

REDIFF.COM INDIA LIMITED

25TH ANNUAL REPORT 2019-20

"Our focus is on using knowledge to help Indians navigate through their life, be it figuring out what's going on in Indian policy making, or in figuring out where to invest their money, or in figuring out how to deal with the complex world of relationships or in aiding Indian businesses big and small use email and related technologies to manage their businesses.

Our immediate focus is to strengthen our knowledge-based editorial and to aid India's 50 million-odd Big, Small and Medium Enterprises who are starting to embrace email and collaboration systems to work with their customers and suppliers and statutory authorities with our rediffmail ePro offering. "

Ajit Balakrishnan, Founder and CEO, Rediff.com

CORPORATE INFORMATION

Corporate Identification Number

U22100MH1996PLC096077

Registered Office

1st Floor, Mahalaxmi Engineering Estate
L.J. Road No. 1, 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

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ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Rediff.com India Limited will be held on Wednesday, October 28, 2020, at 11.00am (IST) through Video Conferencing/Other Audio Visual Means 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, 2020 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.”

Any other business with the permission of Chair

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

Date: September 29, 2020
Place: Mumbai

/s/**Vandana Sharma**
Company Secretary

NOTES:

1. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode in compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith(Collectively referred to as Notice) have been sent only to those members whose e- mail ids are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participants(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member.
2. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility.
3. Notice of the General Meeting will be sent to those shareholders/beneficial owners, whose name will appear in the register of members.
4. In view of the MCA Circulars, no proxy shall be appointed by the members. However, corporate members are required to send to the Company/ RTA/ Scrutinizer, a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the Meeting through VC

Rediff.Com India Limited
CIN: U22100MH1996PLC096077

DIRECTORS' REPORT

To,

The Members,

Your directors have pleasure in presenting their Twenty Fifth Annual Report on the business and operations of the company together with the audited financial statements for the year ended 31st March, 2020.

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 31 st March, 2020	Year ended 31 st March, 2019	Year ended 31 st March, 2020	Year ended 31 st March, 2019
Revenue from operation	402	464	402	464
Other income	5	17	5	18
Total Revenue	407	481	407	482
Total expenses	(423)	(455)	(424)	(456)
Profit before exceptional items and tax	(16)	26	(16)	26
Exceptional items	(6)	0.8	(58)	-
Tax expenses	-	-	-	-
Profit/loss for the year	(22)	27	(74)	26

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, our overall revenue from standalone operation decreased by 13% to Rs. 402 million as compared to Rs. 464 million for the previous year. Our revenue comprises of Advertising Revenue, eCommerce marketplace fees and Email Subscriptions. Due to recessionary conditions in India Advertising Revenue declined by 17%. The company

restricted eCommerce Marketplace activities only to a prepaid payment basis and hence saw a decline of 86%. In eMail subscription services, revenue from consumer email subscriptions was lower whereas revenue from large enterprises grew 15%.

Total expenses for the standalone operation for the year ended 31st March, 2020 were Rs. 423 million as compared to Rs. 455 million for the year ended 31st March, 2019, a reduction of Rs. 32 million (8%) in the expenses. During the year ended March 31, 2020, consolidated miscellaneous expenditure was Rs. 58 million. Miscellaneous expenditure includes payment of Rs. 6 million paid to Indirect Tax authorities for full and final settlement of prior period tax litigation and Rs. 52 million provided for likely non-receipt of India Abroad sale consideration.

The Company reported a loss of Rs. 22 million for the year compared to profit of Rs. 27 million during previous year. Consolidated loss for the year ended March 31, 2020 was Rs. 74 million as compared to profit of Rs. 26 million for the year ended March 31, 2019.

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.

Further, Mr. Ajit Balakrishnan has not drawn any salary from the Company and its subsidiaries to support cost saving initiatives and conserve cash.

The Board noted that Rs. 127 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. COVID-19 IMPACT AND OUR INITIATIVES

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. In enforcing social distancing to contain the spread of the disease we have made a quick decision to start work from home for all our employees. We have immediately shifted our focus to ensuring business continuity, the health and well-being of all our employees, and on minimizing disruption to services for all our customers.

4. DETAILS, PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

During the financial year 2019-20, 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.

5. DIVIDEND

No dividend was declared during the financial year 2019-20.

6. AMOUNTS TRANSFERRED TO RESERVES

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

7. 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.

8. SHARES:

a. Changes in Share Capital, if any

During the financial year 2019-20, there were no changes in the share capital of the Company.

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

Your Company with the objective of retaining talent, reward loyalty and provide long term incentive formulated Employee Stock Option Plan 2018 (“ESOP 2018”) for grant of a maximum of 1,000,000 stock options which is appx 3.3% of authorised capital to the eligible employees of the Company. During the year 2019-20, the Board and its Committee has granted 907,500 stock options to the eligible employees of the Company.

The following are the details of the Employees Stock Option Plan 2018:

I	Options granted	907,500
ii	Options Exercised	Nil
iii	Total number of shares arising as a result of exercise of options	NA
iv	Options lapsed	NA
v	Exercise price	Rs. 5/-
vi	Variation of terms of options	None
vii	Money realized by exercise of options	NA
viii	Total no of options in force	872,000
ix	Employee wise details of options granted to:	
A	key managerial personnel-	
	(a) Ramawtar Taparia, Chief Financial Officer	22500
	(b) Vandana Sharma, Company Secretary	2500
B	any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	None
C	identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital of the company at the time of grant	None

9. MAJOR EVENTS OCCURRED DURING THE YAER

a. State of Company's Affairs

The state of Company's affairs shall, inter alia, include the following information-

Your Company has incurred a loss of Rs. 22 million.

b. Change in the nature of business

There was no change in the nature of business.

c. Material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of Report

No Material changes and commitments affecting the financial position of the Company occurred during the period to which these financial statements relate.

10. EXTRACT OF ANNUAL RETURN

The extract of Annual Return required u/s 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and administration) Rules, 20014 in format MGT- 9 for the Financial Year ending on 31st March, 2020 has been enclosed with this report as Annex-2.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There were following changes in the Board of Directors and Key Managerial Personnel (KMP) of the Company during the Financial Year 2019-20:

- a) Mr. Melarkode Ganesan Parameswaran was appointed as an Additional Independent Director of the Company with effect from 5th September, 2019.
- b) Diwan Arun Nanda has been designated as non-executive Director on the Board with effect from 23rd March, 2020 at the Board Meeting held on 23rd March, 2020.
- c) Designation of Mr. Maniedath Madhavan Nambiar was changed to non-executive independent director at the Annual General Meeting held on 30th September, 2020
- d) Mr. Melarkode Ganesan Parmeswaran was confirmed non-executive Independent Director at the Annual General Meeting held on 30th September, 2020.

12. MEETING OF BOARD OF DIRECTORS

A. Number of Board Meetings

The Board of Directors of your Company met Four (4) 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.	27 th June, 2019
2.	5 th September, 2019
3.	27 th November, 2019
4.	23 rd March, 2020

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

S. No.	Name of Director	No. of Board Meetings entitled to attend	No. of Board Meetings attended
1.	Ajit Balakrishnan	4	4
2.	Diwan Arun Nanda	4	4
3.	Maniedath Madhavan Nambiar	4	4
4.	Melarkode Ganesan Parameswaran	2	2

13. 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.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review related party transactions include interest free loan of Rs. 7,000,000 from Mr. Ajit Balakrishnan and loan of Rs. 275,000 granted to subsidiary company Vubites India Private Limited.

