REDIFF.COM INDIA LIMITED

24TH ANNUAL REPORT 2018-19

CORPORATE INFORMATION

Corporate Identification Number

U22100MH1996PLC096077

Registered Office

1st Floor, Mahalaxmi Engineering Estate
L.J. First Cross Road, Mahim (West)
Mumbai, MH-400016, India

Board of Directors

Mr. Ajit Balakrshnan – Chairman & Managing Director
Diwan Arun Nanda
Maniedath Madhavan Nambiar
Melarkode Ganesan Parmeswaran

Chief Financial Officer
Mr. Ramawtar Taparia

Company Secretary
Ms. Vandana Sharma

Statutory Auditors

M/s Patkar & Pendse
Chartered Accountants
204, Chartered House,
297/98, Dr. Cawasji Hormasji Street,
Marine Lines, Mumbai
MH- 400002, India

Contents

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Rediff.com India Limited will be held on Monday, 30th September, 2019, at 10 a.m. (IST) at the Registered Office of the Company situated at First Floor, Mahalaxmi Engineering Estate, L. J. First Cross Road, Mahim (West), Mumbai 400016, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the financial year ended 31st March, 2019 together with the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Diwan Arun Nanda, Director retiring by rotation and being eligible, offers himself for reappointment.

3. To appoint Auditors and fix their remuneration by passing the following resolution as an Ordinary Resolution with or without modification (s)

"**RESOLVED THAT** M/s Patkar & Pendse (FRN: 107824W), Chartered Accountants, Mumbai be and are hereby re-appointed as Statutory Auditors of the Company from this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

4. CHANGE IN DESIGNATION OF MR. MANIEDATH MADHAVAN NAMBIAR AS A NON-EXECUTIVE AND INDEPENDENT DIRECTOR

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, Rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Consent of the members be and is hereby accorded, to appoint Mr. Maniedath Madhavan Nambiar as a Non-Executive & Independent Director on the Board of the Company for a term of 5 consecutive years commencing from 23rd March, 2019;

RESOLVED FURTHER THAT any of the Directors/Company Secretary for the time being be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard;

RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary for the time being be and are hereby severally authorized to sign the certified true copy of the resolution as and when required."

5. APPOINTMENT OF MR. MELARKODE GANESAN PARAMESWARAN AS INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any modifi cation(s) or re-enactment thereof), the appointment of Mr. Melarkode Ganesan Parameswaran (DIN: 00792123), as an Independent Director of the Company, to hold office for a term of 5 (fi ve) consecutive years, from 5th September, 2019 to 4th September, 2024 be and is hereby approved."

Any other business with the permission of Chair

By Order of the Board of Directors of
Rediff.com India Limited

Sd/
Vandana Sharma
Company Secretary

Date: 5th September, 2019
Place: Mumbai

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the company.
   Proxies in order to be effective, should be duly completed, stamped and must be deposited at the office of the Company/RTA not less than 48 hours before the commencement of the Annual General Meeting.

2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relation to the Special Business to be transacted at the meeting is annexed hereto.

3. Notice of Extra-ordinary General Meeting will be sent to those shareholders/beneficial owners, whose name will appear in the register of members.

4. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at Annual General Meeting.

5. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send 'a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

6. Members/Proxies should bring their attendance slip duly filled in for attending the meeting.

7. Copies of Notice of EGM along with attendance slip & proxy form are being sent by electronic mode only to the members whose email addresses are registered with the Company or Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013

ITEM NO. 4

Based on the recommendation of the Board and subject to the approval of the members of the Company, the Board of Directors of the Company in their meeting held on 23rd March, 2019 has approved the change in designation of Mr. Maniedath Madhavan Nambiar (DIN: 01122411), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, and who is eligible for appointment, by appointing him as non-executive independent director of the Company for a period of five years effective from 23rd March, 2019 in accordance with the provisions of Section 149 of the Companies Act, 2013.

Mr. Maniedath Madhavan Nambiar is interested in the resolution set out at Item No. 4 of the Notice.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Maniedath Madhavan Nambiar, are concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the ordinary resolution set out at Item No. 4 of the Notice for approval by the members.

ITEM NO. 5

The Board of Directors of the Company at its meeting held on 5th September, 2019, have appointed Mr. Melarkode Ganesan Parameswaran as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years till 4th September, 2024, subject to consent by the Members of the Company at the ensuing Annual General Meeting.

The Company has received a declaration from Mr. Melarkode Ganesan Parameswaran confirming that he meets the criteria of independence as prescribed under the Companies Act, 2013. Mr. Parameswaran is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

Mr. Parameswaran is an Independent Brand Strategist, Author and Founder of Brand-Building.com, a brand advisory. He was till 2016 ED and CEO of FCB Ulka Advertising, one of India's top five ad agencies. A Chemical Engineer from IIT Madras and an MBA from IIM Calcutta, in 40 year long career he has handled assignments in marketing, sales and advertising with companies like Rediffusion, Boots Company, UDI Yellow Pages and finally a 26 year long stint at FCB Ulka Advertising.

Over his marketing/advertising career he has worked on brands including Tata, Tropicana, Digene, Strepsils, Brufen, Santoor, Sundrop, TCS, ICICI Bank, Wipro, Tata Indica, Zee TV, Abbott's Pediasure, J&J, Amul, ITC's Sunfeast, GSK's Cobadex, among other.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Melarkode Ganesan Parameswaran, is concerned or interested (financially or otherwise) in this Resolution.

The Board recommends the ordinary resolution set out at Item No. 5 of the Notice for approval by the members.

By Order of the Board of Directors of
Rediff.com India Limited

Sd/
Vandana Sharma
Company Secretary

Date: 5th September, 2019
Place: Mumbai

Rediff.Com India Limited
CIN: U22100MH1996PLC096077

DIRECTORS' REPORT

To,

The Members,

Your directors have pleasure in presenting their Twenty Fourth Annual Report on the business and operations of the company together with the audited financial statements for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

During the year under review, the financial performance of your company is as under:

(Rupees In millions)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue from operation	464	411	464	411
Other income	17	20	18	5
Total Revenue	481	431	482	416
Total expenses	(455)	(517)	(456)	(527)
Profit before exceptional items and tax	26	(86)	26	(111)
Exceptional items	0.8	(5)	-	-
Tax expenses	-	-		-
Profit for the year	27	(91)	26	(111)

2. FINANCIAL HIGHLIGHTS

Rediff.com delivers News and Information, Enterprise Email Services and Online Shopping Marketplace. These services are delivered on PCs, tablets and on a wide range of mobile phone platforms.

During the year under review, revenue from standalone operation increased by 12.9% to Rs. 464 million as compared to Rs. 411 million for the previous year.

Total expenses for the standalone operation for the year ended 31st March, 2019 were Rs. 455 million as compared to Rs. 517 million for the year ended 31st March, 2018, a saving of Rs. 62 million in the expenses.

The Company reported a profit of Rs. 27 million for the year compared to loss of Rs. 91 million during previous year; registering a growth over 39%.

Your Company continues with its rigorous cost restructuring exercises and efficiency improvements which have resulted in significant savings through continued focus on cost controls and process efficiencies thereby enabling the Company to maintain profitable growth in the current economic scenario.

The Board noted that Rs. 120 million interest free advance from our founder Mr. Ajit Balakrishnan has kept with the Company to enable the Company to invest in its data management infrastructure and keep it at the highest possible quality level.

3. DETAILS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES AND THEIR PERFORMANCE

During the financial year 2018-19, your Company has three direct subsidiaries and one step-down subsidiary.

During the year under review, the Board of Directors reviewed the affairs of the subsidiaries. The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with Section 129(3) of the Companies Act, 2013, and form part of the Annual Report. Further, a statement containing the salient features of the financial statements of the subsidiaries of the Company in the prescribed format AOC-1 is attached to the financial statements. The statement also provides the details of performance and financial position of each of the subsidiaries.

4. DIVIDEND

No dividend was declared during the financial year 2018-19.

5. AMOUNTS TRANSFERRED TO RESERVES

There was no transfer to any reserves during the financial year 2018-19.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid during previous years.

7. SHARES:

a. Changes in Share Capital, if any

During the financial year 2018-19, the Company has increased its authorised share capital from Rs.120, 000,000/- (Rupees Twelve Crore) to Rs.150, 000,000/- (Rupees Fifteen Crore).

During the year under review the Company has issued 90, 44,351 (Ninety Lakh Forty Four Thousand Three Hundred and Fifty One) Equity Shares of Rs.5/- each by way of right issue. Thereby the paid-up capital of the Company has been increased from Rs.74, 050,890 (Rupees Seven Crore Forty Lakh Fifty Thousand Eight Hundred and Ninety) to Rs.119, 272,645 (Rupees Eleven Crore Ninety Two Lakh Seventy Two Thousand Six Hundred and Forty Five)

b. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

c. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

d. Bonus Shares

No Bonus Shares were issued during the year under review.

e. Employees Stock Option Plan

The Company has not issued any ESOP grants during the year under review.

8. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There was no material changes occurred between the end of the financial year to which this financial statement relates and the date of this report except below:

9. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form MGT- 9 as required under Section 92 of the Companies Act, 2013 for the Financial Year ending 31st March, 2019 is annexed and forms part of this report. (Refer Annexure 2)

10. DIRECTORS AND KEY MANAGRIAL PERSONNEL (KMP)

There were the following changes in the Board of Directors and Key Managerial Personnel (KMP) of the Company during the Financial Year 2018-19:

a) Mr. Ashok Narsimhan, Director of the Company, vacated the office pursuant to clause (b) of section 167 of the Companies Act, 2013 with effect from 25th August, 2017 vide board resolution dated 18.04.2018

b) Ms. Pooja Lohade, Company Secretary has resigned and Ms. Vandana Sharma has been appointed as the new Company Secretary with effect from 31st October, 2018.
c) Mr. Ramawtar Taparia has been appointed as the Chief Financial Officer of the Company with effect from 23rd March, 2019.
d) Mr. Maniedath Madhavan Nambiar, Director of the Company has been designated as Non-executive Independent Director on the Board.

11. MEETING OF BOARD OF DIRECTORS

A. **Number of Board Meetings**

The Board of Directors of your Company met six (6) times during the year under review, the intervening gap between any two consecutive board meetings was within the period prescribed by the Companies Act, 2013.

S. No.	Date of Board Meetings
1.	18th April, 2018
2.	2nd May, 2018
3.	11th June, 2018
4.	4th September, 2018
5.	24th December, 2018
6.	23rd March, 2019

B. **Attendance of the Directors at the Board Meetings held during the year under review:**

S. No.	Name of Director	No. of Board Meetings held	No. of Board Meetings attended
1.	Ajit Balakrishnan	6	6
2.	Diwan Arun Nanda	6	6
3.	Maniedath Madhavan Nambiar	6	4

12. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

a. Details of Loans

Details of any such transaction were provided in standalone financials.

b. Details of Investments & Guarantee

There were no guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013. There were no transactions during the year which would require to be reported in Form AOC-2. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large during the year that would have required Members approval.

14. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s. Patkar & Pendse, Chartered Accountants (Firm Registration No. 107824W), were appointed as statutory auditors of the Company for a period of five years in the 21st Annual General Meeting till the conclusion of 26th Annual General Meeting of the Company to be held in the year 2021.

15. BOARD'S COMMENT ON AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks made by the statutory auditors in their report.

The provisions relating to submission of secretarial audit report is not applicable to the Company.

16. RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY

There was no such amount received during the year under review.

17. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

18. CORPORATE GOVERNANCE

The Company is not listed on BSE/NSE and hence, Corporate Governance Report is not applicable.

19. COMMITTEES

The various committees constituted by the Company including the Compensation Committee and Strategic Review Committee have been functioning satisfactorily during the year. The present Board comprises of eminent professionals from various fields, in addition to Chairman and Managing Director who looks after the day to day affairs of the Company.

A. The composition of the **Compensation Committee** of the Board is as follows:

Sr. No.	**Name of the Directors**	**Designation in the Committee**	**Meeting attended / (Meetings held)**
1.	Ajit Balakrishnan	Chairman	-
2.	Diwan Arun Nanda	Member	-

B. The composition of the **Strategic Review Committee** of the Board is as follows:

Sr. No.	**Name of the Directors**	**Designation in the Committee**	**Meeting attended / (Meetings held)**
1.	Ajit Balakrishnan	Chairman	4/4
2.	M. Madhavan Nambiar	Member	4/4

20. LISTING AGREEMENT COMPLIANCE

Your Company was not required to comply with listing Agreement Compliance.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

22. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review,

23. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 and any other applicable sections of the Companies Act, 2013 following disclosures and information is furnished to the Shareholders:

a) Conservation of Energy

The operation of your Company is not energy intensive, Adequate measures have however been taken to reduce energy consumption by using energy efficient computer equipments incorporating latest technologies.

b) Technologies Absorption

Since technology related to internet portal business is constantly evolving, continuous investments and improvements are being made to the content, community and commerce offerings made to the customers. The investments are classified as deferred revenue expenditure and amortized,

c) Foreign Exchange Earnings and outgo

Foreign exchange cared by the Company in the fiscal year ended 31st March, 2019 was Rs. 151 million (Previous year Rs. 17 million) and the foreign exchange outgo in the same period was Rs. 45 million (Previous year Rs. 40 million).

24. DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There was no order passed by the regulators or courts or tribunal during the financial year 2018-19. However the Company has made an application u/s 441 with Registrar of Companies/NCLT for compounding of offence for contravention of section 96 &129(2) for financial year ended 31st March, 2016 and 31st March, 2017 of the Companies Act, 2013.

25. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2018-19, there was one complaint received by the Company related to sexual harassment and the same has been resolved and settled.

26. RISK MANAGEMENT POLICY

The Company does not have Risk Management Policy; However the Company has a risk control matrix in place.

27. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an adequate internal control system. There is a system of continuous Internal Audit which aims at ensuring effectiveness and efficiency of systems and operations.

28. COST AUDITORS & MAINTENANCE OF COST RECORDS

Your Company is not required to appoint Cost auditor and maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.

29. DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM

In view of limit of borrowings of the Company and considering the fact that the Company does not accept deposit, the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Powers) Rules. 2013 relating to establishment of vigil mechanism is not applicable to the Company.

30. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There is no fraud in the Company during the financial year ended 31st March, 2019. This is also supported by the Auditors of the Company in their report as no fraud has been reported during the financial year.

31. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

a) In the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit /loss of the Company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis:

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; though Clause (e) of Section 134(5) is not applicable as the Company is not a listed Company and

f) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

32. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27th June, 2019

/s/Ajit Balakrishnan
Chairman & Managing Director
DIN:00073814

Annexure 1
Form AOC-1
(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

(` In millions except % of Shareholding)

Name of the Subsidiary	Financial Year ended	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities(Excluding Share Capital & Reserve & Surplus)	Turn over	Investm ent	Profit before tax	Provision for taxation	Profit after tax	% of shareholding
Rediff Holding Inc. USA	31st March, 2019	0	(43)	237	193	0	0	(1)	0	(1)	100%
Rediff.com Inc	31st March, 2019	0	283	283	0	0	0	0	0	0	100%
Value Communications Corporations	31st March, 2019	494	(666)	10	162	0	0	0	0	0	100%
Vubites India Private Limited	31st March, 2019	1	(631)	23	607	0	0	(0.08)	0	(0.08)	100%

Note:

Exchange rate used for translating financial position of overseas subsidiaries is USD 1 = ` 69.17

Part "B": Joint Venture & Associates Companies - Not Applicable

Annexure - 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on Financial Year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U22100MH1996PLC096077
ii	Registration Date	9th January, 1996
iii	Name of the Company	Rediff.com India Limited
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details	1st Floor Mahalaxmi Engg. Estate, L.J. Cross Road No-1, Mahim- (West), Mumbai - 400016
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	**Universal Capital Securities Private Limited** 25, Shakil Niwas, Mahakali Caves Road, Opp.Satya Saibaba Temple, Andheri (E), Mumbai, MH- 400093

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Data Processing, hosting and related activites; web portals	631	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICA-BLE SECTION
1	Vubites India Private limited	U72900MH2007PTC168009	Subsidiary	100%	Section 2(87)
2	Rediff Holding Inc		Subsidiary	100%	Section 2(87)
3	Rediff.com Inc		Subsidiary	100%	Section 2(87)
4	Value Communications Corporations		Subsidiary	100%	Section 2(87)

IV **SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year as on 1st April, 2018				No. of Shares held at the end of the year as on 31st March, 2019				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No	%
A. Promoters										
(1) Indian										
a) Individual/HUF		2344930	2344930	15.83%		11533811	11533811	48.35%	91,88,881	32.52%
b) Central Govt.or State Govt.										
c) Bodies Corporates		2200002	2200002	14.85%		2200002	2200002	9.22%	-	-5.63%
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)		4544932	4544932	30.69%		13733813	13733813	57.57%	91,88,881	26.89%
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)		-	-	0%		-	-	0%		
Total Shareholding of Promoter (A) (A)(1)+(A)(2)		**4544932**	**4544932**	**30.69%**		**13733813**	**13733813**	**57.57%**	**91,88,881**	**26.89%**
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
C) Cenntral govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):										
(2) Non Institutions										
a) Bodies corporates										
i) Indian		2390260	2390260	16.14%		2245720	2245720	9.41%	-144540	-6.73%
ii) Overseas		2200000	2200000	14.85%		-	-	-	-2200000	-14.85%
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs		12008	12008	0.08%		12018	12018	0.05%	10	-0.03%
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs		-	-	-		2200000	2200000	9.22%	2200000	9.22%
c) Others- Employee Trust		1015000	1015000	6.85%		1015000	1015000	4.25%	-	-2.60%
SUB TOTAL (B)(2):		5617268	5617268	37.93%	0	5472738	5472738	22.94%	-144530	-14.98%
Total Public Shareholding (B) (B)(1)+(B)(2)		**5617268**	**5617268**	**37.93%**	**0**	**5472738**	**5472738**	**22.94%**	**-144530**	**-14.98%**
C. Shares held by Custodian for ADRs		4647978	4647978	31.38%	0	4647978	4647978	19.48%	-	-11.90%
Grand Total (A+B+C)		**14810178**	**14810178**	**100.00%**		**23854529**	**23854529**	**100.00%**	**9044351**	0.00%

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to	No. of shares	% of total shares of the	% of shares pledged encumbered to	
1	Ajit Balakrishnan	1100190	7.43%	Nil	10289071	43.13%	Nil	36%
2	Diwan Arun Nanda	1244740	8.40%	Nil	1244740	5.22%	Nil	-3%
3	Rediffusion Holdings Pvt. Ltd.	2200002	14.85%	Nil	2200002	9.22%	Nil	-6%
	Total	4544932	30.68%		13733813	57.57%		27%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Increase/ Decrease in No. of Shares	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company		No of shares	% of total shares of the company
1	Ajit Balakrishnan					
	At the beginning of the year	1100190	7.43%	-	1100190	7.43%
	Increase: Allotment of equity shares on right basis on 11/06/2018			9044351	10144541	42.53%
	Incease: Transfer from Quintrol Technologies Pvt. Ltd. On 04/09/2018			144540	10289081	43.13%
	Decrease: Transfer on 23/03/2019			-10	10289071	
	At the end of the year	-	-	-	**10289071**	**43.13%**
2	Diwan Arun Nanda					
	At the beginning of the year	1244740	8.40%	No change	1244740	8.40%
	At the end of the year	1244740	8.40%		**1244740**	**8.40%**
3	Rediffusion Holdings Pvt. Ltd.					
	At the beginning of the year	2200002	14.85%	No change	2200002	14.85%
	At the end of the year	2200002	14.85%		**2200002**	**14.85%**

(iv) **Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)**

Sl. No		Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	**No.of shares**	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
1	**Styrax Commodities Limited**				
	At the beginning of the year	-	-	-	-
	Bought during the year	1523000	6.38%	1523000	6.38%
	At the end of the year	1523000	6.38%	1523000	6.38%
2	**Rupa Rajopadhya**				
	At the beginning of the year	-	-	-	-
	Bought during the year	1100000	4.61%	1100000	4.61%
	At the end of the year	1100000	4.61%	1100000	4.61%
3	**Utkarsh Nadkarni**				
	At the beginning of the year	-	-	-	-
	Bought during the year	1100000	4.61%	1100000	4.61%
	At the end of the year	1100000	4.61%	1100000	4.61%
4	**Rediff.com India Limited Employee Trust**				
	At the beginning of the year	1015000	4.25%	1015000	4.25%
	At the end of the year	1015000	4.25%	1015000	4.25%
5	**Pacific Century Cyberworks India Pvt. Ltd.**	530000	2.22%	530000	2.22%
	At the beginning of the year	530000	2.22%	530000	2.22%
	At the end of the year	530000	2.22%	530000	2.22%
6	**Citicorp Finance (India) Ltd.**				
	At the beginning of the year	192720	0.81%	192720	0.81%
	At the end of the year	192720	0.81%	192720	0.81%

(v) **Shareholding of Directors & KMP**

Sl. No		Shareholding at the end of the year		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year	
	For Each of the Directors & KMP	**No.of shares**	**% of total shares of the company**		**No of shares**	**% of total shares of the company**
1	Ajit Balakrishnan					
	At the beginning of the year	1100190	7.43%		1100190	7.43%
	<u>Increase:</u> Allotment of equity shares on right basis on 11/06/2018			9044351	10144541	42.53%
	<u>Incease:</u> Transfer from Quintrol Technologies Pvt. Ltd. On 04/09/2018			144540	10289081	43.13%
	<u>Decrease:</u> Transfer on 23/03/2019			-10	10289071	
	At the end of the year	-	-	-	10289071	43.13%
2	Diwan Arun Nanda					
	At the beginning of the year	1244740	8.40%	No change	1244740	8.40%
	At the end of the year	1244740	8.40%		1244740	8.40%

V INDEBTEDNESS

(Rs.)

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtness at the beginning of the financial year					
i) Principal Amount		1408,00,000	-	1408,00,000	
ii) Interest due but not paid	-	-	-		
iii) Interest accrued but not due	-	-	-		
Total (i+ii+iii)	-	**1408,00,000**	-	**1408,00,000**	
Change in Indebtedness during the financial year					
Additions		242,30,000	-	242,30,000	
Reduction	-	450,00,000	-	450,00,000	
Net Change	-	- **207,70,000**	-	- **207,70,000**	
Indebtedness at the end of the financial year					
i) Principal Amount		1200,30,000	-	1200,30,000	
ii) Interest due but not paid	-	-	-		
iii) Interest accrued but not due	-	-	-		
Total (i+ii+iii)	-	**1200,30,000**	-	**1200,30,000**	

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. **Remuneration to Managing Director, Whole time director and/or Manager:**

(Rs.)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
1	**Gross salary**	**Mr. Ajit Balakrishnan-MD**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		

B. Remuneration to other Directors:

(Rs.)

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors	**M. Madhavan Nambiar**	
	(a) Fee for attending board committee meetings	8,00,000	8,00,000
	(b) Commission		
	(c) Others, please specify		
	Director Remuneration		
	Total (1)	**8,00,000**	**8,00,000**
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings	-	-
	(b) Commission	-	-
	(c) Others, please specify.	-	-
	Total (2)	-	-
	Total (B)=(1+2)	**8,00,000**	**8,00,000**
	Total Managerial Remuneration		
	Overall Cieling as per the Act.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs.)

Sl. No.	Particulars of Remuneration		Key Managerial Personnel			Total
1	**Gross Salary**	**CEO**	**Ramawtar Taparia - CFO***	**Ms. Pooja Lohade Company Secretary***	**Ms. Vandana Sharma Company Secretary***	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Not Applicable	1,34,095	3,07,108	1,35,747	5,76,950
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		-	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-	-	
2	Stock Option		-	-	-	
3	Sweat Equity		-	-	-	
4	Commission		-	-	-	
	as % of profit		-	-	-	
	others, specify		-	-	-	
5	Others, please specify		-	-	-	
	Total		**1,34,095**	**3,07,108**	**1,35,747**	**5,76,950**

*** Part of the year**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeall made if any (give details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board of Directors

/s/Ajit Balakrishnan
Chairman and Managing Directors
Mumbai
27th June, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of
REDIFF.COM INDIA LIMITED.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of **REDIFF.COM INDIA LIMITED** (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company audits subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31,2019, the consolidated statement of Profit and Loss and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group as at March 31, 2019, of consolidated profit and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

•Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 27,200,286/- as at March 31, 2019, total revenues of Rs. Nil and net cash inflows amounting to Rs. 578,277/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) the company has disclosed the impact of pending litigations that could impact its financial position in its financial statements - Refer note 27 to the financial statements as on March 31, 2019.

ii) the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the company.

For Patkar & Pendse
Chartered Accountants
F. R. No. 107824W

/s/ B.M. Pendse
Partner.

M. No. 32625

Date : 27th June, 2019.

Annexure 'A'

Annexure to the independent auditor's report of even date on the Consolidated financial statements ofRediff.Com India Limited.

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, We have audited the internal financial controls over financial reporting of **Rediff.Com India Limited** (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Companies 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S 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") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2019, 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.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Patkar & Pendse
Chartered Accountants
F. R. No. 107824W

/s/ B.M. Pendse
Partner.

M. No. 32625

Date : 27th June, 2019.

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Balance Sheet as at March 31, 2019

			Note	As at March 31, 2019	As at March 31, 2018
				₹	₹
I	**EQUITY AND LIABILITIES**				
1	**Shareholders' Funds**				
	(a)	Share Capital	3	114,197,645	68,975,890
	(b)	Reserves and Surplus	4		
		(i) Securities Premium Account		3,236,146,930	3,236,146,930
		(ii) Stock Option Outstanding		139,521,373	139,521,373
		(iii) Profit & Loss Account		(3,991,033,164)	(4,016,673,591)
		(iv) Foreign Currancy Translation Reserve		228,787,168	224,973,190
				(272,380,048)	**(347,056,208)**
2	**Non - Current Liabilities**				
	(a)	Other Long Term Liabilities	5		
		(i) Loan From Director		137,322,500	157,060,000
		(ii) Others		33,871,327	32,588,927
	(b)	Long - Term Provisions	6	30,677,074	43,179,596
				201,870,901	**232,828,523**
3	**Current Liabilities**				
	(a)	Trade Payables	7	172,123,448	197,851,422
	(b)	Other Current Liabilities	8	163,607,015	153,093,838
	(c)	Short - Term Provisions	9	16,831,859	12,032,120
				352,562,322	**362,977,380**
	TOTAL			**282,053,175**	**248,749,695**
II	**ASSETS**				
1	**Non - Current Assets**				
	(a)	Fixed Assets	10		
		(i) Tangible Assets		11,936,619	4,704,343
		(ii) Intangible Assets		-	-
		(iii) Intangible Assets under Development		-	-
				11,936,619	**4,704,343**
	(b)	Goodwill on Consolidation		-	
	(c)	Non - Current Investments	11	-	-
	(d)	Long - Term Loans and Advances	12	78,590,551	62,592,048
				78,590,551	**62,592,048**
2	**Current Assets**				
	(a)	Trade Receivables	13	37,628,951	44,097,047
	(b)	Cash and Cash Equivalents	14	58,391,238	48,179,839
	(c)	Short-Term Loans and Advances	15	31,871,971	26,439,242
	(d)	Other current assets	16	63,633,845	62,737,177
				191,526,006	**181,453,304**
	TOTAL			**282,053,175**	**248,749,695**
III	**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**		1-31		

In terms of our report attached.
For **Patkar & Pendse**
Chartered Accountants
Firm Reg. No. 107824W

/s/ B. M. Pendse
Partner

Mumbai, June 27, 2019

For and on behalf of the Board of Directors

/s/ Ajit Balakrishnan
Chairman & Managing Director
DIN: 00073814

/s/ M. Madhavan Nambiar
Director
DIN: 01122411

/s/ Ramawtar Taparia
Chief Financial Officer

/s/ Vandana Sharma
Company Secretary
ACS -56267

Mumbai, June 27, 2019

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Statement of Profit and Loss for the Year Ended March 31, 2019

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
		₹	₹
I Revenue From Operations	17	464,340,978	411,133,897
II Other Income (Net)	18	17,575,265	4,845,459
TOTAL REVENUE		**481,916,243**	**415,979,356**
III Expenses:			
(a) Employee Benefit Expenses	19	190,503,753	237,586,900
(b) Depreciation and Amortization Expense	10	4,101,882	3,293,997
(c) Operation and Other Expenses	20	261,618,722	286,355,524
TOTAL EXPENSES		**456,224,357**	**527,236,421**
IV **PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX**		**25,691,886**	**(111,257,065)**
V Exceptional Item:		-	-
Total		**25,691,886**	**-**
VI Provision for Tax		51,460	193,350
Excess / Short Provision for Tax		-	-
VII **PROFIT (LOSS) FOR THE YEAR**		**25,640,426**	**(111,450,415)**
VIII Earnings Per Equity Share (Face Value of ₹5 each) - Basic and Diluted		1.22	(8.08)

IX NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-31

In terms of our report attached.
For **Patkar & Pendse**
Chartered Accountants
Firm Reg. No. 107824W

