary and Allowances	17,44,49,123	14,13,51,721
Total	17,44,49,123	14,13,51,721

(Amount in Rs.)		
16. FINANCIAL COSTS		
Particulars	As at 31st March, 2018	As at 31st March, 2017
Interest & Bank Charges	5,42,736	4,93,184
Total	5,42,736	4,93,184



17. ADMINISTRATION AND OTHER EXPENSES

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advertisement & Promotion Expenses	1,13,57,350	1,32,08,441
Commission & Brokerage	54,45,288	14,13,730
Computer Consumables	85,27,263	31,26,413
Conveyance, Freight & Octroi	4,69,429	45,000
Courier Services	2,38,065	65,266
DG Set Charges	15,27,612	16,70,998
Software Development Charges Paid	40,54,176	26,95,607
Web Hosting/Domain Registration Charges	7,95,98,095	3,86,90,331
Internet Charges & Leased line Chgs	2,19,56,665	1,88,74,747
Electricity Charges	1,97,06,052	1,91,17,554
Exhibition Expenses	96,95,052	54,31,158
Foreign Exchange Fluctuation	3,684	15
Fees for Professional Services	1,12,11,443	1,25,54,019
Hotel & Lodges Exp.	22,58,419	14,83,717
Housekeeping & Security Charges	15,29,531	16,35,959
Insurance	1,31,632	1,15,581
Legal Charges	3,50,986	3,53,805
Membership Fees	2,23,675	1,80,273
Office Expenses	25,16,123	12,05,751
Other Misc. Expenses	16,01,749	11,17,393
Penalty & Late Fees	1,11,969	40,000
Printing & Stationery	6,05,126	5,41,705
Rent A/c	29,93,074	29,81,703
Repair & Maintenance Charges	86,46,189	38,40,101
Telephone Expenses	18,70,054	20,39,632
Travelling Expenses	96,14,452	70,16,327
Total	20,62,43,154	13,94,45,225
Remuneration to Auditor :		
As Auditor :	29,500	-
Audit Fee	29,500	-

18. EARNINGS PER SHARE

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Profit (Loss) after tax	7,55,45,405	4,09,99,922
Weight average number of equity shares (face value Rs. 10 each)	20,200	20,200
Earning Per Shares (Basic & Diluted)	3,739.87	2,029.70



WEB WERKS INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.

NOTES TO FINANCIAL STATEMENTS:

1. CORPORATE INFORMATION

Web Werks India Private Limited is a company domiciled in India was incorporated on 20th July, 2000. It is engaged in the business of Software Development, Web Hosting, and Domain registration.

SIGNIFICANT ACCOUNTING POLICIES:

a. General :

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified u/s 133 of the Companies Act, 2013 (the Act) read with rule 7 of Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Use of Estimates :

Preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring material adjustment to carrying amounts of assets or liabilities in future periods.

c. Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue is stated at the fair value of the consideration received or receivable. Revenue arising from sale of goods is recognised when the significant risks and rewards of ownership pass to the buyer.

i. **Service Revenue:** Revenue from services rendered is recognized on completion of service and as per contract with the customer.

ii. **Interest Income:** Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. Tangible Fixed Assets :

Tangible Fixed Assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work- in progress is stated at cost.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repairs and



WEB WERKS INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.

maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets derecognized.

e. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash generating unit's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

f. Depreciation :

Depreciation on fixed assets is calculated as per the useful life specified in Schedule II to the Companies Act, 2013 applying the Written down Value method.

g. Foreign currency transactions :

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding at the end of the year are translated at exchange rates prevailing at the year end. Premium or Discount on the booking of forward contracts are recognised as income or expense over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year. All exchange differences in respect of foreign currency transactions are dealt with in the statement of profit and loss.

h. Investment :

Long term investments are carried individually at cost less provision for diminution, other than temporary in the value of such investments. Current investments are carried individually, at lower of cost or fair value if any. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investments in properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy

i. Borrowing Cost :

Borrowing cost includes interest and such costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. It also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. All other borrowing costs are expensed in the period they occur.