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 and 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.

15. 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.

16. EXPLANAION TO AUDITOR'S REMARKS AND PRACTICING COMPANY SECRETARY IN THEIR REPORTS

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.

17. 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.

18. CORPORATE GOVERNANCE

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

19. COMMITTEES

The Audit Committee and Nomination and Remuneration Committee as required under section 177 and 178 respectively of the Companies Act, 2013 were constituted by the Board of Directors in their meeting held on 23rd March, 2020.

Apart from the above committees various other 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. Composition of **Audit Committee** of the Board is as follows:

S. No.	Name of the Directors	Designation in the Committee	Meeting attended / Meetings held
1.	Maniedath Madhavan Nambiar	Chairman	1/1
2.	Ajit Balakrishnan	Member	1/1
3.	M. G. Parmeswaran	Member	1/1

B. Composition of **Nomination and Remuneration Committee** of the Board is as follows:

S. No.	Name of the Directors	Designation in the Committee	Meeting attended / Meetings held
1.	M. G. Parmeswaran	Chairman	1/1
2.	Diwan Arun Nanda	Member	1/1
3.	Maniedath Madhavan Nambiar	Member	1/1

C. 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	-

D. 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 earned by the Company in the fiscal year ended 31st March, 2020 was Rs. 127 million (Previous year Rs. 151 million) and the foreign exchange outgo in the same period was Rs. 36 million (Previous year Rs. 45 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 2019-20.

The Company has made an application under section 441 with the Registrar of Companies/NCLT for compounding of offence due to delay in holding Annual General Meeting under section 96 and filing Annual Accounts under section 129 of the Companies Act, 2013 for the financial year ended 31st March 2016 and 31st March, 2017.

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 2019-20, there was no complaint received by the Company related to sexual harassment.

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, 2020. 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, 2020, 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, 2020 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. COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with secretarial standards.

33. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There were no process initiated under the Insolvency and Bankruptcy Code, 2016.

34. FAILURE TO IMPLEMENT ANY CORPORATE ACTION

Your Company has complied and implemented with corporate action whenever required.

35. 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: September 29, 2020

**/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	Investment	Profit before tax	Provision for taxation	Profit after tax	% of shareholding
Rediff Holding Inc. USA	31 st March, 2020	0	(102)	203	305	0	0	(52)	0	(52)	100%
Rediff.com Inc	31 st March, 2020	0	308	308	0	0	0	0	0	0	100%
Value Communications Corporations	31 st March, 2020	539	(731)	11	203	0	0	0	0	0	100%
Vubites India Private Limited	31 st March, 2020	1	(631)	23	653	0	0	(0.40)	0.01	(0.40)	100%

Note:

Exchange rate used for translating financial position of overseas subsidiaries is USD 1 = ₹ 75.39

Part “B”: Joint Venture & Associates Companies - Not Applicable

Annexure - 2
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on Financial Year ended on 31.03.2020
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 activities; web portals	631	100%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI 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)

Category of Shareholders	No. of Shares held at the beginning of the year as on 1st April, 2019				No. of Shares held at the end of the year as on 31st March, 2020				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No.	%
A. Promoters										
(1) Indian										
a) Individual/HUF		11533811	11533811	48.35%	11533811		11533811	48.35%		
b) Central Govt. or State Govt.										
c) Bodies Corporates		2200002	2200002	9.22%	2200002		2200002	9.22%		
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)		13733813	13733813	57.57%	13733813		13733813	57.57%		
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
SUB TOTAL (A) (2)		-	-			-	-			
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)		13733813	13733813	57.57%	13733813	0	13733813	57.57%		
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
c) Central 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		2245720	2245720	9.41%	1715720	530000	2245720	9.41%		
ii) Overseas		-	-	-		-	-	-		
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs		12018	12018	0.05%	6002	6016	12018	0.05%		
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs		2200000	2200000	9.22%		2200000	2200000	9.22%		
c) Others- Employee Trust		1015000	1015000	4.25%		1015000	1015000	4.25%		
SUB TOTAL (B)(2):		5472738	5472738	22.94%	1721722	3751016	5472738	22.94%		
Total Public Shareholding (B)= (B)(1)+(B)(2)		5472738	5472738	22.94%	1721722	3751016	5472738	22.94%		
C. Shares held by Custodian for ADRs		4647978	4647978	19.48%		4647978	4647978	19.48%		
Grand Total (A+B+C)		23854529	23854529	100.00%	15455535	8398994	23854529	100.00%		

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the
		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	10289071	43.13%	No change	10289071	43.13%
	At the end of the year	10289071	43.13%		10289071	43.13%
2	Diwan Arun Nanda					
	At the beginning of the year	1244740	5.23%	No change	1244740	5.23%
	At the end of the year	1244740	5.23%		1244740	5.23%
3	Rediffusion Holdings Pvt. Ltd.					
	At the beginning of the year	2200002	9.22%	No change	2200002	9.22%
	At the end of the year	2200002	9.22%		2200002	9.22%

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of the		Cumulative Shareholding during the	
		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	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	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	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.				
	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	For Each of the Directors & KMP	Shareholding at the end of the		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the	
		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	10289071	43.13%	No change	10289071	43.13%
	At the end of the year	10289071	43.13%		10289071	43.13%
2	Diwan Arun Nanda					
	At the beginning of the year	1244740	5.23%	No change	1244740	5.23%
	At the end of the year	1244740	5.23%		1244740	5.23%

V INDEBTEDNESS

Rupees

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		120,030,000	-	120,030,000
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	-	120,030,000	-	120,030,000
Change in Indebtedness during the financial year				
Additions		7,000,000	-	7,000,000
Reduction	-	-	-	-
Net Change	-	7,000,000	-	7,000,000
Indebtedness at the end of the financial year				
i) Principal Amount		127,030,000	-	127,030,000
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	-	127,030,000	-	127,030,000

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
		M. Madhavan Nambiar	M. G. Parmeswaran	
1	Independent Directors			
	(a) Fee for attending board committee meetings	600,000	200,000	800,000
	(b) Commission			
	(c) Others, please specify			
	Reimbursement of expenses	7,340		7,340
	Total (1)	607,340	200,000	807,340
2	Other Non Executive Directors			
	(a) Fee for attending board committee meetings	-	-	
	(b) Commission	-	-	
	(c) Others, please specify.	-	-	
	Total (2)	-	-	
	Total (B)=(1+2)	607,340	200,000	807,340
	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	CEO	Key Managerial Personnel		Total
			Ramawtar Taparia - CFO	Ms. Vandana Sharma Company Secretary	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Not Applicable	3,420,000	476,250	3,896,250
	(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			3,420,000	476,250

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)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

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, 2020, 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, 2020, of consolidated loss 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

- 1) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 27,187,911/- as at March 31, 2020, total revenues of Rs. Nil and net cash inflows amounting to Rs. 12,590/- 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.
- 2) During the year 2016-17 the Company's wholly owned subsidiary, Rediff Holdings Inc. sold its step down subsidiary, India Abroad Publication Inc. (engaged in the publishing business) to 8K Miles Media Group Inc. for a consideration of USD 2,200,000. 8K Miles Media Group paid / adjusted USD 1,467,135 against the said consideration and withheld the remaining consideration of USD 732,865. Subsequently, Rediff Holdings Inc. initiated legal action against 8K Miles Media Group for recovery of the remaining sale consideration with interest thereon. However, during the year under audit, Rediff Holdings Inc., on assessing the costs involved in litigation, decided not to pursue the matter further and settled the litigation with 8K Miles Media Group. by relinquishing this remaining sale consideration.