/s/ B. M. Pendse
Partner

Mumbai, June 27, 2019

For and on behalf of the Board of Directors

/s/ Ajit Balakrishnan
Chairman & Managing Director
DIN: 00073814

/s/ M. Madhavan Nambiar
Director
DIN: 01122411

/s/ Ramawtar Taparia
Chief Financial Officer

/s/ Vandana Sharma
Company Secretary
ACS -56267

Mumbai, June 27, 2019

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Cash Flow Statement as at March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Cash Flow from Operating Activities		
(Loss) Before Taxes	26,390,826	(116,824,780)
Adjustments for:		
Depreciation and Amortisation Expense	4,101,882	3,293,997
Writeback of Impaired Loan	(750,400)	-
Dividend from Subsidiary Company	15,815,500	0
Interest Income	(3,606,286)	(2,347,724)
(Write Back)/ Write Off of Provision of Doubtful Receivables	3,259,200	5,374,364
Diminution in Long Term Investment/ Loan to Subsidiary	-	-
(Profit) / Loss on Sale of Fixed Assets	(1,073,868)	(805,386)
Unrealised Exchange Difference	3,012,994	263,072
Operating Loss Before Working Capital Changes	**47,149,848**	**(111,046,457)**
Changes in Working Capital:		
Trade Receivables	3,211,464	(5,102,550)
Loans and Advances	(1,910,688)	46,178,829
Trade Payables and Current Liabilities	(38,559,785)	11,058,282
Provisions	(7,754,527)	(5,341,270)
Other Current Assets	1,516,665	(1,854,379)
Cash used in Operating Activities	**3,652,977**	**(66,107,545)**
Taxes Refund, Net of (Paid)	(4,573,243)	(8,313,527)
Net Cash used in Operating Activities (A)	**(920,266)**	**(74,421,072)**
Cash Flow From Investing Activities		
Payments to Acquire Fixed Assets	(2,385,825)	(7,953,051)
Loan Received(given) to Vubites India Pvt Ltd (Net)	(0)	937,364
Loan (Repaid) Received from Director (Net)	(20,770,000)	74,672,400
Proceeds from Sale of Fixed Assets	1,073,868	805,386
Dividend from Subsidiary Company	(15,815,500)	(0)
Proceeds from Sale of long term Investment	-	-
Interest Income Received	3,606,285	2,347,723
Net Cash (used in)/from Investing Activities (B)	**(34,291,172)**	**70,809,822**
Cash Flows From Financing Activities		
Net Proceeds from Issue of Equity Shares	45,221,754	-
Net Cash used in Financing Activities (C)	**45,221,754**	-
Net (Decrease) in Cash and Cash Equivalents (A+B)	10,010,316	(3,611,250)
Cash and Cash Equivalents at the Beginning of the Year	48,275,355	51,886,605
Cash and Cash Equivalents at the End of the Year	58,285,671	48,275,355
Note ;		
Cash and Cash Equivalents Include:		
Cash on Hand	-	-
Bank Balances	58,391,238	48,179,839
Fixed deposits with banks (maturity less than 3 months)		
Cash and Cash Equivalents as above	**58,285,671**	**48,275,355**
Effect of Exchange Rate Changes	105,567	(95,517)
Cash and Cash Equivalents as per Note 13	**58,391,238**	**48,179,838**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-31		

In terms of our report attached.
For **Patkar & Pendse**
Chartered Accountants
Firm Reg. No. 107824W

/s/ B. M. Pendse
Partner

Mumbai, June 27, 2019

For and on behalf of the Board of Directors

/s/ Ajit Balakrishnan
Chairman & Managing Director
DIN: 00073814

/s/ M. Madhavan Nambiar
Director
DIN: 01122411

/s/ Ramawtar Taparia
Chief Financial Officer

/s/ Vandana Sharma
Company Secretary
ACS -56267

Mumbai, June 27, 2019

Notes forming part of the Consolidated Financial Statements

1. CORPORATE INFORMATION

Rediff.com India Limited ("Rediff") was incorporated as a private limited company in India on January 9, 1996 under the Indian Companies Act, 1956 and was converted to a public limited company on May 29, 1998. Rediff's American Depository Shares ("ADSs") are listed on the NASDAQ OTC.

In February 2001, Rediff established Rediff Holdings, Inc. ("RHI"), a Delaware Corporation, as a wholly-owned subsidiary to be a holding company for certain investments in the United States of America. In March 2001, Rediff acquired Value Communication Corporation ("ValuCom"). On February 27, 2001, RHI acquired thinkindia.com, Inc ("thinkindia"), later renamed Rediff.com Inc. On April 27, 2001, RHI acquired India Abroad Publications, Inc. ("India Abroad"), a print and online news company. On September 2, 2016, the Company sold India Abroad and its step down subsidiary companies India in New York Inc. and India Abroad Publication (Canada) Inc. to 8K Miles Media Group, Inc. USA.

On November 26, 2010, Rediff acquired Vubites India Private Limited ("Vubites") from the Chairman and Managing Director of Rediff (referred to as "the CMD") and a principal shareholder in Rediff. Vubites enables small and local businesses to advertise on national TV channels within their city to reach their target audiences.

Rediff with its branch and subsidiaries ("the Group") delivers News and Information, Enterprise Email Services, Online Shopping Marketplace and Internet-based local TV advertising platform. These services are delivered on PCs, tablets and on a wide range of mobile phone platforms, focusing on India and the global Indian community. Its websites consists of matters relevant to Indian interests such as sports and cricket, life style and movies, content on various matters like news, business and finance, search facilities, a range of community features such as e-mail and shopping.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The Consolidated Financial Statements relate to REDIFF.COM INDIA LIMITED (REDIFF, the Company) and its subsidiaries. The Company's wholly owned subsidiaries include Vubites India Private Limited incorporated in India, Rediff.com Holding Inc. and Value Communication Inc. incorporated in USA. Rediff Holding Inc. has further wholly owned subsidiary Rediff.com Inc. The Consolidated financial statements also include Rediff.com India Limited Employee Trust as the Company has the control by way of appointment and determination of composition of Trustees to obtain economic benefits from its activities. The Company has equity investment in associate companies viz. Tachyon Technologies Private Limited and BigSlick Infotech Private Limited as of March 31, 2019, however, the Company had made other than temporary diminution in the total value of its investment in such associates.

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006.

Notes forming part of the Consolidated Financial Statements

Although the Company and its subsidiaries has incurred a profit during the year, there is a negative net worth as at March 31, 2019. The reason for the same is that, out of abundant caution, the Company has recorded huge impairment charge on its investments, loans and fixed assets, reducing them to nil over the years. Such impairment losses have largely been the reason for the negative net worth of the Company. However, various initiatives undertaken by the Company in relation to saving cost, optimise revenue management opportunities and enhance ancillary revenues is expected to result in improved operating performance going forward. Further, Company's continued thrust to improve operational efficiency and initiatives to raise funds are expected to result in sustainable cash flows addressing any uncertainties. Accordingly, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business including financial support to its subsidiaries.

b) **Principles of Consolidation**

The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. Intra-group balances and transactions and unrealised profits or losses have been fully eliminated.

ii) The difference between the costs of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation.

iii) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of investment in subsidiaries.

iv) The Financial Statements of the subsidiaries are drawn up to 31st March, 2019.

Notes forming part of the Consolidated Financial Statements

The subsidiaries (which along with Rediff.com India Limited, the parent, constitute the group) considered in the presentation of these Consolidated Financial Statements are

Name of the Subsidiary Company	Country of Incorporation	Portion of ownership Interest as at March 31, 2019	Portion of ownership Interest as at March 31, 2018
Indian Subsidiaries			
Vubites India Private Limited	India	100%	100%
Foreign Subsidiaries including step down subsidiaries.			
Rediff Holdings, Inc.	USA	100%	100%
Value communication corporation Inc.	USA	100%	100%

c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

d) Revenue recognition

India Online business

India Online business includes revenues from advertising, sponsorship and fee based services. Advertisement and sponsorship income is derived from customers who advertise on our website or from targeted mailers to Rediffmail subscribers. Fee based services include fee we earn from our e-commerce marketplace, subscription fees for our email services and our share of revenues from mobile value added services.

Revenue from display advertisement is recognized as impressions of or clicks on display advertisements are delivered or broadcast. Impressions are delivered when a sold advertisement appears in pages viewed by users. Clicks are delivered when a user clicks on the advertisement. Revenues are also derived from sponsor links placed in specific areas of the Company's website, which generally provide users with direct links to sponsor websites. Revenue from sponsor link is recognized ratably over the period in which the advertisement is displayed, provided that no significant Company obligations remain and collection of the resulting receivable is probable. Company obligations may include guarantees of a minimum number of impressions, or times, that an advertisement appears in pages viewed by users of the Company's website. To the extent that minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until the guaranteed impression levels are achieved. The Company also

Notes forming part of the Consolidated Financial Statements

earns revenues from the sending of mail shots to its users on behalf of advertisers and such revenues are recognized on delivery. We report our online advertisement revenues on a gross basis principally because we are the primary obligor to our advertisers.

E-commerce marketplace fee, which is comprised of the commission and shipping revenue is recognized after receipt of confirmation that the online customer has accepted delivery of the goods. The cost of incentives provided to online customers like coupons and promo codes are reduced from revenue and where such incentives exceed the revenue amount, the excess is recognized as cost of revenue.

Subscription service revenue which is comprised of subscription fees for enterprise email and related services provided to small and large enterprises is deferred and recognized pro rata over the terms of such subscription.

Mobile value-added services revenues are derived from providing value added short messaging services ("SMS"), ring tones, picture messages, logos, wallpapers and other related services to mobile phone users. The Company contracts with third-party mobile phone operators for sharing revenues from this service. Mobile value- added services revenue is recognized when this service is rendered.

US Publishing business

US Publishing business primarily include advertising and sponsorship revenues and consumer subscription revenues earned from the publication of India Abroad, a weekly newspaper distributed primarily in the United States. It also includes the advertising revenues of Rediff India Abroad, the website catering to the Indian community in the United States.

Advertising revenues are recognized at the time of publication of the related advertisement. Subscription income is deferred and recognized pro rata as fulfilled over the terms of such subscription.

Revenues from banners and sponsorships are recognized over the contractual period of the advertisement, commencing when the advertisement is placed on the website, provided that no significant obligations remain and collection of the resulting receivable is probable. Obligations may include guarantee of a minimum number of impressions, or times that an advertisement appears in pages viewed by users of the Company's website. To the extent that minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until the guaranteed impression levels are achieved.

e) Tangible assets, intangibles, depreciation and amortisation

Tangible Assets

Tangible assets are stated at cost less accumulated depreciation less impairment loss, if any. The Company depreciates tangible assets using the straight-line method, over the estimated useful lives of assets. The estimated useful lives of assets are as follows:

Furniture and fixtures	10 years
Computer equipment	1 to 3 years

Notes forming part of the Consolidated Financial Statements

Office equipment	3 to 10 years
Vehicles	8 years
Leasehold improvements	6 years

The effective rates of depreciation based on the estimated useful life of the tangible assets is higher than the rates as prescribed under Schedule II to the Companies Act, 2013.
Individual assets costing less than ₹ 5,000 are depreciated in full in the year of acquisition.

Intangible Assets

Intangible Assets are stated at cost less accumulated amortization less impairment loss, if any. Software includes costs incurred in the operations stage that provides additional functions or features to the Company's website, accounting and monitoring software. These are amortised over their estimated useful life of one to five years. Maintenance expenses or costs that do not result in new features or functions are expensed as product development costs, when incurred.

f) Impairment of assets

The carrying values of assets/cash-generating units at each balance sheet date are reviewed for impairment or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

g) Investments

Investments classified as long-term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments.

h) Employee benefits

(i) **Short term**

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

(ii) **Long term**

The Group has both defined-contribution and defined-benefit plans.

- **Defined-contribution plans**
  These are plans in which the Group pays pre-defined amounts to separate funds. These comprise of contributions to the employees' provident fund and family pension fund. The Group's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Notes forming part of the Consolidated Financial Statements

- **Defined-benefit plans**
  The obligation for the unfunded defined-benefit gratuity is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gain and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

(iii) **Other employee benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method

i) **Foreign currency transactions and translations.**

Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.

Monetary items of assets and liabilities denominated in a foreign currency are translated using the exchange rates prevailing at the date of Balance Sheet. Exchange gains / losses on account of exchange difference either on settlement or translation are recognised in the Statement of Profit and Loss.

Non-monetary items such as investments denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

j) **Stock based compensation**

The Group accounts for compensation expense under the Employee Stock Option schemes using the intrinsic value method as per the Guidance Note "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India.

k) **Earnings per share**

Basic earnings per equity share is computed by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all potential equity shares on account of stock options outstanding. For the purpose of Earnings Per Share calculations, ADRs (American Depository Receipts) are converted to equity shares.

l) **Taxes**

Income taxes comprise both current and deferred tax.

Notes forming part of the Consolidated Financial Statements

Current income tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws. Deferred tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods. Deferred tax assets on account of accumulated losses, unabsorbed depreciation and other items are recognised only to the extent that there is virtual certainty of realisation of such assets in future.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

m) Cash and cash equivalent

The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Cash and cash equivalents consist of cash on hand, balances in current accounts, deposits with banks which are unrestricted as to withdrawal and use.

n) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

o) Leases

Leasing of assets whereby the lessor essentially remains the owner of the asset is classified as operating leases. The payments made by the Group as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

p) Provisions and Contingencies

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statement. A contingent asset is neither recognized nor disclosed

q) Segment Reporting

Notes forming part of the Consolidated Financial Statements

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure. Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment. Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

3. SHARE CAPITAL

	As at March 31, 2019		As at March 31, 2018	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 5 each	30,000,000	150,000,000	24,000,000	120,000,000
Issued, Subscribed and Fully Paid up				
Ordinary Equity Shares of ₹5 each fully paid	23,854,529	119,272,645	14,810,178	74,050,890
Less: Treasury Shares (Refer note 3(d) below)	1,015,000	5,075,000	1,015,000	5,075,000
Adjusted: Issued and Subscribed Share Capital	22,839,529	114,197,645	13,795,178	68,975,890

The authorized share capital of the Company was increased to Rupees 150,000,000/- consisting of 30,000,000 equity shares of Rupees 5/- each vide resolution passed by the members in the extra ordinary general meeting held on April 18, 2018.

a. Reconciliation of ordinary shares outstanding at the beginning of the reporting period:

Issued and Subscribed	As at March 31, 2019		As at March 31, 2018	
	Number	₹	Number	₹
At the beginning of the year	14,810,178	74,050,890	14,810,178	74,050,890
Shares issued during the year (on account of Stock Options exercised)	9,044,351	45,221,755	-	-
	23,854,529	119,272,645	14,810,178	74,050,890

Notes forming part of the Consolidated Financial Statements

Less: Treasury Shares (Refer note 3(d) below):	1,015,000	5,075,000	1,015,000	5,075,000
Outstanding at the end of the period – Adjusted	22,839,529	114,197,645	13,795,178	68,975,890

9,044,351equity shares of Rupees 5/- were issued at par and subscribed fully under Rights issue of shares. The Board of Directors approved the right issue in its meeting held on March 8, 2018.

b. Details of ordinary shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	% Holding	Number	% Holding
Ajit Balakrishnan	10,289,081	43.13%	1,100,190	7.43%
Redifffusion Holding Pvt. Ltd.	2,200,002	9.22%	2,200,002	14.85%
Styrax	1,523,000	6.38%	-	-
Diwan Arun Nanda	1,244,740	5.22%	1,244,740	8.40%
Draper International India LP	-	-	2,178,000	14.71%
Edelwiess Finance & Investment Ltd	-	-	1,523,000	10.28%

c. Terms / rights attached to equity shares:

In respect of every ordinary share, voting right shall be in the same proportion as the capital paid upon such Ordinary share bears to the total paid up ordinary capital of the company.