☐ Employees Benefits:



WEB WERKS INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.

j. Employees Benefits:

As per the policy and eligibility norms of the Company, Employee Benefits if any payable to employees as of Balance sheet date, is accounted on payment basis.

k. Earnings per share (EPS) :

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares).

l. Taxes on Income :

Provision for current tax is computed as per "Total Income" returnable under the Income Tax Act, 1961 taking into account available deductions and exemptions. Deferred tax is recognised for all timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized.

m. Provisions, Contingent Liabilities and Contingent Assets :

i. Provisions

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

ii. Contingent Liabilities

A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

iii. Contingent Assets

Contingent Assets are neither recognized nor disclosed.

j. Miscellaneous Expenditure

i. Preliminary Expenses in the nature of public issue expenses and expenses in respect of increase in authorized capital are amortized over a period of ten/ five years.

ii. Loan Processing Fees are amortized over the Loan period.



WEB WERKS INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.

19) Earnings in foreign currency : Exports at FOB Value Rs. 4,09,48,184/-
(Previous Year Rs. 2,67,78,619/)

20) Value of Imports on CIF basis : NIL (Previous Year NIL/-)

21) Expenditure in Foreign Currency : Rs. 4,24,56,542 (Previous year Rs. 1,55,56,801)

22) Related Party Disclosure :

Sr. No.	Name of the Related Party	Relationship	Nature of Transaction	Amount (Rs.)	Outstanding Balance as on 31-03-2018 (Rs.)
1.	A1 Placement Consultant Pvt. Ltd.	Associate	Receiving of service	3,50,000/- (NIL)	6252 CR (NIL)
2.	India Internet Services Pvt. Ltd.	Associate	Receiving of service	1,38,95,130/- (36,00,000/-)	73,61,657 CR (NIL)
3.	Neosoft Technologies	Associate Firm	Rent paid	6,00,000/- (6,00,000/-)	2,77,34,250/-DR (5,49,614/-DR)
			Rendering of service	NIL (80,00,000/-)	
			Reimbursement of expenses	2,77,84,636/- (22,51,189/-)	
4.	Neosoft Technologies International	Associate Firm	Reimbursement of expenses	1,48,86,950/-	32,35,237/- DR (NIL)
			Receiving of service	6,00,000/- (6,00,000/-)	
5.	Terranet India Pvt. Ltd.	Associate	Reimbursement of Expenses	24,08,822/- (60,252/-)	22,89,682/-DR (54,979/-DR)
6.	Business Instruments India Pvt. Ltd.	Associate	Reimbursement of Expenses	44,88,930/- (11,89,273/-)	44,48,930/- DR (40,000CR)
7.	One Web Werks Data Centre Pvt. Ltd.	Associate	Receiving of service	36,00,000/- (36,00,000/-)	1,18,935/- CR (1,11,030/-CR)
8.	De-Cix Interwire Internet Services Pvt. Ltd.	Associate	Sale of Service	64,19,500/- (NIL)	1,18,99,772/-DR (NIL)
			Sale of Assets	2,10,000/- (NIL)	
			Reimbursement of Expenses	75,71,210/- (NIL)	
9	Nikhil Rathi	Key Management Personnel	Salary	66,57,828/- (60,02,500/-)	NIL (NIL)
10	Nishant Rathi	Key Management Personnel	Salary	65,23,775/- (60,02,500/-)	NIL (NIL)
11	A L Rathi HUF	Relative of Key Management Personnel	Rent paid	1,56,000/- (1,56,000/-)	9,07,190/- DR (10,63,190/-DR)
			Reimbursement of Expenses	NIL (12,19,190/-)	
12	Neha Rathi	Relative of Key Management Personnel	Salary	19,99,914/- (25,00,000/-)	NIL (NIL)
13	Shilpa Rathi	Relative of Key	Salary	20,40,531/-	NIL



WEB WERKS INDIA PRIVATE LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018.

		Management Personnel		(25,00,000/-)	(NIL)
14	Nishant Rathi HUF	Relative of Key Management Personnel	Receiving of service	4,89,792/- (2,51,129/-)	40,000/- CR/- (NIL)

(Previous year figures are shown in brackets)

23) Previous year figures have been regrouped, reclassified and recast to correspond with the figures of the current year.

SIGNATURE FOR NOTES 1 TO 22
For Hasmukh Shah & Associates.
Chartered Accountants



(Hasmukh Parekh)

Proprietor
 Membership No. :
 Mumbai, Dated 31st August, 2018

For and on behalf of the Board
 For Web Werks India Private Limited



Nishant A. Rathi
 Director
 (DIN: 00655960)
 Mumbai, Dated 31st August, 2018

Nikhil A. Rathi
 Director
 (DIN: 00655695)