In view of the above, Rediff Holdings Inc. has made a provision for the remaining sale consideration of USD 732,865 in the books as irrecoverable.

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, 2020 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, 2020 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, 2020.
- 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**

Date: September 29, 2020

M. No. 32625

UIDN – 20032625AAAADK7368

Annexure ‘A’

Annexure to the independent auditor’s report of even date on the Consolidated financial statements of Rediff.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, 2020, 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, 2020, 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: September 29, 2020

UDIN - 20032625AAAADK7368

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Balance Sheet as at March 31, 2020

	Note	As at March 31, 2020	As at March 31, 2019
		₹	₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	114,197,645	114,197,645
(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		(4,064,728,387)	(3,991,033,164)
(iv) Foreign Currency Translation Reserve		231,152,678	228,787,168
		(343,709,761)	(272,380,048)
2 Non - Current Liabilities			
(a) Other Long Term Liabilities	5		
(i) Loan From Director		145,876,475	137,322,500
(ii) Others		34,308,394	33,871,327
(b) Long - Term Provisions	6	35,953,775	30,677,074
		216,138,644	201,870,901
3 Current Liabilities			
(a) Trade Payables	7	156,462,296	172,123,448
(b) Other Current Liabilities	8	157,532,467	163,607,015
(c) Short - Term Provisions	9	18,346,432	16,831,859
		332,341,195	352,562,322
TOTAL		204,770,078	282,053,175
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		13,690,001	11,936,619
(ii) Intangible Assets		-	-
(iii) Intangible Assets under Development		-	-
		13,690,001	11,936,619
(b) Non - Current Investments	11	-	-
(c) Long - Term Loans and Advances	12	59,435,555	78,590,551
		59,435,555	78,590,551
2 Current Assets			
(a) Trade Receivables	13	30,372,848	37,628,951
(b) Cash and Cash Equivalents	14	46,195,744	58,391,238
(c) Short-Term Loans and Advances	15	28,439,066	31,871,971
(d) Other current assets	16	26,636,864	63,633,845
		131,644,522	191,526,005
TOTAL		204,770,078	282,053,175

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

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

Date: September 29,2020

Date: September 29,2020

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Statement of Profit and Loss for the Year Ended March 31, 2020

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
		₹	₹
I Revenue From Operations	17	402,365,655	464,340,978
II Other Income (Net)	18	5,344,332	17,575,265
TOTAL REVENUE		407,709,987	481,916,243
III Expenses:			
(a) Employee Benefit Expenses	19	195,233,880	190,503,753
(b) Depreciation and Amortization Expense	10	5,732,191	4,101,882
(c) Operation and Other Expenses	20	222,738,189	261,618,722
TOTAL EXPENSES		423,704,260	456,224,357
IV (LOSS) PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		(15,994,273)	25,691,886
V Exceptional Item:	21	57,584,217	-
Total		(73,578,490)	25,691,886
VI Provision for Tax		116,730	51,460
VII (LOSS) PROFIT FOR THE YEAR		(73,695,220)	25,640,426
VIII Earnings Per Equity Share (Face Value of ₹5 each) - Basic and Diluted		(3.23)	1.22

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

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

Date: September 29,2020

Date: September 29,2020

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Cash Flow Statement as at March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Cash Flow from Operating Activities		
(Loss) Profit Before Taxes	(73,695,220)	25,640,426
Adjustments for:		
Depreciation and Amortisation Expense	5,732,191	4,101,882
Interest Income	(3,914,168)	(3,606,286)
Provision of Doubtful Receivables	-	3,259,200
Profit on Sale of Fixed Assets	-	(1,073,868)
Unrealised Exchange Difference	(281,417)	3,012,994
Operating Loss Before Working Capital Changes	(72,158,614)	31,334,348
Changes in Working Capital:		
Trade Receivables	7,256,103	3,211,464
Loans and Advances	2,099,213	(1,910,688)
Trade Payables and Current Liabilities	(12,100,730)	(38,559,785)
Provisions	6,708,030	(7,754,527)
Other Current Assets	55,247,483	1,516,665
Cash used in Operating Activities	(12,948,515)	(12,162,523)
Taxes Refund, Net of (Paid)	2,282,991	(4,573,243)
Net Cash used in Operating Activities (A)	(10,665,524)	(16,735,766)
Cash Flow From Investing Activities		
Payments to Acquire Fixed Assets	(12,579,589)	(2,385,825)
Loan (Repaid) Received from Director (Net)	7,000,000	(20,770,000)
Proceeds from Sale of Fixed Assets	-	1,073,868
Interest Income Received	3,914,167	3,606,285
Net Cash (used in)/from Investing Activities (B)	(1,665,422)	(18,475,672)
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)	(12,330,946)	10,010,316
Cash and Cash Equivalents at the Beginning of the Year	58,391,238	48,275,286
Cash and Cash Equivalents at the End of the Year	46,060,292	58,285,602
Note ;		
Cash and Cash Equivalents Include:		
Cash on Hand	-	-
Bank Balances	46,195,744	58,391,238
Fixed deposits with banks (maturity less than 3 months)		
Cash and Cash Equivalents as above	46,060,292	58,285,602
Effect of Exchange Rate Changes	135,452	105,636
Cash and Cash Equivalents as per Note 14	46,195,744	58,391,238
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-31	

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

Date: September 29,2020

Date: September 29,2020

REDIFF.COM INDIA LIMITED

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, 2020, 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

The Company and its subsidiaries has a negative net worth as at March 31, 2020 and 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. Thus, during the previous year the Company and its subsidiaries incurred operating profit and in reporting year narrow down the losses.

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 exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve.
- v) The Financial Statements of the subsidiaries are drawn up to 31st March, 2020.

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, 2020	Portion of ownership Interest as at March 31, 2019
<u>Indian Subsidiaries</u>			
Vubites India Private Limited	India	100%	100%
<u>Foreign Subsidiaries including step down subsidiaries.</u>			
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.

The Company has taken due care in concluding on accounting judgements and estimates regarding assets (based on information available to date) and continues to monitor the impact of COVID – 19 on its operations; for a definitive assessment of the impact in the subsequent period dependence upon circumstances as they evolve would be necessary.

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.

Notes forming part of the Consolidated Financial Statements

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 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.

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
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

Notes forming part of the Consolidated Financial Statements

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.

o 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.

o 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

Notes forming part of the Consolidated Financial Statements

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.

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.

Notes forming part of the Consolidated Financial Statements

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

The Company operates in a single business segment known as "India Online Business" and hence Segment Reporting is not required.