Holders of ADRs are not entitled to attend or vote at shareholders meetings. Holders of ADRs may exercise voting rights with respect to ordinary shares represented by ADRs only in accordance with the provisions of the Company's deposit agreement and Indian Law.
Each ADRs represents one half of an equity share.

d. Treasury Shares

During the financial year ended March 31, 2010 the Company formed Rediff.com India Limited Employee Trust ("Trust"). The Trust is controlled and administrated by senior employees of the Company. The Company is the primary beneficiary of the Trust and, accordingly has consolidated the Trust. The Trust acquired 1,015,000 shares for a consideration of Rs. 199,790,530 and reserved these shares for benefit of Company's employees and directors.

Notes forming part of the Consolidated Financial Statements

4. RESERVES AND SURPLUS

Reserves and surplus consist of the following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Securities premium account		
Opening balance	3,430,862,460	3,430,862,460
Addition during the year (on account of Stock Options exercised)	-	-
Total	3,430,862,460	3,430,862,460
Less : Treasury Shares (Refer note 3(d) above)	(194,715,530)	(194,715,530)
Closing balance	3,236,146,930	3,236,146,930
Stock option outstanding account		
Opening balance	139,521,373	139,521,373
Addition during the year	-	-
Closing balance	139,521,373	139,521,373
(Deficit) in the statement of profit and loss		
Opening balance	(4,016,673,591)	(3,905,223,176)
Deficit during the year	25,640,425	(111,450,415)
Closing balance	(3,991,033,164)	(4,016,673,591)
Foreign Currency Translation Reserve		
Opening balance	224,973,590	224,848,477
Change during the year	3,813,578	125,113
Closing balance	228,787,168	224,973,590
Total	**(386,577,693)**	**(416,031,698)**

5. OTHER LONG-TERM LIABILITIES (UNSECURED)

Other long-term liabilities consist of the following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Income received in advance	33,871,327	32,588,927
Loan from Director	137,322,500	157,060,000
		-
Total	**171,193,827**	**189,648,927**

6. LONG – TERM PROVISIONS

Long –term provisions consist of following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Provision for employee benefits:		

Notes forming part of the Consolidated Financial Statements

6. LONG – TERM PROVISIONS

Long –term provisions consist of following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Provision for employee benefits:		
Gratuity (unfunded)	21,879,545	26,373,819
Compensated absence (unfunded)	8,797,529	16,805,777
Total	**30,677,074**	**43,179,596**

7. TRADE PAYABLE

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Total outstanding dues to Micro and small Enterprises		-
Others for Goods and Services	172,123,448	197,851,422
Total	**172,123,448**	**197,851,422**

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

8. OTHER CURRENT LIABILITIES

Other current liabilities consist of the followings:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Capital creditors	8,948,333	-
Deposits from employees	2,272,632	4,359,745
Advance received from customers	15,283,398	19,278,675
Income received in advance	114,219,291	120,670,375
Others	64,066	62,901
Statutory liabilities		
Tax deducted at source Payable	5,031,827	3,449,655
Others	1,355,481	5,272,487
Indirect Tax Payable	16,431,987	-
Total	**163,607,015**	**153,093,838**

Notes forming part of the Consolidated Financial Statements

9. SHORT – TERM PROVISIONS

Short-term provisions consist of the followings:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Provision for employee benefits:		
Gratuity (unfunded)	11,342,075	7,339,854
Compensated absence (unfunded)	4,580,130	3,878,356
Others	909,654	813,910
Total	**16,831,859**	**12,032,120**

Notes forming part of the Consolidated Financial Statements

10. FIXED ASSETS

Fixed assets consist of the followings: (Amount in ₹)

Description	Gross Block as at April 1, 2018	Additions	Deletions	Gross Block as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation for the Year	Deletions	Accumulated Depreciation as at March 31, 2018	Net Block Value before Impairment as at March 31, 2019	Impairment as at 31st March 2019	Net Block after impairment as at 31st March 2019	Net Block Value as at March 31, 2018
Tangible assets												
	13,243,637	-	-	13,243,637	(11,994,039)	-	-	(11,994,039)	1,249,598	1,249,598	-	-
Furniture and fixture	13,243,637	-	-	13,243,637	(11,994,039)	-	-	(11,994,039)	1,249,598	1,249,598	-	-
	647,335,719	11,322,159	(56,731)	658,601,147	(568,245,158)	(4,076,205)	56,731	(572,264,632)	86,336,515	74,589,289	11,747,226	-
Computer	647,234,276	101,443	-	647,335,719	(564,976,161)	(3,268,997)	-	(568,245,158)	79,090,561	74,589,289	-	4,501,272
	13,770,948	11,999	(35,600)	13,747,347	(9,074,095)	(25,677)	35,600	(9,064,172)	4,683,175	4,493,782	189,393	-
Office equipment	13,770,948	-	-	13,770,948	(9,049,095)	(25,000)	-	(9,074,095)	4,696,853	4,493,782	-	203,071
	15,559,280	-	(1,487,572)	14,071,708	(6,915,866)	-	1,487,572	(5,428,294)	8,643,414	8,643,414	-	-
Vehicle	15,559,280	-	(1,487,572)	14,071,708	(6,915,866)	-	1,487,572	(5,428,294)	8,643,414	8,643,414	-	-
	26,712,489	-	-	26,712,489	(22,120,228)	-	-	(22,120,228)	4,592,261	4,592,261	-	-
Leasehold Improvement	26,712,489	-	-	26,712,489	(22,120,228)	-	-	(22,120,228)	4,592,261	4,592,261	-	-
Total tangible assets	716,622,073	11,334,158	(1,579,903)	726,376,328	(618,349,386)	(4,101,882)	1,579,903	(620,871,365)	105,504,963	93,568,344	11,936,619	-
Previous year	716,520,630	101,443	(1,487,572)	715,134,501	(615,055,389)	(3,293,997)	1,487,572	(616,861,814)	98,272,687	93,568,344	-	4,704,343
Intangible assets	-	-	-	-	-	-	-	-	-	#VALUE!	-	-
Internally Generated	378,233,145	-	-	378,233,145	(312,381,387)	-	-	(312,381,387)	65,851,758	65,851,758	(0)	(0)
Acquired	40,656,336	-	-	40,656,336	(39,721,171)	-	-	(39,721,171)	935,162	935,162	-	-
Total intangible assets	418,889,481	-	-	418,889,481	(352,102,558)	-	-	(352,102,558)	66,786,920	66,786,920	(0)	(0)
Previous year	418,889,481	-	-	418,889,481	(352,102,558)	-	-	(352,102,558)	66,786,920	66,786,920	-	-
Internally Generated	378,233,145	-	-	378,233,145	(312,381,387)	-	-	(312,381,387)	65,851,758	65,851,758	-	-
Acquired	40,656,336	-	-	40,656,336	(39,721,171)	-	-	(39,721,171)	935,162	935,162	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under development (internally generated)	36,443,267	-	-	36,443,267	-	-	-	-	36,443,267	36,443,267	-	-
	36,443,267	-	-	36,443,267	-	-	-	-	36,443,267	36,443,267	-	-
	1,171,954,821	11,334,158	(1,579,903)	1,181,709,076	(970,451,944)	(4,101,882)	1,579,903	(972,973,923)	208,735,150	196,798,531	11,936,619	(0)
Grand Total	1,171,853,378	101,443	(1,487,572)	1,170,467,249	(967,157,947)	(3,293,997)	1,487,572	(968,964,372)	201,502,874	196,798,531	-	4,704,343

Notes forming part of the Consolidated Financial Statements

11. NON-CURRENT INVESTMENTS

Non – current investments consists of the following:

	Face Value	No. of shares	As at March 31, 2019	As at March 31, 2018
	₹		₹	₹
Trade investments				
A- Others, Fully paid equity shares (unquoted)- At cost				
Traveljini.com Limited	10	88,350	60,300,253	60,300,253
Tachyon Technologies Pvt. Ltd. (Refer Note 2 below)	10	13,177	41,700,000	41,700,000
Vakow Technologies Pvt. Ltd.	10	500,000	5,000,000	5,000,000
BigSlick Infotech Pvt. Ltd. (Refer Note 2 below)	1	59,230	4,000,000	4,000,000
			111,000,253	111,000,253
Less : Provision for diminution in value of investments			111,000,253	111,000,253
Net investments			-	-

Book value of unquoted investments (net of provisions for diminution) – ₹ NIL

Notes:

1) The provision for diminution in value of investment is as under (Amount in ₹) :

Name of the Company	2018-19	2017-18
Traveljini.com Limited	60,300,253	60,300,253
Tachyon Technologies Pvt. Ltd.	41,700,000	41,700,000
Vakow Technologies Pvt. Ltd.	5,000,000	5,000,000
BigSlick Infotech Pvt. Ltd.	4,000,000	4,000,000
TOTAL (Provision for diminution in value of investments)	111,000,253	111,000,253

2) The Company has investment in Tachyon Technologies Pvt. Ltd and BigSlick Infotech Pvt. Ltd. which represent 26 % and 37% of then equity capital. In view of the losses incurred by both these companies over the years, the holding company had made a provision for other than temporary diminution in their carrying value so as to reduce the carrying value to zero. No recent financial statements of these companies are available. Currently, there is no representation on the board of directors, or other participation in policy making process, the holding company (and "Group") has no transactions with these companies. Accordingly, these companies are not accounted for investments in associates in the preparation and presentation of these consolidated financial statements.

Notes forming part of the Consolidated Financial Statements

12. LONG –TERM LOANS AND ADVANCES (Unsecured)

Long – term loans and advances consists of the following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Considered Good		
Rent deposits	1,940,000	2,890,400
Recoverable taxes	69,002,496	51,832,664
Prepaid expenses.	205,814	-
Unamortise expenses	7,442,241	7,869,024
		-
	78,590,551	**62,592,088**

13. TRADE RECEVABLES

Trade receivables consist of the following:

	As at March 31, 2019	As at March 31, 2018
Outstanding for a period	₹	₹
(a) Over six months from the date they were due for payments		
(i) Considered good		25,505,330
(ii) Considered doubtful	27,080,241	23,821,041
	27,080,241	49,326,371
(b) Others		
(i) Considered good	37,628,951	18,591,717
(ii) Considered doubtful	-	-
	37,628,951	18,591,717
Total (a+b)	**64,709,192**	**67,918,088**
Less: Provision for doubtful debts	27,080,241	23,821,041
	37,628,951	**44,097,047**

Notes forming part of the Consolidated Financial Statements

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalent consist of the following:

		As at March 31, 2019	As at March 31, 2018
		₹	₹
	Cash and cash equivalents		
(a)	Balances with banks		
	In current account	27,081,037	8,009,908
		27,081,037	8,009,908
(b)	Other		
	In deposits account	31,310,201	40,169,930
		31,310,201	40,169,930
	Total (a+b)	**58,391,238**	**48,179,838**

15. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)

Short-term loans and advances consist of the following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Supplier advances	19,504,795	11,769,590
Rent deposits	11,744,120	14,061,633
Loan to employees #	623,056	608,418
Total	**31,871,971**	**26,439,641**

Notes :

Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

16. OTHER CURRENT ASSETS

Other current assets consist of the following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Prepaid expenses	1,767,525	3,638,782
Unamortised expenses	11,167,408	11,426,612
Other Loans & Advances	50,698,912	47,671,783
	63,633,845	**62,737,177**

Notes forming part of the Consolidated Financial Statements

17. REVENUE FROM OPERATIONS

Revenue from operations consists of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Online advertising	207,809,263	119,094,634
Fee based services	256,531,715	292,039,263
Total	**464,340,978**	**411,133,897**

18. OTHER INCOME (NET)

Other income (net) consists of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Interest income:		
Interest on fixed deposits	2,429,273	2,347,724
Interest on income-tax refund	1,280,972	7,740
Interest others	10,491	222,530
Miscellaneous Income	3,104,355	1,052,528
(Loss) / Gain on sale of Fixed Assets	1,073,868	-
Gain on sale of Subsidiary	-	1,214,936
Depository Service Fees Received	9,676,307	-
Total	**17,575,265**	**4,845,458**

19. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Salaries and wages	174,481,745	221,128,325
Contribution to provident fund	7,667,657	9,385,156
Gratuity	4,443,438	2,787,470
Staff welfare expenses	3,910,913	4,285,949
Total	**190,503,753**	**237,586,900**

REDIFF.COM INDIA LIMITED

Notes forming part of the Consolidated Financial Statements

20. OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Content Charges	16,196,828	12,711,331
Advertisement insertion charges	-	-
Multi-System Operator charges	-	-
Newspaper Printing and circulation	-	-
Domain registration charges	19,127,735	20,727,790
Subscription and SMS based costs	8,765,243	7,583,258
E-Commerce – Courier, Freight and Forward	11,325,540	34,459,633
Bandwidth	85,952,328	94,415,424
Software Usage charges	25,104,431	19,216,174
Product development charges	4,908,416	50,60,163
Advertising	1,416,175	-
Event cost (India Abroad)	-	189,015
Market support	7,301,734	12,648,521
Rent and amenities	20,162,128	22,770,280
Electricity charges	2,706,190	3,909,454
Telecommunication	1,503,392	2,645,645
Repairs and maintenance:		
Computers	5,366,776	5,457,918
Others	721,265	422,317
Insurance	5,259,595	6,506,058
Travel and conveyance	7,715,274	8,521,107
Rates and taxes	172,168	772,164
Foreign exchange (gain)/ loss	1,909,590	1,122,060
Bank Charges	2,369,181	3,628,239
Provision for doubtful debts (net)	32,59,200	-
House-Keeping Charges	5,570,741	-
Legal and Professional Fees	16,708,502	9,675,652
Other Miscellaneous expenses	8,096,290	13,913,322
Total	**261,618,722**	**286,355,525**

Notes forming part of the Consolidated Financial Statements

21. AUDITOR'S REMUNERATION

	2018-19 ₹	2017-18 ₹
(i) For service as auditors	1,000,000	1,000,000
	1,000,000	**1,000,000**

22. RETIREMENT BENEFIT PLAN

Defined – Benefit Plans

The Company offers its employees unfunded defined-benefit plan in the form of gratuity. This plan provides for a lump-sum payment to be made to vested employees at retirement, death or termination of employment. Commitments are actuarially determined at year-end. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Defined benefit commitments:

	2018-19 ₹	2017-18 ₹
Benefit obligation at the beginning of the year	33,713,673	34,786,657
Actuarial loss/(gain)	(897,620)	(3,098,507)
Current service cost	2,826,484	3,359,283
Interest cost	2,514,573	2,526,694
Benefits paid	(4,935,491)	(3,860,454)
Benefit obligation at the end of the year	33,221,619	33,713,673

Current Portion of Benefit Obligation	11,342,075	7,339,854
Non-Current Portion of benefit Obligation	21,879,544	26,373,819

Expense on defined benefit plan:

	2018-19 ₹	2017-18 ₹
Service cost	2,826,484	3,359,283
Interest cost	2,514,573	2.526,694
Recognised net actuarial loss/(gain)	(897,620)	(3,643,531)
Net gratuity cost	4,443,437	2,787,470

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size and expense:

Notes forming part of the Consolidated Financial Statements

	2018-19	2017-18
Rate for discounting liabilities	6.80%	7.65%
Salary escalation rate	7.00%	7.00%
Expected rate of return on assets	0.00%	0.00%
Mortality rates	Indian Assured live mortality table (2006-08)	Indian Assured live mortality Table (2006-08)

The estimate of future salary increase, considered in the actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary.