Notes forming part of the Consolidated Financial Statements

3. SHARE CAPITAL

	As at March 31, 2020		As at March 31, 2019	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 5 each	30,000,000	150,000,000	30,000,000	150,000,000
Issued, Subscribed and Fully Paid up				
Ordinary Equity Shares of ₹5 each fully paid	23,854,529	119,272,645	23,854,529	119,272,645
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	22,839,529	114,197,645

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, 2020		As at March 31, 2019	
	Number	₹	Number	₹
At the beginning of the year	23,854,529	119,272,645	14,810,178	74,050,890
Shares issued during the year	-	-	9,044,351	45,221,755
	23,854,529	119,272,645	23,854,529	119,272,645
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	22,839,529	114,197,645

9,044,351 equity 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, 2020		As at March 31, 2019	
	Number	% Holding	Number	% Holding
Ajit Balakrishnan	10,289,081	43.13%	10,289,081	43.13%
Rediffusion Holding Pvt. Ltd.	2,200,002	9.22%	2,200,002	9.22%
Styrax Commodities Ltd.	1,523,000	6.38%	1,523,000	6.38%
Diwan Arun Nanda	1,244,740	5.22%	1,244,740	5.22%

Notes forming part of the Consolidated Financial Statements

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.

4. RESERVES AND SURPLUS

Reserves and surplus consist of the following:

	As at March 31, 20	As at March 31, 2019
	₹	₹
Securities premium account		
Opening balance	3,430,862,460	3,430,862,460
Addition during the year	-	-
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	(3,991,033,164)	(4,016,673,591)
Deficit during the year	(73,695,221)	25,640,425
Closing balance	(4,064,728,387)	(3,991,033,164)
Foreign Currency Translation Reserve		
Opening balance	228,787,168	224,973,590
Change during the year	2,365,510	3,813,578
Closing balance	231,152,678	228,787,168
Total	(457,907,406)	(386,577,693)

Notes forming part of the Consolidated Financial Statements

5. OTHER LONG-TERM LIABILITIES (UNSECURED)

Other long-term liabilities consist of the following:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Income received in advance	34,308,394	33,871,327
Loan from Director	145,876,475	137,322,500
		-
Total	180,184,869	171,193,827

6. LONG – TERM PROVISIONS

Long –term provisions consist of following:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Provision for employee benefits:		
Gratuity (unfunded)	26,353,957	21,879,545
Compensated absence (unfunded)	9,599,818	87,97,529
Total	35,953,775	30,677,074

7. TRADE PAYABLE

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Total outstanding dues to Micro and small Enterprises	-	-
Others for Goods and Services	156,462,296	172,123,448
Total	156,462,296	172,123,448

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.

Notes forming part of the Consolidated Financial Statements

8. OTHER CURRENT LIABILITIES

Other current liabilities consist of the followings:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Capital creditors	3,854,316	8,948,333
Deposits from employees	2,272,632	2,272,632
Advance received from customers	15,504,791	15,283,398
Income received in advance	120,345,502	114,219,291
Others	64,066	64,066
Statutory liabilities		
Tax deducted at source Payable	2,112,829	5,031,827
Others	1,457,859	1,355,481
Indirect Tax Payable	11,920,472	16,431,987
Total	157,532,467	163,607,015

9. SHORT – TERM PROVISIONS

Short-term provisions consist of the followings:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Provision for employee benefits:		
Gratuity (unfunded)	12,883,445	11,342,075
Compensated absence (unfunded)	4,471,588	4,580,130
Others	991,399	909,654
Total	18,346,432	16,831,859

REDIFF.COM INDIA LIMITED

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, 2019	Additions	Deletions	Gross Block as at March 31, 2020	Accumulated Depreciation as at April 1, 2019	Depreciation for the Year	Deletions	Accumulated Depreciation as at March 31, 2020	Net Block Value before Impairment as at March 31, 2020	Impairment as at 31st March 2020	Net Block after impairment as at 31st March 2020	Net Block Value as at March 31, 2019
Tangible assets												
	1,32,43,637	-	-	1,32,43,637	(1,19,94,039)	-	-	(1,19,94,039)	12,49,598	12,49,598	-	-
Furniture and fixture	1,32,43,637	-	-	1,32,43,637	(1,19,94,039)	-	-	(1,19,94,039)	12,49,598	12,49,598	-	-
	65,86,01,147	74,44,582	(57,02,470)	66,03,43,259	(57,22,64,632)	-	-	(57,22,64,632)	8,80,78,627	7,45,89,289	1,34,89,338	-
Computer	64,73,35,719	1,13,22,159	(56,731)	65,86,01,147	(56,82,45,158)	(40,76,205)	56,731	(57,22,64,632)	8,63,36,515	7,45,89,289	-	1,17,47,226
	1,37,47,347	40,990	(29,720)	1,37,58,617	(90,64,172)	-	-	(90,64,172)	46,94,445	44,93,782	2,00,663	-
Office equipment	1,37,70,948	11,999	(35,600)	1,37,47,347	(90,74,095)	(25,677)	35,600	(90,64,172)	46,83,175	44,93,782	-	1,89,393
	98,90,683	-	-	98,90,683	(12,47,269)	-	-	(12,47,269)	86,43,414	86,43,414	-	-
Vehicle	1,40,71,708	-	(41,81,025)	98,90,683	(54,28,294)	-	41,81,025	(12,47,269)	86,43,414	86,43,414	-	-
	2,67,12,489	-	-	2,67,12,489	(2,21,20,228)	-	-	(2,21,20,228)	45,92,261	45,92,261	-	-
Leasehold Improvement	2,67,12,489	-	-	2,67,12,489	(2,21,20,228)	-	-	(2,21,20,228)	45,92,261	45,92,261	-	-
Total tangible assets	72,21,95,303	74,85,572	(57,32,190)	72,39,48,685	(61,66,90,340)	-	-	(61,66,90,340)	10,72,58,345	9,35,68,344	1,36,90,001	-
<i>Previous year</i>	71,51,34,501	1,13,34,158	(42,73,356)	72,21,95,303	(61,68,61,814)	(41,01,882)	42,73,356	(61,66,90,340)	10,55,04,963	9,35,68,344	-	1,19,36,619
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Internally Generated	37,82,33,145	-	-	37,82,33,145	(31,23,81,387)	-	-	(31,23,81,387)	6,58,51,758	6,58,51,758	(0)	(0)
Acquired	4,06,56,336	-	-	4,06,56,336	(3,97,21,171)	-	-	(3,97,21,171)	9,35,162	9,35,162	-	-
Total intangible assets	41,88,89,481	-	-	41,88,89,481	(35,21,02,558)	-	-	(35,21,02,558)	6,67,86,920	6,67,86,920	(0)	(0)
<i>Previous year</i>	41,88,89,481	-	-	41,88,89,481	(35,21,02,558)	-	-	(35,21,02,558)	6,67,86,920	6,67,86,920	-	-
<i>Internally Generated</i>	37,82,33,145	-	-	37,82,33,145	(31,23,81,387)	-	-	(31,23,81,387)	6,58,51,758	6,58,51,758	-	-
<i>Acquired</i>	4,06,56,336	-	-	4,06,56,336	(3,97,21,171)	-	-	(3,97,21,171)	9,35,162	9,35,162	-	-

REDIFF.COM INDIA LIMITED

Notes forming part of the Consolidated Financial Statements

	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under development (internally generated)	3,64,43,267	-	-	3,64,43,267	-	-	-	-	3,64,43,267	3,64,43,267	-	-
	3,64,43,267	-	-	3,64,43,267	-	-	-	-	3,64,43,267	3,64,43,267	-	-
	1,17,75,28,051	74,85,572	(57,32,190)	1,17,92,81,433	(96,87,92,898)	-	-	(96,87,92,898)	21,04,88,532	19,67,98,531	1,36,90,001	(0)
Grand Total	1,17,04,67,249	1,13,34,158	(42,73,356)	1,17,75,28,051	(96,89,64,372)	(41,01,882)	42,73,356	(96,87,92,898)	20,87,35,150	19,67,98,531	-	1,19,36,619

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, 2020 ₹	As at March 31, 2019 ₹
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	2019-20	2018-19
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, 2020	As at March 31, 2019
	₹	₹
Considered Good		
Rent deposits	3,516,215	1,940,000
Recoverable taxes	49,008,957	69,002,496
Prepaid expenses.	35,361	205,814
Unamortise expenses	6,875,022	7,442,241
	59,435,555	78,590,551

13. TRADE RECEIVABLES

Trade receivables consist of the following:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Outstanding for a period		
(a) Over six months from the date they were due for payments		
(i) Considered good	-	-
(ii) Considered doubtful	27,080,241	27,080,241
	27,080,241	27,080,241
(b) Others		
(i) Considered good	30,372,848	37,628,951
(ii) Considered doubtful	-	-
	30,372,848	37,628,951
Total (a+b)	57,453,089	64,709,192
Less: Provision for doubtful debts	27,080,241	27,080,241
	30,372,848	37,628,951

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, 2020	As at March 31, 2019
	₹	₹
Cash and cash equivalents		
(a) Balances with banks In current account	20,997,426	27,081,037
	20,997,426	27,081,037
(b) Other In deposits account	25,198,317	31,310,201
	25,198,317	31,310,201
Total (a+b)	46,195,744	58,391,238

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

Short-term loans and advances consist of the following:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Supplier advances	17,586,902	19,504,795
Rent deposits	10,452,908	11,744,120
Loan to employees #	399,256	623,056
Total	28,439,066	31,871,971

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, 2020	As at March 31, 2019
	₹	₹
Prepaid expenses	2,833,085	1,767,525
Unamortised expenses	10,596,990	11,167,408
Other Loans & Advances	13,206,789	50,698,912
	26,636,865	63,633,845

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, 2020	For the year ended March 31, 2019
	₹	₹
Online advertising	168,436,353	207,809,263
Fee based services	233,929,302	256,531,715
Total	402,365,655	464,340,978

18. OTHER INCOME (NET)

Other income (net) consists of the following:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Interest income:		
Interest on fixed deposits	2,662,265	2,429,273
Interest on income-tax refund	1,240,228	1,280,972
Interest others	11,675	10,491
Miscellaneous Income	1,430,164	3,104,355
Gain on sale of Fixed Assets	-	1,073,868
Depository Service Fees Received	-	9,676,307
Total	5,344,332	17,575,265

19. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Salaries and wages	177,120,706	174,481,745
Contribution to provident fund	7,613,496	7,667,657
Gratuity	6,541,935	4,443,438
Staff welfare expenses	3,957,743	3,910,913
Total	195,233,880	190,503,753

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, 2020	For the year ended March 31, 2019
	₹	₹
Content Charges	17,382,542	16,196,828
Domain registration charges	18,267,473	19,127,735
Subscription and SMS based costs	6,795,513	8,765,243
E-Commerce – Courier, Freight and Forward	795,710	11,325,540
Bandwidth	74,942,310	85,952,328
Software Usage charges	23,524,436	25,104,431
Product development charges	2,424,880	4,908,416
Advertising	434,646	1,416,175
Market support	6,238,301	7,301,734
Rent and amenities	19,127,038	20,162,128
Electricity charges	2,311,738	2,706,190
Telecommunication	1,003,246	1,503,392
Repairs and maintenance:		
Computers	1,970,514	5,366,776
Others	1,110,902	721,265
Insurance	5,363,965	5,259,595
Travel and conveyance	6,136,435	7,715,274
Rates and taxes	1,089,978	172,168
Foreign exchange (gain)/ loss	5,095,710	1,909,590
Bank Charges	1,798,041	2,369,181
Provision for doubtful debts (net)	-	32,59,200
House-Keeping Charges	5,849,589	5,570,741
Legal and professional fees	15,587,561	16,708,502
Other Miscellaneous expenses	5,377,842	8,096,290
Total	222,738,189	261,618,722

21. EXCEPTIONAL ITEMS

Exceptional Items consist of the following:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Provision for receivable of India Abroad sale consideration	51,952,800	-
Settlement under SVLDR Scheme	5,631,417	-
Total	57,584,217	-

Notes forming part of the Consolidated Financial Statements

During the year ended March 31, 2020, the Company opted to pay Rs. 5,631,417/- under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) as full and final settlement for a litigation pertaining to F.Y. 2009. The said litigation was pending at CESTAT level.

During the year 2016-17 the Company had sold its step down subsidiary, India Abroad Publication Inc. (engaged in the publishing business) to 8K Miles Media Group Inc. for a consideration of USD 2,200,000. 8K Miles Media Group paid / adjusted USD 1,467,135 against the said consideration and withheld the remaining consideration of USD 732,865. Subsequently, the Company initiated legal action against 8K Miles Media Group for recovery of the remaining sale consideration with interest thereon. However, during the year under audit, the Company, on assessing the costs involved in litigation, decided not to pursue the matter further and settled the litigation with 8K Miles Media Group by relinquishing this remaining sale consideration.

In view of the above, the Company has made a provision for remaining sale consideration of USD732,865 in the books of Rediff Holding Inc.

22. AUDITOR’S REMUNERATION

(i) For service as auditors

2019-20 ₹	2018-19 ₹
1,000,000	1,000,000
1,000,000	1,000,000

23. 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:

	2019-20 ₹	2018-19 ₹
Benefit obligation at the beginning of the year	33,221,619	33,713,673
Actuarial loss/(gain)	2,028,036	(897,620)
Current service cost	2,472,340	2,826,484
Interest cost	2,041,559	2,514,573
Benefits paid	(526,153)	(4,935,491)
Benefit obligation at the end of the year	39,237,401	33,221,619
Current Portion of Benefit Obligation	12,883,445	11,342,075
Non-Current Portion of Benefit Obligation	26,353,956	21,879,544

Notes forming part of the Consolidated Financial Statements

Expense on defined benefit plan:

	2019-20 ₹	2018-19 ₹
Service cost	2,472,340	2,826,484
Interest cost	2,041,559	2,514,573
Recognised net actuarial loss/(gain)	2,028,036	(897,620)
Net gratuity cost	6,541,935	4,443,437

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:

	2019-20	2018-19
Rate for discounting liabilities	5.50%	6.80%
Salary escalation rate	7.00%	7.00%
Expected rate of return on assets	0.00%	0.00%
Mortality rates	Indian Assured live mortality Table (2012-14)	Indian Assured live mortality Table (2012-14)

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:

	2019-20 ₹	2018-19 ₹	2017-18 ₹	2016-17 ₹	2015-16 ₹
Defined benefit obligation	39,237,401	33,221,619	33,713,673	34,786,657	40,879,967
(Deficit)	(39,237,401)	(33,221,619)	(33,713,673)	(34,786,657)	(40,879,967)
Experience adjustment on plan liabilities	145,607	(2,561,240)	(2,096,005)	(4,314,204)	(2,381,560)

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 ₹ 7,613,496 (*Previous Year ₹ 7,667,657*) has been charged to the revenue account in this respect.