Experience adjustment:

	2018-19 ₹	2017-18 ₹	2016-17 ₹	2015-16 ₹	2014-15 ₹
Defined benefit obligation	33,221,619	33,713,673	34,786,657	40,879,967	37,532,063
(Deficit)	(33,221,619)	(33,713,673)	(34,786,657)	(40,879,967)	(37,532,063)
Experience adjustment on plan liabilities	(2,561,240)	(2,096,005)	(4,314,204)	(2,381,560)	(2,041,271)

Defined-Contribution Plans

The Company makes contribution towards provident fund and family pension fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund and pension fund are administered by the Government of India. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefits. A sum of ₹ 9,385,156 *(Previous Year* 12,387,817) has been charged to the revenue account in this respect.

23. EMPLOYEE STOCK OPTION PLANS (ESOP)

(a) 2002 Stock Option Plan (2002 ESOP)

In January 2002, the Board of directors of the holding company approved the 2002 Stock Option Plan ("2002 ESOP") which provide for the grant of incentive stock options and non-statutory stock options to the Company's employees. All options under these plans are exercisable for the ADRs of the Company. A total of 280,000 of the Company's equity shares were reserved for issuance pursuant to 2002 ESOP plan. Of which 12,000 equity shares were reserved under 2015 Stock Option Plan.

Notes forming part of the Consolidated Financial Statements

Number of options granted, exercised and forfeited during the year ended March 31,	2002 ESOP			
	Options	**Weighted average exercise price**	**Range of exercise price**	**Weighted average remaining contractual life**
Options outstanding, beginning of period	8,250			
Expired	-			
Options outstanding, end of period	**8,250**	**980.13**	**980.13**	**2.3**

Options exercisable as at March 31, 2019, were 8,250 (**Weighted average exercise price ₹ 980.13).**

(b) 2004 Stock Option Plan (2004 ESOP)

In June 2004, the Board of directors of the holding company approved the 2004 Stock Option Plan ("2004 ESOP") for grant of stock options to the Company's employees. A total of 358,000 equity shares were reserved for issuance under the plan. Of which 91,000 equity shares were reserved under 2015 Stock Option Plan.

Number of options granted, exercised and forfeited during the year ended March 31,	2004 ESOP			
	Options	**Weighted average exercise price**	**Range of exercise price**	**Weighted average remainin g contractu al life**
Options outstanding, beginning of period	40,437			
Granted	-			
Expired	-			
Forfeited				
Options outstanding, end of period	**40,437**	**240.13**	**251 to 224**	**2.1**

Options exercisable as at March 31, 2019, were 40,437 (**Weighted average exercise price ₹ 243.58).**

(c) 2006 Stock Option Plan (2006 ESOP)

The 2006 Stock Option Plan ("2006 ESOP") was adopted and approved by the Compensation committee of the holding company on June 20, 2006 in accordance with the approval granted by shareholders on March 31, 2006. A total of 670,000 equity shares were approved for issuance under the plan.

Number of options granted, exercised and forfeited during the year ended March 31,	2006 ESOP			
	Options	**Weighted average exercise price**	**Range of exercise price**	**Weighted average remaining contractual life**
Options outstanding, beginning of period	308,875			
Forfeited	(2,625)			
Options outstanding, end of period	**306,250**	**268.81**	**10 to 1,249**	**1.2**

Options exercisable as at March 31, 2019, were 306,250 (**Weighted average exercise price ₹ 268.81).**

(d) 2015 Stock option plan (2015 ESOP)

In January 2015, the Board of directors approved the 2015 Stock Option Plan ("2015 ESOP") for grant of stock options to the Company's employees. A total of 103,000 equity shares (comprising of 12,000 equity shares from 2002 Stock Option Plan and 91,000 equity shares from 2004 Stock Option Plan) were reserved for issuance under the plan.

Number of options granted, exercised and forfeited during the year ended March 31,	2015 ESOP			
	Options	**Weighted average exercise price**	**Range of exercise price**	**Weighted average remaining contractual life**
Granted	32,238			
Forfeited	(2,188)			
Options outstanding, end of period	**30,050**	**229.86**	**229.86**	**7.8**

Options exercisable as at March 31, 2019, were 30,050 (Weighted average exercise price Rs 229.86)

(e) Method used for accounting for share based payment plan:

The Company has used the intrinsic value method to account for the compensation cost of stock option to employees of the company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. During the year ended March 31,2019, the Company's equity shares were traded on the NASDAQ OTC in the form of ADRs.

Notes forming part of the Consolidated Financial Statements

24. SEGMENT REPORTING

Segment report for the year ended March 31, 2019:
Primary Segment Disclosure - Business Segment

(i) India Online business, comprised of revenues from online advertising (which includes display, performance and sponsorship formats) and fee-based services (which includes e-commerce marketplace fees and revenues from subscription-based email services and mobile value added services).

(ii) US Publishing business, comprised of revenues from advertising and subscription for India Abroad print and online properties and online advertising revenue from the Rediff India Abroad website.

	2019			
Revenue from External Customers	**India Online**	**US Publishing**	**Other**	**Total**
Advertising	207,809,263	-	-	207,809,263
Fee Based Revenue	256,531,715	-	-	256,531,715
Total Revenue	464,340,978	-	-	464,340,978
Segment Results (Before Exceptional Item)	22,644,561	(673,411)	-	21,971,150
Add: Exceptional items (Refer Note 27)	-			
Segment Results (After Exceptional Item)	22,644,561	(673,411)	-	21,971,150
Add: Interest Income	3,499,790	-	220,946	3,720,736
Add: Unallocated Corporate Income				
Profit Before Tax				25,691,886
Tax Expense			(51,460)	(51,460)
Profit for the Year after Tax				25,640,426

Other Information- Segment Assets & Liabilities	**2019**		
	India Online	US Publishing	Total
Segment Assets	276,774,416	1,507,768	278,282,184
Unallocable Corporate Assets			3,770,992
Total Assets			**282,053,176**
Segment Liabilities	457,762,439	36,195,968	493,958,407
Unallocable Corporate Liabilities			60,474,817

Notes forming part of the Consolidated Financial Statements

Total Liabilities			554,433,224

Other Information	2019		
	India Online	US Publishing	Total
Capital Expenditure	11,334,158	-	11,334,158
Depreciation and Amortization	4,101,882	-	4,101,882
ESOP Charge		-	-

	2018			
Revenue from External Customers	**India Online**	**US Publishing**	**Other**	**Total**
Advertising	119,094,634			119,094,634
Fee Based Revenue	292,039,263			292,039,263
Total Revenue	411,133,897			411,133,897
Segment Results (Before Exceptional Item)	(90,420,598)	(25,060,931)		(115,481,529)
Add: Exceptional items (Refer Note 27)	-	-	-	-
Segment Results (After Exceptional Item)	(91,877,048)	(25,060,931)		(115,481,529)
Add: Interest Income	4,008,535		215,928	4,224,463
Add: Unallocated Corporate Income				
Loss Before Tax				(111,257,066)
Tax Expense				(193,349)
Loss for the Year after Tax				(111,450,415)

Other Information- Segment Assets & Liabilities	2018		
	India Online	US Publishing	Total
Segment Assets	194,505,578	2,971,417	197,476,995
Unallocable Corporate Assets			3,601,356
Total Assets			**201,078,351**
Segment Liabilities	501,623,404	36,380,524	538,003,928
Unallocable Corporate Liabilities			57,801,975
Total Liabilities			595,805,903

Notes forming part of the Consolidated Financial Statements

Other Information	2018		
	India Online	US Publishing	Total
Capital Expenditure	86,630,716	-	86,630,716
Depreciation and Amortization	3,293,997	-	3,293,997
ESOP Charge		-	

Secondary Segment Disclosure-Geographical Segment

The geographical segments are considered for disclosure as secondary segment. Domestic Segment includes sales to customers located in India and service income accrued in India. Overseas Segment includes sales to customers located outside India.

Particulars	2019		
	Domestic	Overseas	Total
Revenue from external customers			
Segment Assets			
Capital Expenditure			

Particulars	2018		
	Domestic	Overseas	Total
Revenue from external customers	394,385,793	16,748,104	411,133,897
Segment Assets	194,505,578	2,971,417	239,541,792
Capital Expenditure	86,630,716	-	86,630,716

25. OBLIGATION TOWARDS OPERATING LEASES

The Company leases office space and residential apartments for employees under various operating leases. Operating lease expense that has been included in the determination of the net profit/loss is as follows:

	2018-19 ₹	2017-18 ₹
Office Premises	17,418,273	19,337,419
Residential flats for accommodation of employees	2,268,655	3,432,861
Total	**19,686,928**	**22,770,280**

The minimum annual rental commitments under operating leases are as follows:

	2018-19 ₹	2017-18 ₹
Not later than one year	16,223,488	14,338,590
Later than one year and not later than five years	3,078,643	-

Notes forming part of the Consolidated Financial Statements

Total payments	**19,302,131**	**14,338,590**

26. EARNING PER EQUITY SHARES

	2018-19	2017-18
A. Net (loss) attributable to equity shareholders (₹)	**25,640,426**	**(111,850,415)**
B. Weighted average number of equity shares outstanding during the year	20,956,322	13,795,178
C. Potentially dilutive equity share equivalents (stock options)		
D. Weighted average number of equity shares and potentially dilutive equity share equivalents outstanding	20,956,322	13,795,178
E. Nominal value of Equity Shares (₹)	5.00	5.00
Basic Earnings per Share (₹)	**1.22**	**(8.08)**
Diluted Earnings per Share (₹)	**1.22**	**(8.08)**

27. CONTINGENCIES AND CAPITAL COMMITMENTS

Contingent liabilities:

The Income tax authorities in India have disallowed certain expenses claimed by the Company for certain years which if confirmed by the appellate authorities will be adjusted against the income tax carry forward losses claimed by the Company and not result in outflow of resources embodying economic benefits.

The Company has lodged appropriate proceedings with the relevant income tax authorities and expects to prevail in the appellate proceedings

The Group is also subject to other legal proceedings and claims, which have arisen in the ordinary course of its business. Those actions, when ultimately concluded and determined, will not, in the opinion of management, have a material effect on the results of operations, cash flows or the financial position of the Group.

The Group has not recognized any loss accrual for the litigation disputes as the Group believes that it is probable that it would be successful on resolution of the litigation.

Capital Commitments : There is no amount of contracts remaining to be executed on capital account and not provided for as at March 31,2019 (Previous year Nil)

Notes forming part of the Consolidated Financial Statements

28. DERIVATIVE TRANSACTION

The Group has not entered in to any derivative transaction during the year ended March 31, 2018.

Foreign exchange currency exposures not hedged by derivative instruments are:

		2018-19		2017-18	
Sl. No.	**Particulars**	**Amount $**	**Amount ₹**	**Amount $**	**Amount ₹**
1	Amount receivable on account of sale of services	219,295	15,168,661	13,921	905,418
2	Creditors payable on account of foreign currency expenditure	103,391	(7,151,546)	(40,379)	(2,626,649)
3	Amount (Payable) / Receivable (to)/from subsidiary companies	(679,481)	(47,000,598)	(657,203)	(42,744,463)

29. DEFERRED TAX ASSET

The items that could have resulted in deferred tax assets mainly include the net operating loss and unabsorbed depreciation carry-forward, depreciation, retirement benefits and provisions for bad and doubtful debts. Such deferred tax assets have not been recognised since there is no virtual/ reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

30. Additional information as required by schedule III to the Companies Act, 2013.

	Net Assets, i.e. total assets minus total liabilities		**Share in profit or loss**	
	As % of consolidated net assets	Amount (₹ crores)	As % of consolidated profit or loss	Amount (₹ crores)
Rediff.com India Limited	114%	(309,921,322)	102%	26,228,882
Indian Subsidiary				
Vubites India Prt. Ltd.	-7%	17,759,571	0%	(84,531)
Foreign Subsidiaries				
Rediff Holdings, Inc.	-6%	17,004,614	-3%	(673,409)
Rediff.com Inc	0%	-	0%	-
Value communication corporation Inc.	0%	(993,904)		
Rediff.com Employee Trust	-1%	3,770,992	1%	169,486
Total Consolidated Net Assets		(272,380,048)		
Total Consolidated Loss				25,640,426

Notes forming part of the Consolidated Financial Statements

31. The Company has prepared its consolidated financial statements for the first time and hence corresponding figures for the previous year have not been given.

For and on behalf of the Board of Directors

/s/ Ajit Balakrishnan
Chairman & Managing Director
DIN: 00073814

/s/ M. Madhavan Nambiar
Director
DIN: 01122411

/s/ Ramawtar Taparia
Chief Financial officer

Mumbai, June 27, 2019

/s/ Vandana Sharma
Company Secretary
ACS- 56267

INDEPENDENT AUDITORS' REPORT

To the Members of
REDIFF.COM INDIA LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of **REDIFF.COM INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements.')

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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards 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, of the state of affairs of the Company as at March 31, 2019, the profit and cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and other Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profits/losses and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company

has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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, to the extent applicable.

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

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.

c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in our opinion, the aforesaid 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 March 31, 2019and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a 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";

3. 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 has disclosed the impact of pending litigations that could impact its financial position in its financial statements - Refer note 30 to the standalone financial statements as on March 31, 2019.

   ii) the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii) there has been no delay in transferring amounts, required to be transferred, to the Investor, Education and Protection Fund by the company.

For Patkar&Pendse
Chartered Accountants
F.R.No. 107824W

/s/ B.M. Pendse
Partner.
M.No. 32625

Date : 27th June, 2019.

ANNEXURE - A TO INDEPENDENTAUDITORS' REPORT

As per the Annexure - A referred to in our Independent Auditors' Report to the members of **Rediff.Com India Limited** on the standalone financial statements for the year ended 31st March 2019, we report that:

1. (a) According to the information and explanations given to us the Company had maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

   (b) According to the information and explanations given to us all fixed assets had been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us and from our examination of the books off accounts, no immovable properties are owned by the Company.

2. The Company does not hold inventories and hence clause (ii) of paragraph 3 is not applicable.

3. The Company has granted one loan to a company listed in the register maintained under section 189 of Companies Act, 2013 of Rs. 17,84,453.

   (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the company listed in the register maintained under Section 189 of the Act was not, prima facie, prejudicial to the interest of the Company.

   (b) The aforesaid loan is without any stipulation regarding repayment of principal and the payment of interest and therefore this clause is not applicable.

   (c) There are no overdue amounts in respect of the loan granted to the company.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

5. According to the information and explanation given to us the company has not accepted any deposits as mentioned in the directions issued by the Reserve Bank of India and the provisions of section 73 to 76 and Rules framed there under.

6. According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section148(1)(d) of the Companies Act, 2013 for any of the software developed and services rendered by the Company.

7. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value Added tax, Cess and any other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company had not taken any loans from financial institutions, banks and the company had not issued debentures.

9. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company did not have any term loan outstanding during the year. Also the Company had not raised any money by way of initial public offer or further public offer during the year.

10. According to 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, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the company, the company has made preferential allotment or private placement of shares during the year and in respect of which the Company complied with section 42 of the Act and amount raised have been applied for the purposes for which the funds are raised.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Patkar&Pendse
Chartered Accountants
F.R.No. 107824W

/s/ B.M.Pendse
Partner
M. No. 32625

Date :27th June, 2019.

ANNEXURE - B TO INDEPENDENTAUDITORS' REPORT

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **REDIFF.COM INDIA LIMITED** ("the Company") as of 31 March 2019 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 Board of Directors of the Company and management are 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 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 standalone 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, 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 31 March 2019, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Patkar & Pendse
Chartered Accountants
F.R.No. 107824W

/s/ B.M. Pendse
Partner.
M.No. 32625

Date : 27th June, 2019.

REDIFF.COM INDIA LIMITED

CIN-U22100MH1996PLC096077

Balance Sheet as at March 31, 2019

Particulars				Note	As at March 31, 2019	As at March 31, 2018
					₹	₹
I	**EQUITY AND LIABILITIES**					
1	**Shareholders' Funds**					
	(a)	Share Capital		3	119,272,645	74,050,890
	(b)	Reserves and Surplus		4		
		(i)	Securities Premium Account		3,430,862,460	3,430,862,460
		(ii)	Stock Option Outstanding		139,521,373	139,521,373
		(iii)	Profit & Loss Account		(4,050,497,162)	(4,077,476,444)
					(360,840,684)	**(433,041,721)**
2	**Non - Current Liabilities**					
	(a)	Other Long Term Liabilities		5		
		(i) Loan From Director			120,030,000	140,800,000
		(ii) Others			33,871,327	32,588,927
	(c)	Long - Term Provisions		6	30,677,074	43,179,596
					184,578,401	**216,568,523**
3	**Current Liabilities**					
	(a)	Trade Payables		7	149,283,436	173,029,756
	(b)	Other Current Liabilities		8	216,871,000	204,978,326
	(c)	Short - Term Provisions		9	15,922,205	11,218,210
					382,076,641	**389,226,292**
	TOTAL				**205,814,358**	**172,753,094**
II	**ASSETS**					
1	**Non - Current Assets**					
	(a)	Fixed Assets		10		
		(i)	Tangible Assets		11,936,620	4,704,344
		(ii)	Intangible Assets		-	-
		(iii)	Intangible Assets under Development		-	-
					11,936,620	**4,704,344**
	(b)	Non - Current Investments		11	-	-
	(c)	Long - Term Loans and Advances		12	50,879,450	33,511,244
	(d)	Other Non - Current assets		13	7,648,462	7,869,024
					58,527,912	**41,380,268**
2	**Current Assets**					
	(a)	Trade Receivables		14	37,628,951	44,097,047
	(b)	Cash and Cash Equivalents		15	52,913,971	41,066,800
	(c)	Short-Term Loans and Advances		16	31,871,971	26,439,241
	(d)	Other current assets		17	12,934,933	15,065,394
					135,349,826	**126,668,482**
	TOTAL				**205,814,358**	**172,753,094**
III	**Notes forming part of the Financial Statements**			1-36		

In terms of our report attached.
For **Patkar & Pendse**
Chartered Accountants
Firm Reg. No. 107824W

For and on behalf of the Board of Directors

/s/ B. M. Pendse
Partner

/s/ Ajit Balakrishnan
Chairman & Managing Director
DIN: 00073814

/s/ M. Madhavan Nambiar
Director
DIN: 01122411

/s/ Ramawtar Taparia
Chief Financial Officer

/s/ Vandana Sharma
Company Secretary
ACS -56267

Mumbai, June 27, 2019

Mumbai, June 27, 2019

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Statement of Profit and Loss for the Year Ended March 31, 2019

	Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
			₹	₹
I	Revenue From Operations	18	464,340,978	411,133,897
II	Other Income (Net)	19	16,728,106	19,591,732
	TOTAL REVENUE		**481,069,084**	**430,725,629**
III	Expenses:			
	(a) Employee Benefit Expenses	20	190,503,753	231,141,900
	(b) Depreciation and Amortization Expense	10	4,101,882	3,293,997
	(c) Operation and Other Expenses	21	260,234,567	282,349,062
	TOTAL EXPENSES		**454,840,202**	**516,784,959**
IV	**PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX**		**26,228,882**	**(86,059,330)**
V	Exceptional Items:	22	(750,400)	5,374,364
VI	**PROFIT (LOSS) BEFORE TAX**		**26,979,282**	**(91,433,694)**
VII	Provision for Tax		-	-
VIII	**PROFIT (LOSS) FOR THE YEAR**		**26,979,282**	**(91,433,694)**
IX	Earnings Per Equity Share (Face Value of ₹ 5 each) - Basic and Diluted		1.23	(6.17)

X **Notes forming part of the Financial Statements** 1-36

In terms of our report attached.
For **Patkar & Pendse**
Chartered Accountants
Firm Reg. No. 107824W

For and on behalf of the Board of Directors

/s/ B. M. Pendse
Partner

/s/ Ajit Balakrishnan
Chairman & Managing Director
DIN: 00073814

/s/ M. Madhavan Nambiar
Director
DIN: 01122411

/s/ Ramawtar Taparia
Chief Financial Officer

/s/ Vandana Sharma
Company Secretary
ACS -56267

Mumbai, June 27, 2019

Mumbai, June 27, 2019

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Cash Flow Statement for the Year Ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Cash Flow from Operating Activities		
Profit (Loss) Before Taxes	26,979,282	(91,433,694)
Adjustments for:		
Depreciation Expense	4,101,882	3,293,997
Writeback of Impaired Loan	(750,400)	-
Interest Income	(3,385,340)	(2,131,796)
Dividend from Subsidiary Company	-	15,815,500
Provision of Doubtful Receivables	3,259,200	-
Diminution in Long Term Investments/Loan to Subsidiary , etc	-	5,374,364
(Profit) on Sale of Fixed Assets	(1,073,868)	(805,386)
Unrealised Exchange Difference	3,012,994	194,154
Operating Loss Before Working Capital Changes	**32,143,750**	**(69,692,861)**
Changes in Working Capital:		
Trade Receivables	3,211,464	-5,211,143
Loans and Advances	(3,081,707)	20,178,242
Trade Payables and Current Liabilities	(35,352,202)	9,989,508
Provisions	(7,798,527)	(5,145,942)
Cash used in Operating Activities	**(10,877,222)**	**(49,882,196)**
Taxes Refund, Net of paid	(4,551,145)	-8,291,929
Net Cash used in Operating Activities (A)	**(15,428,367)**	**(58,174,125)**
Cash Flow From Investing Activities		
Payments to Acquire Fixed Assets	(2,385,825)	(7,953,051)
Proceeds from Sale of Fixed Assets	1,073,868	805,386
Loan Received(given) to Vubites India Pvt Ltd (Net)	750,400	(4,437,000)
Loan (Repaid) Received from Director (Net)	(20,770,000)	78,900,000
Dividend from Subsidiary Company	-	-15,815,500
Interest Income Received	3,385,340	2,131,796
Net Cash (used in)/from Investing Activities (B)	**(17,946,217)**	**53,631,631**
Cash Flows From Financing Activities		-
Net proceeds from issue of equity shares	45,221,755	
Net Cash used in Financing Activities (C)	**45,221,755**	-
Net (Decrease) in Cash and Cash Equivalents (A+B)	11,847,171	(4,542,494)
Cash and Cash Equivalents at the Beginning of the Year	41,066,800	45,609,294
Cash and Cash Equivalents at the End of the Year	52,913,971	41,066,800
Note ;		
Cash and Cash Equivalents Include:		
Cash on Hand	-	-
Bank Balances	52,913,971	41,066,800
Cash and Cash Equivalents as above	**52,913,971**	**41,066,800**
Effect of Exchange Rate Changes	-	-
Cash and Cash Equivalents per Note 14	**52,913,971**	**41,066,800**

Notes forming part of the Financial Statements 1-36

In terms of our report attached.
For **Patkar & Pendse**
Chartered Accountants
Firm Reg. No. 107824W

/s/ B. M. Pendse
Partner

Mumbai, June 27, 2019

For and on behalf of the Board of Directors

/s/ Ajit Balakrishnan
Chairman & Managing Director
DIN: 00073814

/s/ M. Madhavan Nambiar
Director
DIN: 01122411

/s/ Ramawtar Taparia
Chief Financial Officer

/s/ Vandana Sharma
Company Secretary
ACS -56267

Mumbai, June 27, 2019

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077

Notes forming part of the Financial Statements

1. CORPORATE INFORMATION

Rediff.com India Limited ("Rediff" or "the Company") delivers News and Information, Enterprise Email Services, Online Shopping Marketplace and Internet-based local TV advertising platform. These services are delivered on PCs, tablets and on a wide range of mobile phone platforms, focusing on India and the global Indian community. Its websites consists of matters relevant to Indian interests such as sports and cricket, life style and movies, content on various matters like news, business and finance, search facilities, a range of community features such as e-mail and shopping.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

Although the Company has incurred a profit during the year, there is a negative net worth as at March 31, 2019. The reason for the same is that, out of abundant caution, the Company has recorded huge impairment charge on its investments, loans and fixed assets, reducing them to nil over the years. Such impairment losses have largely been the reason for the negative net worth of the Company. However, various initiatives undertaken by the Company in relation to saving cost, optimise revenue management opportunities and enhance ancillary revenues is expected to result in improved operating performance going forward. Further, Company's continued thrust to improve operational efficiency and initiatives to raise funds are expected to result in sustainable cash flows addressing any uncertainties. Accordingly, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business including financial support to its subsidiaries.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

c) Revenue recognition

Revenues comprise of revenues from online advertising and fee based services. Online advertising includes advertisement and sponsorships. Fee based services include enterprise email subscription, marketplace fee and mobile value-added services. Marketplace fee primarily comprise of commission earned on sale of items to customers who shop online while enterprise email subscription comprise of subscriptions received for using e-mail and other subscriber services. Mobile value-added services include revenues derived from mobile operators based on value added text messages received and sent by mobile subscribers over their mobile phones.

Online advertising

Advertisement and sponsorship income is derived from customers who advertise on the Company's website or to whom direct links from the Company's website to their own websites are provided.

Revenue from display of advertisement and sponsorships is recognised ratably based on the delivery over the contractual period of the advertisement, commencing when the advertisement is placed on the website. Revenues are also derived from sponsor buttons placed in specific areas of the Company's website, which generally provide users with direct links to sponsor's websites. These revenues are recognized ratably over the period in which the advertisement is displayed, provided that no significant Company obligations remain and collection of the resulting receivable is probable. Company obligations may include guarantees of a minimum number of impressions or clicks or leads or times that an advertisement appears in pages viewed by users of the Company's website. To the extent that minimum guaranteed impressions are not met, the Company defers recognition of the corresponding revenues until the guaranteed impression levels are achieved. The Company earns revenues from the sending of email messages to its users on behalf of advertisers and such revenues are recognized ratably over the contracted period.

Fee based services

Marketplace (E-commerce) fee primarily consists of commission from the sale of books, music, apparel, confectionery, gifts and other items to retail customers who shop at the Company's online store. The Company recognizes as revenues the commission earned on these transactions and shipping costs recovered from customers. The Company provides incentives to its customers in the form of coupons and promo codes. These incentives are treated as reductions in revenue and in cases where such incentives exceed the commission amount; the excess is recognized as cost of revenue.

Enterprise email subscription revenues primarily include income from various paid email, web hosting and other service products that cater to a cross section of the Company's registered user base. The revenue for subscription based service products is deferred and recognized ratably over the period of subscription.

Fee based revenues are also derived from providing mobile value added services (MVAS) such as e-mail and other related products to mobile phone users. The Company contracts with third party mobile operators for sharing revenues from these services. SMS based revenues are recognised when the service is performed.

d) Tangible assets, intangibles, depreciation and amortization

Tangible Assets

Tangible assets are stated at cost less accumulated depreciation and impairment loss, if any. The Company depreciates tangible assets using the straight-line method, over the estimated useful lives of assets. The estimated useful lives of assets are as follows:

Furniture and fixtures	10 years
Computer equipment	1 to 3 years
Office equipment	3 to 10 years
Vehicles	8 years
Leasehold improvements	6 years

The effective rates of depreciation based on the estimated useful life of the tangible assets is higher than the rates as prescribed under Schedule II to the Companies Act, 2013.
Individual assets costing less than ₹ 5,000 are depreciated in full in the year of acquisition.

Intangible Assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Software includes costs incurred in the operations stage that provides additional functions or features to the Company's website, accounting and monitoring software. These are amortised over their estimated useful life of one to five years. Maintenance expenses or costs that do not result in new features or functions are expensed as product development costs, when incurred.

e) Impairment of assets

The carrying values of assets/cash-generating units at each balance sheet date are reviewed for impairment or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

f) Investments

Investments classified as long-term investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of such investments. Cost of investments in wholly owned subsidiaries comprise of purchase cost as increased by legal fees, due diligence fees and other direct expenses connected with such acquisition.

g) Employee benefits

(i) **Short term**

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

(ii) **Long term**

The Company has both defined-contribution and defined-benefit plans.

- **Defined-contribution plans**
  These are plans in which the Company pays pre-defined amounts to separate funds. These comprise of contributions to the employees' provident fund and family pension fund. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

- **Defined-benefit plans**
  The obligation for the unfunded defined-benefit gratuity is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gain and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

(iii) **Other employee benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method

h) Foreign currency transactions and translations.

Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.

Monetary items of assets and liabilities denominated in a foreign currency are translated using the exchange rates prevailing at the date of Balance Sheet. Exchange gains / losses on account of exchange difference either on settlement or translation are recognised in the Statement of Profit and Loss.

Non-monetary items such as investments denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

i) Stock based compensation

The Company accounts for compensation expense under the Employee Stock Option schemes using the intrinsic value method as per the Guidance Note "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India.

j) Earnings per share

Basic earnings per equity share is computed by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all potential equity shares on account of stock options outstanding. For the purpose of Earnings Per Share calculations, ADRs (American Depository Receipts) are converted to equity shares.

k) Taxes

Income taxes comprise both current and deferred tax.
Current income tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws. Deferred tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods. Deferred tax assets on account of accumulated losses, unabsorbed depreciation and other items are recognised only to the extent that there is virtual certainty of realisation of such assets in future.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis.

l) Cash and cash equivalent

The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Cash and cash equivalents consist of cash on hand, balances in current accounts, deposits with banks which are unrestricted as to withdrawal and use.

m) Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

n) Leases

Leasing of assets whereby the lessor essentially remains the owner of the asset is classified as operating leases. The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.

o) Provisions and Contingencies

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statement. A contingent asset is neither recognized nor disclosed.