Notes forming part of the Consolidated Financial Statements

24. EMPLOYEE STOCK OPTION PLANS (ESOP)

Stock Option Plan 2018 (ESOP 2018)

On April 18, 2018, pursuant to the approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue to eligible employees of the Company under the ESOP 2018 Plan. The maximum number of shares under the ESOP 2018 Plan shall not exceed 1,000,000 equity shares.

Number of options granted, exercised and forfeited during the year ended March 31,	ESOP 2018			
	Options	Weighted average exercise price ₹	Range of exercise price ₹	Weighted average remaining contractual life
Option granted	907,500			
Option forfeited	35,500			
Options outstanding, end of period	872,000	5	5	9

There were no options exercisable as at March 31, 2020.

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:

	2019-20 ₹	2018-19 ₹
Office Premises	16,801,793	17,418,273
Residential flats for accommodation of employees	2,325,245	2,268,655
Total	19,127,038	19,686,928

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

	2019-20 ₹	2018-19 ₹
Not later than one year	2,611,493	16,223,488
Later than one year and not later than five years	2,325,245	3,078,643
Total payments	19,127,038	19,302,131

Notes forming part of the Consolidated Financial Statements

26. EARNING PER EQUITY SHARES

	2019-20	2018-19
A. Net (loss) attributable to equity shareholders (₹)	(73,695,221)	25,640,426
B. Weighted average number of equity shares outstanding during the year	22,839,529	20,956,322
C. Potentially dilutive equity share equivalents (stock options)	-	-
D. Weighted average number of equity shares and potentially dilutive equity share equivalents outstanding	22,839,529	20,956,322
E. Nominal value of Equity Shares (₹)	5.00	5.00
Basic Earnings per Share (₹)	(3.23)	1.22
Diluted Earnings per Share (₹)	(3.23)	1.22

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

During the year, the Company filed two Appeals to the Commissioner of Service Tax (Appeal) against the two orders passed by Joint Commissioner, Office of the Commissioner of CGST & Central Excise, Mumbai. The Company has deposited Rs. 1,407,302/-, being an amount equivalent to 7.5% of the service tax (including interest) demanded of Rs. 18,764,027/-, in accordance with Section 35F of Central Excise Act, 1944 read with Section 83 of the Finance Act, 1994. The Company has not recognized any accrual for the said orders as the Company believes that it is probable that it would be successful on resolution of the orders at appeal level.

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.

Notes forming part of the Consolidated Financial Statements

Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to ₹ 568,976/- as at March 31, 2020.

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:

Sl. No.	Particulars	2019-20		2018-19	
		Amount \$	Amount ₹	Amount \$	Amount ₹
1	Amount receivable on account of sale of services	118,397	8,925,914	219,295	15,168,661
2	Creditors payable on account of foreign currency expenditure	74,715	(5,632,792)	103,391	(7,151,546)
3	Amount (Payable) / Receivable (to)/from subsidiary companies	(711,217)	(53,615,703)	(679,481)	(47,000,598)

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	95%	(327, 404,815)	29%	(21, 432,073)
Indian Subsidiary				
Vubites India Prt. Ltd.	-5%	17, 631,568	1%	(403,002)
Foreign Subsidiaries				
Rediff Holdings, Inc.	11%	(36,749,913)	70%	(51, 985,772)
Rediff.com Inc	0%	-	0%	-
Value communication	0%	(1,083,220)		-

REDIFF.COM INDIA LIMITED

Notes forming part of the Consolidated Financial Statements

corporation Inc.				
Rediff.com Employee Trust	-1%	3, 896,619	0%	125,628
Total Consolidated Net Assets		(343,709,761)		
Total Consolidated Loss				(73,695,221)

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

/s/ Vandana Sharma
Company Secretary
ACS- 56267

Mumbai, September 29, 2020

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, 2020, 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, 2020, the loss 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 thereunder, 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.

EMPHASIS OF MATTER

While the Company has taken due care in concluding on accounting judgements and estimates regarding assets (based on information available to date) and continues to monitor the impact of COVID – 19 on its operations; for a definitive assessment of the impact in the subsequent period dependence upon circumstances as they evolve would be necessary.

Our opinion is not modified in respect of this matter

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 concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative 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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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, 2020.
 - 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 : September 29, 2020

UDIN – 20032625AAAADL5919

ANNEXURE - A TO INDEPENDENT AUDITORS' 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 2020, 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 of 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. 2,75,000/- during the year.

(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 thereunder.
6. According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 148(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, 2020 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, other than those mentioned in Note 30 to the financial statements for the year.
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 : September 29, 2020

UDIN - 20032625AAAADL5919

ANNEXURE - B TO INDEPENDENT AUDITORS' 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 2020 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 2020, 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 : September 29, 2020

UDIN - 20032625AAAADL5919

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077

Standalone Balance Sheet as at March 31, 2020

Particulars	Note	As at	As at
		March 31, 2020	March 31, 2019
		₹	₹
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	119,272,645	119,272,645
(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		(4,072,204,235)	(4,050,497,162)
		(382,547,757)	(360,840,684)
2 Non - Current Liabilities			
(a) Other Long Term Liabilities	5		
(i) Loan From Director		127,030,000	120,030,000
(ii) Others		34,308,394	33,871,327
(c) Long - Term Provisions	6	35,953,775	30,677,074
		197,292,169	184,578,401
3 Current Liabilities			
(a) Trade Payables	7	132,013,785	149,283,436
(b) Other Current Liabilities	8	215,021,318	216,871,000
(c) Short - Term Provisions	9	17,355,033	15,922,205
		364,390,136	382,076,641
TOTAL		179,134,548	205,814,358
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		13,690,001	11,936,620
(ii) Intangible Assets		-	-
(iii) Intangible Assets under Development		-	-
		13,690,001	11,936,620
(b) Non - Current Investments	11	-	-
(c) Long - Term Loans and Advances	12	32,461,910	31,643,829
(d) Other Non - Current assets	13	6,910,577	7,648,462
		39,372,487	39,292,291
2 Current Assets			
(a) Trade Receivables	14	30,372,848	37,628,951
(b) Cash and Cash Equivalents	15	40,630,820	52,913,971
(c) Short-Term Loans and Advances	16	41,638,316	51,107,592
(d) Other current assets	17	13,430,076	12,934,933
		126,072,060	154,585,447
TOTAL		179,134,548	205,814,358
III Notes forming part of the Financial Statements	1-35		

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

Date: September 29,2020

Date: September 29,2020

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Statement of Standalone Profit and Loss for the Year Ended March 31, 2020

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
		₹	₹
I Revenue From Operations	18	402,365,655	464,340,978
II Other Income (Net)	19	5,108,884	16,728,106
TOTAL REVENUE		407,474,539	481,069,084
III Expenses:			
(a) Employee Benefit Expenses	20	195,233,880	190,503,753
(b) Depreciation and Amortization Expense	10	5,732,191	4,101,882
(c) Operation and Other Expenses	21	222,309,124	260,234,567
TOTAL EXPENSES		423,275,195	454,840,202
IV (LOSS) PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		(15,800,656)	26,228,882
V Exceptional Items:	22	5,906,417	(750,400)
VI (LOSS) PROFIT BEFORE TAX		(21,707,073)	26,979,282
VII Provision for Tax		-	-
VIII (LOSS) PROFIT FOR THE YEAR		(21,707,073)	26,979,282
IX Earnings Per Equity Share (Face Value of ₹ 5 each) - Basic and Diluted		(0.91)	1.23
X Notes forming part of the Financial Statements	1-35		