3. SHARE CAPITAL

	As at March 31, 2019		As at March 31, 2018	
	Number	**₹**	**Number**	**₹**
Authorised				
Equity Shares of ₹ 5 each	30,000,000	150,000,000	24,000,000	120,000,000
Issued, Subscribed and Fully Paid up				
Ordinary Equity Shares of ₹5 each fully paid	23,854,529	119,272,645	14,810,178	74,050,890

The authorized share capital of the Company was increased to Rupees 150,000,000/- consisting of 30,000,000 equity shares of Rupees 5/- each vide resolution passed by the members in the extra ordinary general meeting held on April 18, 2018.

a. Reconciliation of ordinary shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2019		As at March 31, 2018	
	Number	**₹**	**Number**	**₹**
At the beginning of the year	14,810,178	74,050,890	14,810,178	74,050,890
Shares issued during the year	9,044,351	45,221,755	-	-
Outstanding at the end of the period	23,854,529	119,272,645	14,810,178	74,050,890

9,044,351equity shares of Rupees 5/- were issued at par and subscribed fully under Rights issue of shares. The Board of Directors approved the right issue in its meeting held on March 8, 2018.

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b. Details of ordinary shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	% Holding	Number	% Holding
Ajit Balakrishnan	10,289,081	43.13%	1,100,190	7.43%
Redifffusion Holding Pvt. Ltd.	2,200,002	9.22%	2,200,002	14.85%
Styrax	1,523,000	6.38%	-	-
Diwan Arun Nanda	1,244,740	5.22%	1,244,740	8.40%
Draper International India LP	-	-	2,178,000	14.71%
Edelwiess Finance & Investment Ltd	-	-	1,523,000	10.28%
Rediff.com India Ltd Employee Trust	1,015,000	4.25%	1,015,000	6.85%

c. Terms / rights attached to equity shares:

In respect of every ordinary share, voting right shall be in the same proportion as the capital paid upon such Ordinary share bears to the total paid up ordinary capital of the company.

Holders of ADRs are not entitled to attend or vote at shareholders meetings. Holders of ADRs may exercise voting rights with respect to ordinary shares represented by ADRs only in accordance with the provisions of the Company's deposit agreement and Indian Law.
Each ADRs represents one half of an equity share.

4. RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Securities premium account		
Opening balance	3,430,862,460	3,430,862,460
Addition during the year	-	-
Closing balance	3,430,862,460	3,430,862,460
Stock option outstanding account		
Opening balance	139,521,373	139,521,373
Addition during the year	-	-
Closing balance	139,521,373	139,521,373
(Deficit) in the statement of profit and loss		
Opening balance	(4,077,476,444)	(3,986,042,750)
Deficit during the year	26,979,282	(91,433,694)
Closing balance	(4,050,497,162)	(4,077,476,444)
Total	**(480,113,329)**	**(507,092,611)**

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5. OTHER LONG-TERM LIABILITIES (UNSECURED)
Other long-term liabilities consist of the followings:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Income received in advance	33,871,327	32,588,927
Loan from Director	120,030,000	140,800,000
Total	**153,901,327**	**173,388,927**

6. LONG – TERM PROVISIONS
Long –term provisions consist of following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Provision for employee benefits:		
Gratuity (unfunded)	21,879,545	26,373,819
Compensated absence (unfunded)	8,797,529	16,805,777
Total	**30,677,074**	**43,179,596**

7. TRADE PAYABLES

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Total outstanding dues to Micro and small * Enterprises		-
Others for Goods and Services	149,283,436	173,029,756
Total	**149,283,436**	**173,029,756**

* The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

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Notes forming part of the Financial Statements

8. OTHER CURRENT LIABILITIES

Other current liabilities consist of the followings:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Capital creditors	8,948,333	-
Deposits from employees	2,272,632	4,359,745
Advance received from customers	14,420,664	18,415,941
Income received in advance	114,219,291	120,670,375
Other Liabilities	64,067	62,901
Statutory liabilities		
Tax deducted at source payable	5,071,037	3,502,118
Indirect Taxes payable	16,431,987	3,614,926
Others	1,355,481	1,657,561
Other payables to related parties (unsecured):		
Rediff Holding Inc.	890,863	2,675,316
Rediff.com Inc.	43,523,313	40,923,855
Value Communication Corporation	9,673,332	9,095,588
Total	**216,871,000**	**204,978,326**

9. SHORT – TERM PROVISIONS

Short-term provisions consist of the followings:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Provision for employee benefits:		
Gratuity (unfunded)	11,342,075	7,339,854
Compensated absence (unfunded)	4,580,130	3,878,356
Total	**15,922,205**	**11,218,210**

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10. FIXED ASSETS - Fixed assets consist of the followings: (Amount in ₹)

Description	Gross Block as at April 1, 2018	Additions	Deletions	Gross Block as at March 31, 2019	Accumulated Depreciation as at April 1, 2018	Depreciation for the Year	Deletions	Accumulated Depreciation as at March 31, 2019	Net Block Value before Impairment as at March 31, 2019	Impairment as at 31st March 2019	Net Block after impairment as at 31st March 2019	Net Block Value as at March 31, 2018
Tangible assets												
	12,922,717	-	-	12,922,717	(11,673,119)	-	-	(11,673,119)	1,249,598	1,249,598	-	-
Furniture and fixture	12,922,717	-	-	12,922,717	(11,673,119)	-	-	(11,673,119)	1,249,598	1,249,598	-	-
	553,496,530	11,322,159	(56,731)	564,761,958	(474,405,969)	(4,076,205)	56,731	(478,425,443)	86,336,515	74,589,289	11,747,226	-
Computer	553,395,087	101,443	-	553,496,530	(471,136,972)	(3,268,997)	-	(474,405,969)	79,090,561	74,589,289		4,501,272
	13,154,352	11,999	(35,600)	13,130,751	(8,457,499)	(25,677)	35,600	(8,447,576)	4,683,175	4,493,782	189,393	-
Office equipment	13,154,352	-	-	13,154,352	(8,432,499)	(25,000)	-	(8,457,499)	4,696,853	4,493,782		203,071
	15,559,280	-	(1,487,572)	14,071,708	(6,915,866)		1,487,572	(5,428,294)	8,643,414	8,643,414	-	-
Vehicle	15,559,280	-	(1,487,572)	14,071,708	(6,915,866)		1,487,572	(5,428,294)	8,643,414	8,643,414	-	-
	24,990,385	-	-	24,990,385	(20,398,124)	-	-	(20,398,124)	4,592,261	4,592,261	-	-
Leasehold Improvement	24,990,385	-	-	24,990,385	(20,398,124)	-	-	(20,398,124)	4,592,261	4,592,261	-	-
Total tangible assets	**620,123,264**	**11,334,158**	**(1,579,903)**	**629,877,519**	**(521,850,577)**	**(4,101,882)**	**1,579,903**	**(524,372,556)**	**105,504,963**	**93,568,344**	**11,936,619**	-
Previous year	*620,021,821*	*101,443*	*(1,487,572)*	*618,635,692*	*(518,556,580)*	*(3,293,997)*	*1,487,572*	*(520,363,005)*	*98,272,687*	*93,568,344*	-	*4,704,343*
Intangible assets										-		
Internally Generated	267,690,691	-	-	267,690,691	(201,838,933)	-	-	(201,838,933)	65,851,758	65,851,758	-	-
Acquired	40,656,336	-	-	40,656,336	(39,721,171)	-	-	(39,721,171)	935,162	935,162	-	-
Total intangible assets	**308,347,027**	-	-	**308,347,027**	**(241,560,104)**	-	-	**(241,560,104)**	**66,786,920**	**66,786,920**	-	-
Previous year	*308,347,027*	-	-	*308,347,027*	*(241,560,104)*	-	-	*(241,560,104)*	*66,786,920*	*66,786,920*	-	-
Internally Generated	267,690,691	-	-	267,690,691	(201,838,933)	-	-	(201,838,933)	65,851,758	65,851,758	-	-
Acquired	40,656,336	-	-	40,656,336	(39,721,171)	-	-	(39,721,171)	935,162	935,162	-	-
								.	-	-		
	36,443,267	-	-	36,443,267	-	-	-	-	36,443,267	36,443,267	-	-
Intangible assets under development (internally generated)	36,443,267		-	36,443,267	-	-	-	-	*36,443,267*	36,443,267	-	-
	964,913,558	**11,334,158**	**(1,579,903)**	**974,667,813**	**(763,410,681)**	**(4,101,882)**	**1,579,903**	**(765,932,660)**	**208,735,150**	**196,798,531**	**11,936,619**	-
Grand Total	*964,812,115*	*101,443*	*(1,487,572)*	*963,425,986*	*(760,116,684)*	*(3,293,997)*	*1,487,572*	*(761,923,109)*	*201,502,874*	**196,798,531**	-	**4,704,343**

11. NON-CURRENT INVESTMENTS

Non – current investments consists of the following:

	Face Value	No. of Shares.	As at March 31, 2019	As at March 31, 2018
			₹	₹
Trade investments				
A- Others, Fully paid equity shares (unquoted)- At Cost				
Traveljini.com Limited	10	88,350	60,300,253	60,300,253
Tachyon Technologies Pvt. Ltd.	10	13,177	41,700,000	41,700,000
Vakow Technologies Pvt. Ltd.	10	500,000	5,000,000	5,000,000
BigSlick Infotech Pvt. Ltd.	1	59,230	4,000,000	4,000,000
			111,000,253	111,000,253
B – Wholly Owned Subsidiary Companies, Fully paid equity shares (unquoted)				
Rediff Holding Inc., USA	$0.0001	11,066,667	1,134,483,000	1,134,483,000
Value Communication Corporation, USA	No par value	12,000,000	340,609,949	340,609,949
Vubites India Pvt. Ltd.	1	1,000,000	13,153,409	13,153,409
			1,488,246,358	1,488,246,358
Total (A+B)			1,599,246,611	1,599,246,611
Less Provision for diminution in value of investments			1,599,246,611	1,599,246,611
Net investments			-	-

Book value of unquoted investments (net of provisions for diminution) – ₹ NIL (Previous Year ₹ NIL).

Note : The provision for diminution in value of investment is as under (Amount in ₹) :

Name of the Company	FY - 2018-19	FY - 2017-18
Traveljini.com Limited	60,300,253	60,300,253
Tachyon Technologies Pvt. Ltd.	41,700,000	41,700,000
Vakow Technologies Pvt. Ltd.	5,000,000	5,000,000
BigSlick Infotech Pvt. Ltd.	4,000,000	4,000,000
Rediff Holding Inc., USA	1,134,483,000	1,134,483,000
Value Communication Corporation, USA	340,609,949	340,609,949
Vubites India Pvt. Ltd.	13,153,409	13,153,409
TOTAL (Provision for diminution in value of investments)	1,599,246,611	1,599,246,611

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12. LONG -TERM LOANS AND ADVANCES (Unsecured)

Long – term loans and advances consists of the following:

		As at March 31, 2019	As at March 31, 2018
		₹	₹
Considered Good			
Rent deposits		1,940,000	1,940,000
Recoverable taxes (net of provision)		26,536,089	28,403,504
Input Tax Credit		19,191,385	-
Electronic Cash Register		44,236	
Loans and advances to related parties:#			
Considered Doubtful			
Loans and advances to related parties: #			
Vubites India Pvt. Ltd.	648,197,050		
Less: diminution	648,197,050		-
Rediff.com Employee Trust	201,002,530		
Less: diminution	197,834,790	3,167,740	3,167,740
Rediff Holdings Inc.	7,087,620		
Less: diminution	7,087,620		-
		50,879,450	**33,511,244**

#Notes:

1) Loans given to wholly owned subsidiaries are for funding its working capital requirements and Loan given to the Trust is for acquiring shares of the Company for the benefit of its employees.

13. OTHER LONG -TERM ASSETS

Other Long – term assets consists of the following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Prepaid expenses	205,814	-
Unamortised expenses	7,442,648	7,869,024
Total	**7,648,462**	**7,869,024**

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14. TRADE RECEVABLES (Unsecured)

Trade receivables consist of the following:

		As at March 31, 2019	As at March 31, 2018
	Outstanding for a period	₹	₹
(a)	Over six months from the date they were due for payments		
	(i) Considered good	-	25,505,330
	(ii) Considered doubtful	27,080,241	23,821,041
		27,080,241	**49,326,371**
(b)	Others		
	(i) Considered good	37,628,951	18,591,717
	(ii) Considered doubtful	-	-
		37,628,951	18,591,717
	Total (a+b)	**64,709,192**	**67,918,088**
	Less: Provision for doubtful debts	27,080,241	23,821,041
		37,628,951	**44,097,047**

15. CASH AND CASH EQUIVALENT

Cash and cash equivalent consist of the following:

		As at March 31, 2019	As at March 31, 2018
	Cash and cash equivalents	₹	₹
(a)	Balances with banks		
	In current accounts	25,061,814	41,56,066
		25,061,814	**41,56,066**
(b)	Other		
	In deposits account	27,852,157	36,910,734
		27,852,157	**36,910,734**
	Total (a+b)	**52,913,971**	**41,066,800**

16. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)

Short-term loans and advances consist of the following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Supplier advances	19,504,795	11,769,190
Rent deposits	11,744,120	14,061,633
Loan to employees #	623,056	608,418
Total	**31,871,971**	**26,439,241**

Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

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17. OTHER CURRENT ASSETS
Other current assets consists of the following:

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Prepaid expenses	1,767,525	3,638,782
Unamortised expenses	11,167,408	11,426,612
Total	**12,934,933**	**15,065,394**

18. REVENUE FROM OPERATIONS
Revenue from operations consists of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Online advertising	207,809,263	119,094,634
Enterprise email subscription	237,548,696	224,005,378
Marketplace fee	18,983,019	68,033,885
Total	**464,340,978**	**411,133,897**

19. OTHER INCOME (NET)
Other income (net) consists of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Interest income:		
Interest on fixed deposits	2,208,327	2,131,796
Interest on income-tax refund	1,166,522	-
Interest others	10,491	222,530
Miscellaneous Income	2,592,591	616,520
Depository Service Fee	9,676,307	-
Profit on Sale of Fixed Assets	1,073,868	805,386
Dividend from Subsidiary Company	-	15,815,500
Total	**16,728,106**	**19,591,732**

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077

Notes forming part of the Financial Statements

20. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Salaries and wages	174,481,745	214,683,325
Contribution to provident fund	7,667,657	9,385,156
Gratuity	4,443,438	2,787,470
Staff welfare expenses	3,910,913	4,285,949
Total	**190,503,753**	**231,141,900**

21. OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Content Charges	16,196,828	12,711,331
Domain registration charges	19,127,735	20,727,790
Subscription and SMS based costs	8,765,243	7,583,258
E-Commerce – Courier, Freight & Forward	11,325,540	34,459,633
Bandwidth	85,952,328	94,395,942
Software Usage charges	25,104,431	19,216,174
Product development charges	4,908,416	5,060,163
Advertising	1,416,175	189,015
Market support	7,301,734	12,648,521
Rent and amenities	19,686,928	21,819,880
Electricity charges	2,653,547	3,810,430
Telecommunication	1,503,392	2,637,739
Repairs and maintenance:		
Computers	5,366,776	5,457,918
Others	721,265	422,317
Insurance	5,259,595	6,471,983
Travel and conveyance	7,715,274	8,511,039
Rates and taxes	172,168	758,735
Foreign exchange (gain)/ loss	1,909,590	825,060
Bank Charges	2,327,392	3,572,103
Provision for Doubtful Debts	3,259,200	-
Housekeeping Charges	5,570,741	5,582,534
Legal and professional fees	15,935,555	7,176,429
Other Miscellaneous expenses	8,054,714	8,311,068
Total	**260,234,567**	**282,349,062**

22. EXCEPTIONAL ITEMS

Exceptional Items consist of the following:

	For the year ended March 31, 2019	For the year ended March 31, 2018
	₹	₹
Provision for Doubtful Loans	-	5,374,364
Realization from Loan Impaired	(750,400)	-
Total	**(750,400)**	**5,374,364**

23. AUDITOR'S REMUNERATION

	2018-19 ₹	2017-18 ₹
For service as auditors	1,000,000	1,000,000
	1,000,000	**1,000,000**

24. RETIREMENT BENEFIT PLAN

Defined – Benefit Plans

The Company offers its employees unfunded defined-benefit plan in the form of gratuity. This plan provides for a lump-sum payment to be made to vested employees at retirement, death or termination of employment. Commitments are actuarially determined at year-end. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss.

Defined benefit commitments:

	2018-19 ₹	2017-18 ₹
Benefit obligation at the beginning of the year	33,713,673	34,020,460
Actuarial loss/(gain)	(897,620)	(3,098,507)
Current service cost	2,826,484	3,359,283
Interest cost	2,514,573	2,526,694
Liabilities assumed on acquisition of employees	-	549,274
Benefits paid	(4,935,491)	(3,643,531)
Benefit obligation at the end of the year	33,221,619	33,713,673

Current Portion of Benefit Obligation	11,342,075	7,339,854
Non-Current Portion of benefit Obligation	21,879,544	26,373,819

Expense on defined benefit plan:

	2018-19 ₹	2017-18 ₹
Service cost	2826484	3,359,283
Interest cost	2514573	2,526,694
Recognised net actuarial loss/(gain)	(897,620)	(3.098.507)
Net gratuity cost	4,443,437	2.787.470

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size and expense:

	2018-19	2017-18
Rate for discounting liabilities	6.80%	7.65%
Salary escalation rate	7.00%	7.00%
Expected rate of return on assets	0.00%	0.00%
Mortality rates	Indian Assured live mortality table (2006-08)	Indian Assured live mortality table (2006-08)

The estimate of future salary increase, considered in the actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors. The above information is certified by the actuary.

Experience adjustment:

	2018-19 ₹	2017-18 ₹	2016-17 ₹	2015-16 ₹	2014-15 ₹
Defined benefit obligation	33,221,619	33,713,673	34,020,460	38,887,515	35,716,798
(Deficit)	(33,221,619)	(33,713,673)	(34,020,460)	(38,887,515)	(35,716,798)
Experience adjustment on plan liabilities	(2,561,240)	(2,096,005)	(3,387,338)	(2,358,781)	(1,888,252)

Defined-Contribution Plans

The Company makes contribution towards provident fund and family pension fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund and pension fund are administered by the Government of India. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefits. A sum of ₹ 8,107,557 *(Previous Year* ₹ 9,385,156*)* has been charged to the revenue account in this respect.

25. EMPLOYEE STOCK OPTION PLANS (ESOP)

(a) 2002 Stock Option Plan (2002 ESOP)

In January 2002, the Board of directors approved the 2002 Stock Option Plan ("2002 ESOP") which provides for the grant of incentive stock options and non-statutory stock options to the Company's employees. All options under these plans are exercisable for the ADRs of the Company. A total of 280,000 of the Company's equity shares were reserved for issuance pursuant to 2002 ESOP plan of which 12,000 equity shares were reserved under 2015 Stock Option Plan.

	2002 ESOP			
Number of options granted, exercised and forfeited during the year ended March 31,	**Options**	**Weighted average exercise price**	**Range of exercise price**	**Weighted average remaining contractual life**
Options outstanding, beginning of period	8,250			
Expired	-			
Options outstanding, end of period	**8,250**	**980.13**	**980.13**	**2.3**

Options exercisable as at March 31, 2019, were 8,250 (**Weighted average exercise price ₹ 980.13**).

(b) 2004 Stock Option Plan (2004 ESOP)

In June 2004, the Board of directors approved the 2004 Stock Option Plan ("2004 ESOP") for grant of stock options to the Company's employees. A total of 358,000 equity shares were reserved for issuance under the plan of which 91,000 equity shares were reserved under 2015 Stock Option Plan.

	2004 ESOP			
Number of options granted, exercised and forfeited during the year ended March 31,	**Options**	**Weighted average exercise price**	**Range of exercise price**	**Weighted average remainin g contractu al life**
Options outstanding, beginning of period	40,437			
Expired				
Forfeited				
Options outstanding, end of period	**40,437**	**240.13**	**251 to 224**	**2.1**

Options exercisable as at March 31, 2019, were 40,437 (**Weighted average exercise price ₹ 243.58**).

(c) 2006 Stock Option Plan (2006 ESOP)

The 2006 Stock Option Plan ("2006 ESOP") was adopted and approved by the Compensation committee on June 20, 2006 in accordance with the approval granted by shareholders on March 31, 2007. A total of 670,000 equity shares were approved for issuance under the plan.

	2006 ESOP			
Number of options granted, exercised and forfeited during the year ended March 31,	**Options**	**Weighted average exercise price**	**Range of exercise price**	**Weighted average remaining contractual life**
Options outstanding, beginning of period	308,875			
Expired	(2,625)			
Forfeited	-			
Options outstanding, end of period	**306,250**	**268.81**	**10 to 1,249**	**1.2**

Options exercisable as at March 31, 2019, were 306,250 **(Weighted average exercise price ₹ 268.81).**

(d) 2015 Stock Option Plan (2015 ESOP)

In January 2015, the Board of directors approved the 2015 Stock Option Plan ("2015 ESOP") for grant of stock options to the Company's employees. A total of 103,000 equity shares (comprising of 12,000 equity shares from 2002 Stock Option Plan and 91,000 equity shares from 2004 Stock Option Plan) were reserved for issuance under the plan.

	2015 ESOP			
Number of options granted, exercised and forfeited during the year ended March 31,	**Options**	**Weighted average exercise price**	**Range of exercise price**	**Weighted average remaining contractual life**
Options outstanding, beginning of period	32,238			
Forfeited	(2,188)			
Options outstanding, end of period	**30,050**	**229.86**	**229.86**	**7.8**

Options exercisable as at March 31, 2019, were 30,050 **(Weighted average exercise price ₹ 229.86).**

(e) Method used for accounting for share based payment plan:

The Company has used the intrinsic value method to account for the compensation cost of stock option to employees of the company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price of the option. During the year ended March 31, 2019, the Company's equity shares were traded on the NASDAQ OTC Market in the form of ADRs.

26. SEGMENT REPORTING

The Company operates in a single business segment known as "India Online Business" and hence disclosure of segment information as per Accounting Standard 17 on Segment Reporting has not been presented.

27. RELATED PARTY DISCLOSURES

I. Related parties where control exists:

a. Subsidiary Companies (Wholly Owned):
Rediff Holdings, Inc., USA
Value Communications Corporation ("Valucom"), USA
Vubites India Private Limited ("Vubites")

b. Indirect subsidiaries:
Rediff.com, Inc., USA

c. Associates
Rediff.com India Employee Trust ("ESOP Trust")

d. Key Managerial Personnel (KMP)
Mr. Ajit Balakrishnan (Director and Shareholder)

Transactions with Related Parties during the year and balances outstanding as at March 31, 2019:

Name of the Related party	Transactions	2018-19 ₹	2017-18 ₹
Mr. Ajit Balakrishnan	Loan received during the year Loan repaid during the year Payable as at year end	24,230,000 45,000,000 120,030,000	78,900,000 - 140,800,000
Value Communications Corporation	Payable as at year end, net	9,673,333	9,095,588
Rediff Holdings Inc.	Expenses paid on behalf of Rediff Holding Inc. Dividend Received Payable as at year end, net	1,784,453 - 890,863	- 15,815,500 2,675,316

Name of the Related party	Transactions	2018-19 ₹	2017-18 ₹
Rediff.com, Inc.	Payable as at year end	43,523,313	40,923,855
Vubites India Private Limited	Loan given during the year (Interest free) Repayment of loan Provision for doubtful loan Write-back of impaired loan	- 750,400 - 750,400	4,437,000 - 5,374,364 -
Rediff.com India Ltd Employee Trust	Receivable as at year end, net	3,167,740	3,167,740

28. OBLIGATION TOWARDS OPERATING LEASES

The Company leases office space an residential apartments for employees under various operating leases. Operating lease expense that has been included in the determination of the net profit/loss is as follows:

	2018-19 ₹	2017-18 ₹
Office Premises	17,418,273	18,387,019
Residential flats for accommodation of employees	2,268,655	3,432,861
Total	**19,686,928**	**21,819,880**

The minimum annual rental commitments under operating leases are as follows:

	2018-19 ₹	2017-18 ₹
Not later than one year	16,223,488	14,046,990
Later than one year and not later than five years	3,078,643	-
Total payments	**19,302,131**	**14,046,990**

29. EARNING PER EQUITY SHARES

	2018-19 ₹	2017-18 ₹
A. Net (loss) attributable to equity shareholders (₹)	**26,979,282**	**(91,433,694)**
B. Weighted average number of equity shares outstanding during the year	21,971,322	14,810,178
C. Potentially dilutive equity share equivalents (stock options)	-	-
D. Weighted average number of equity shares and potentially dilutive equity share equivalents outstanding	21,971,322	14,810,178
E. Nominal value of Equity Shares (₹)	5.00	5.00
Basic Earnings per Share (₹)	**1.23**	**(6.17)**
Diluted Earnings per Share (₹)	**1.23**	**(6.17)**

30. CONTINGENCIES AND CAPITAL COMMITMENTS

Contingent liabilities:

The Income tax authorities in India have disallowed certain expenses claimed by the Company for certain years which if confirmed by the appellate authorities will be adjusted against the income tax carry forward losses claimed by the Company and not result in outflow of resources embodying economic benefits.

The Company has lodged appropriate proceedings with the relevant income tax authorities and expects to prevail in the appellate proceedings

The Company is also subject to other legal proceedings and claims, which have arisen in the ordinary course of its business. Those actions, when ultimately concluded and determined, will not, in the opinion of management, have a material effect on the results of operations, cash flows or the financial position of the Company.

The Company has not recognized any loss accrual for the litigation disputes as the Company believes that it is probable that it would be successful on resolution of the litigation.

Capital Commitments: there is no amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2019.

31. DERIVATIVE TRANSACTION

The Company has not entered in to any derivative transaction during the years ended March 31, 2019 and 2018.

Foreign exchange currency exposures not hedged by derivative instruments are:

		2018-19		2017-18	
Sl. No.	**Particulars**	**Amount $**	**Amount ₹**	**Amount $**	**Amount ₹**
1	Amount receivable on account of sale of services	219,295	15,168,661	13,921	905,418
2	Creditors payable on account of foreign currency expenditure	(103,391)	(7,151,546)	(40,379)	(2,626,249)
3	Amount (Payable) / Receivable (to)/from subsidiary companies	(679,481)	(47,000,598)	(657,203)	(42,744,463)

32. INCOME IN FOREIGN CURRENCIES

	2018-19 ₹	2017-18 ₹
Media and others services	151,417,002	16,748,104
Total	**151,417,002**	**16,748,104**

33. EXPENDITURE IN FOREIGN CURRENCIES

Particulars	2018-19 ₹	2017-18 ₹
(i) Professional charges	-	2,201,450
(ii) Product development	442,516	316,734
(iii) Software usage charges	30,921,510	20,783,936
(iv) Purchase of email domains	13,714,973	13,339,627
(vi) Other matters	407,265	3,546,316
Total	**45,486,264**	**40,188,063**

34. PROVISION FOR DIMINUTION OF LOAN

During the year ended March 31, 2018, the Company made provisions to recognise the other-than-temporary decline in the value of its loan to its subsidiary company Vubites India Private Limited amounting to ₹ 5,374,364.

35. DEFERRED TAX ASSET

The items that could have resulted in deferred tax assets mainly include the net operating loss and unabsorbed depreciation carry-forward, depreciation, retirement benefits and provisions for bad and doubtful debts. Such deferred tax assets have not been recognised since there is no virtual/ reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

36. The previous year figures have been regrouped/ rearranged as necessary to make them comparable with those of the current year

For and on behalf of the Board of Directors

/s/ Ajit Balakrishnan
Chairman & Managing Director
DIN: 00073814

/s/ M. Madhavan Nambiar
Director
DIN: 01122411

/s/ Ramawtar Taparia
Chief Financial Officer

/s/ Vandana Sharma
Company Secretary
ACS -56267

Mumbai, June 27, 2019

Form No. MGT – 11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) rules, 2014]

CIN: **U22100MH1996PLC096077**
Name of Company: Rediff.com India Limited
Registered office: 1st Floor Mahalaxmi Engineering Estate, L. J. First Cross Road, Mahim (W), Mumbai 400016

Name of the member(s):
Registered address:
E-mail Id:
Folio No/ / Client ID
DP ID:

I/We, being the member(s) of ....shares of the above named company, hereby appoint

1. Name : ....
   Address:
   Email Id:
   Signature :.. Or failing him

2. Name : ....
   Address:
   Email Id:
   Signature :.. Or failing him

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the 24th Annual General Meeting of the company, to be held on Monday, September 30, 2019 at 10.00 a.m. (IST) at First Floor, Mahalaxmi Engineering Estate, L. J. First Cross Road, Mahim (West), Mumbai 400016 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my proxy to attend in the following manner

Resolution no.	Description	For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the financial year ended 31st March, 2019 together with the Reports of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Diwan Arun Nanda, Director retiring by rotation and being eligible, offers himself for reappointment		
3.	To reappoint M/s. Patkar & Pendse, Chartered Accountants, as statutory auditors of the Company.		
	SPECIAL RESOLUTION		
4.	To change the designation of Mr. Maniedath Madhavan Nambiar as a non-executive and Independent Director		
5.	Appointment of Mr. Melarkode Ganesan Parameswaran as Independent Director of the Company		

Signed this ....day of ....20.......

Signature of Shareholder

Affix
Revenue
Stamp

Signature of First Proxy holder   Signature of Second Proxy holder

Note: 1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional, please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

REDIFF.COM INDIA LTD

Regd. Office: 1st Floor, Mahalaxmi Engineering Estate, L. J. First Cross Road, Mahim (West), Mumbai 400 016
CIN: U22100MH1996PLC096077

ATTENDANCE SLIP

Folio No	
No. of Shares	

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company being held at Registered Office situated at 1st Floor, Mahalaxmi Engineering Estate, L. J. First Cross Road, Mahim (West), Mumbai 400 016 at 10.00 a.m. (IST) on Monday, September 30, 2019.

____
Signature of attending Member/Proxy

Name: ____________________

Note: A member/proxy holder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