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

Date: September 29,2020

Date: September 29,2020

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Standalone Cash Flow Statement for the Year Ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Cash Flow from Operating Activities		
(Loss) Profit Before Taxes	(21,707,073)	26,979,282
Adjustments for:		
Depreciation Expense	5,732,191	4,101,882
Writeback of Impaired Loan	-	(750,400)
Writroff of loan to Vubites India Pvt Ltd.	275,000	-
Interest Income	(3,678,720)	(3,385,340)
Provision of Doubtful Receivables	-	3,259,200
(Profit) on Sale of Fixed Assets	-	(1,073,868)
Unrealised Exchange Difference	3,015,562	3,012,994
Operating Loss Before Working Capital Changes	(16,363,040)	32,143,750
Changes in Working Capital:		
Trade Receivables	7,256,103	3,211,464
Loans and Advances	2,099,430	(3,081,707)
Trade Payables and Current Liabilities	(12,092,295)	(35,352,202)
Provisions	6,709,529	(7,798,527)
Cash used in Operating Activities	(12,390,273)	(10,877,222)
Taxes Refund, Net of paid	2,282,991	(4,551,145)
Net Cash used in Operating Activities (A)	(10,107,282)	(15,428,367)
Cash Flow From Investing Activities		
Payments to Acquire Fixed Assets	(12,579,589)	(2,385,825)
Proceeds from Sale of Fixed Assets	-	1,073,868
Loan Received(given) to Vubites India Pvt Ltd (Net)	(275,000)	750,400
Loan (Repaid) Received from Director (Net)	7,000,000	(20,770,000)
Interest Income Received	3,678,720	3,385,340
Net Cash (used in)/from Investing Activities (B)	(2,175,869)	(17,946,217)
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)	(12,283,151)	11,847,171
Cash and Cash Equivalents at the Beginning of the Year	52,913,971	41,066,800
Cash and Cash Equivalents at the End of the Year	40,630,820	52,913,971
Note ;		
Cash and Cash Equivalents Include:		
Cash on Hand	-	-
Bank Balances	40,630,820	52,913,971
Cash and Cash Equivalents as above	40,630,820	52,913,971
Effect of Exchange Rate Changes	-	-
Cash and Cash Equivalents per Note 15	40,630,820	52,913,971

Notes forming part of the Financial Statements

1-35

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

Date: September 29,2020

Date: September 29,2020

Notes forming part of the Standalone 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.

The Company has a negative net worth as at March 31, 2020 and 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. Thus, during the previous year the Company incurred operating profit and in reporting year narrow down the losses.

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

Notes forming part of the Standalone Financial Statements

email subscription and marketplace fee. 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.

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.

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

Notes forming part of the Standalone 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 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.

o 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

Notes forming part of the Standalone Financial Statements

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.

k) Taxes

Income taxes comprise both current and deferred tax.

Notes forming part of the Standalone 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.

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.

Notes forming part of the Standalone Financial Statements

3. SHARE CAPITAL

	As at March 31, 2020		As at March 31, 2019	
	Number	₹	Number	₹
Authorised				
Equity Shares of ₹ 5 each	30,000,000	150,000,000	30,000,000	150,000,000
Issued, Subscribed and Fully Paid up				
Ordinary Equity Shares of ₹5 each fully paid	23,854,529	119,272,645	23,854,529	119,272,645

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, 2020		As at March 31, 2019	
	Number	₹	Number	₹
At the beginning of the year	23,854,529	119,272,645	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	23,854,529	119,272,645

9,044,351 equity 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, 2020		As at March 31, 2019	
	Number	% Holding	Number	% Holding
Ajit Balakrishnan	10,289,071	43.13%	10,289,071	43.13%
Rediffusion Holding Pvt. Ltd.	2,200,002	9.22%	2,200,002	9.22%
Styrax Commodities Ltd.	1,523,000	6.38%	1,523,000	6.38%
Diwan Arun Nanda	1,244,740	5.22%	1,244,740	5.22%

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.

Notes forming part of the Standalone Financial Statements

4. RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
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	(4,050,497,162)	(4,077,476,444)
Deficit during the year	(21,707,073)	26,979,282
Closing balance	(4,072,204,235)	(4,050,497,162)
Total	(501,820,402)	(480,113,329)

5. OTHER LONG-TERM LIABILITIES (UNSECURED)

Other long-term liabilities consist of the followings:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Income received in advance	34,308,394	33,871,327
Payables to related party:		
Loan from Director	127,030,000	120,030,000
Total	161,338,394	153,901,327

6. LONG – TERM PROVISIONS

Long –term provisions consist of following:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Provision for employee benefits:		
Gratuity (unfunded)	26,353,957	21,879,545
Compensated absence (unfunded)	9,599,818	8,797,529
Total	35,953,775	30,677,074

Notes forming part of the Standalone Financial Statements

7. TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Total outstanding dues to Micro and small * Enterprises	-	-
Others for Goods and Services	132,013,785	149,283,436
Total	132,013,785	149,283,436

* 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, 2020	As at March 31, 2019
	₹	₹
Capital creditors	3,854,316	8,948,333
Deposits from employees	2,272,632	2,272,632
Advance received from customers	14,642,057	14,420,664
Income received in advance	120,345,502	114,219,291
Other Liabilities	64,066	64,067
Statutory liabilities		
Tax deducted at source payable	2,153,538	5,071,037
Indirect Taxes payable	11,920,472	16,431,987
Others	1,457,859	1,355,481
Other payables to related parties (unsecured):		
Rediff Holding Inc.	334,852	890,863
Rediff.com Inc.	47,433,604	43,523,313
Value Communication Corporation	10,542,420	9,673,332
Total	215,021,318	216,871,000

9. SHORT – TERM PROVISIONS

Short-term provisions consist of the followings:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Provision for employee benefits:		
Gratuity (unfunded)	12,883,445	11,342,075
Compensated absence (unfunded)	4,471,588	4,580,130
Total	17,355,033	15,922,205

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Notes forming part of the Standalone Financial Statements

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

Description	Gross Block as at April 1, 2019	Additions	Deletions	Gross Block as at March 31, 2020	Accumulated Depreciation as at April 1, 2019	Depreciation for the Year	Deletions	Accumulated Depreciation as at March 31, 2020	Net Block Value before Impairment as at March 31, 2020	Impairment as at 31st March 2020	Net Block after impairment as at 31st March 2020	Net Block Value as at March 31, 2019
Tangible assets												
Furniture and fixture	1,29,22,717	-	-	1,29,22,717	(1,16,73,119)	-	-	(1,16,73,119)	12,49,598	12,49,598	-	-
	1,29,22,717			1,29,22,717	(1,16,73,119)	-	-	(1,16,73,119)	12,49,598	12,49,598	-	-
Computer	56,47,61,958	74,44,582	(57,02,470)	56,65,04,070	(47,84,25,443)	-	-	(47,84,25,443)	8,80,78,627	7,45,89,289	1,34,89,338	-
	55,34,96,530	1,13,22,159	(56,731)	56,47,61,958	(47,44,05,969)	(40,76,205)	56,731	(47,84,25,443)	8,63,36,515	7,45,89,289		1,17,47,226
Office equipment	1,31,30,751	40,990	(29,720)	1,31,42,021	(84,47,576)			(84,47,576)	46,94,445	44,93,782	2,00,663	-
	1,31,54,352	11,999	(35,600)	1,31,30,751	(84,57,499)	(25,677)	35,600	(84,47,576)	46,83,175	44,93,782		1,89,394
Vehicle	98,90,683	-		98,90,683	(12,47,269)			(12,47,269)	86,43,414	86,43,414	-	-
	1,40,71,708	-	(41,81,025)	98,90,683	(54,28,294)		41,81,025	(12,47,269)	86,43,414	86,43,414	-	-
Leasehold Improvement	2,49,90,385	-	-	2,49,90,385	(2,03,98,124)	-	-	(2,03,98,124)	45,92,261	45,92,261	-	-
	2,49,90,385	-	-	2,49,90,385	(2,03,98,124)	-	-	(2,03,98,124)	45,92,261	45,92,261	-	-
Total tangible assets	62,56,96,494	74,85,572	(57,32,190)	62,74,49,876	(52,01,91,531)	-	-	(52,01,91,531)	10,72,58,345	9,35,68,344	1,36,90,001	-
<i>Previous year</i>	<i>61,86,35,692</i>	<i>1,13,34,158</i>	<i>(42,73,356)</i>	<i>62,56,96,494</i>	<i>(52,03,63,005)</i>	<i>(41,01,882)</i>	<i>42,73,356</i>	<i>(52,01,91,531)</i>	<i>10,55,04,963</i>	<i>9,35,68,344</i>	<i>-</i>	<i>1,19,36,620</i>
Intangible assets												
Internally Generated	26,76,90,691	-	-	26,76,90,691	(20,18,38,933)	-	-	(20,18,38,933)	6,58,51,758	6,58,51,758	-	-
Acquired	4,06,56,336	-	-	4,06,56,336	(3,97,21,171)	-	-	(3,97,21,171)	9,35,162	9,35,162	-	-
Total intangible assets	30,83,47,027	-	-	30,83,47,027	(24,15,60,104)	-	-	(24,15,60,104)	6,67,86,920	6,67,86,920	-	-
<i>Previous year</i>	<i>30,83,47,027</i>	<i>-</i>	<i>-</i>	<i>30,83,47,027</i>	<i>(24,15,60,104)</i>	<i>-</i>	<i>-</i>	<i>(24,15,60,104)</i>	<i>6,67,86,920</i>	<i>6,67,86,920</i>	<i>-</i>	<i>-</i>
<i>Internally Generated</i>	<i>26,76,90,691</i>	<i>-</i>	<i>-</i>	<i>26,76,90,691</i>	<i>(20,18,38,933)</i>	<i>-</i>	<i>-</i>	<i>(20,18,38,933)</i>	<i>6,58,51,758</i>	<i>6,58,51,758</i>	<i>-</i>	<i>-</i>
<i>Acquired</i>												

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	4,06,56,336	-	-	4,06,56,336	(3,97,21,171)	-	-	(3,97,21,171)	9,35,162	9,35,162		-
								-	-	-		
Intangible assets under development (internally generated)	3,64,43,267	-	-	3,64,43,267	-	-	-	-	3,64,43,267	3,64,43,267	-	-
	3,64,43,267		-	3,64,43,267	-	-	-	-	3,64,43,267	3,64,43,267	-	-
	97,04,86,788	74,85,572	(57,32,190)	97,22,40,170	(76,17,51,635)	-	-	(76,17,51,635)	21,04,88,532	19,67,98,531	1,36,90,001	-
Grand Total	96,34,25,986	1,13,34,158	(42,73,356)	97,04,86,788	(76,19,23,109)	(41,01,882)	42,73,356	(76,17,51,635)	20,87,35,150	19,67,98,531	-	1,19,36,620

Notes forming part of the Standalone Financial Statements

11. NON-CURRENT INVESTMENTS

Non – current investments consists of the following:

	Face Value	No. of Shares.	As at March 31, 2020	As at March 31, 2019
			₹	₹
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 - 2019-20	FY - 2018-19
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

Notes forming part of the Standalone Financial Statements

12. LONG –TERM LOANS AND ADVANCES (Unsecured)

Long – term loans and advances consists of the following:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Considered Good		
Rent deposits	3,516,216	1,940,000
Recoverable taxes (net of provision)	25,777,954	26,536,089
 Loans and advances to related parties:#		
Considered Doubtful		
Loans and advances to related parties: #		
Vubites India Pvt. Ltd.	647,721,650	
Less: diminution	<u>647,721,650</u>	-
Rediff.com Employee Trust	201,002,530	
Less: diminution	<u>197,834,790</u>	3,167,740
	3,167,740	3,167,740
 Rediff Holdings Inc.	7,087,620	
Less: diminution	<u>7,087,620</u>	-
	-	-
	32,461,910	31,643,829

#Notes:

- 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, 2020	As at March 31, 2019
	₹	₹
Prepaid expenses	35,556	205,814
Unamortised expenses	6,875,021	7,442,648
Total	6,910,577	7,648,462

Notes forming part of the Standalone Financial Statements

14. TRADE RECEIVABLES (Unsecured)

Trade receivables consist of the following:

		As at March 31, 2020	As at March 31, 2019
		₹	₹
Outstanding for a period			
(a)	Over six months from the date they were due for payments		
	(i) Considered good	-	-
	(ii) Considered doubtful	27,080,241	27,080,241
		27,080,241	27,080,241
(b)	Others		
	(i) Considered good	30,372,848	37,628,951
	(ii) Considered doubtful	-	-
		30,372,848	37,628,951
	Total (a+b)	57,453,089	64,709,192
	Less: Provision for doubtful debts	27,080,241	27,080,241
		30,372,848	37,628,951

15. CASH AND CASH EQUIVALENT

Cash and cash equivalent consist of the following:

		As at March 31, 2020	As at March 31, 2019
		₹	₹
Cash and cash equivalents			
(a)	Balances with banks		
	In current accounts	19,102,447	25,061,814
		19,102,447	25,061,814
(b)	Other		
	In deposits account	21,528,373	27,852,157
		21,528,373	27,852,157
	Total (a+b)	40,630,820	52,913,971

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

Short-term loans and advances consist of the following:

		As at March 31, 2020	As at March 31, 2019
		₹	₹
	Supplier advances	17,586,902	19,504,795
	Rent deposits	10,452,908	11,744,120
	Loan to employees #	399,256	623,056
	Input Tax Credit	12,835,263	19,191,385
	Electronic Cash Register	363,987	44,236
	Total	41,638,316	51,107,592

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Notes forming part of the Standalone Financial Statements

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.

17. OTHER CURRENT ASSETS

Other current assets consists of the following:

	As at March 31, 2020	As at March 31, 2019
	₹	₹
Prepaid expenses	2,833,086	1,767,525
Unamortised expenses	10,596,990	11,167,408
Total	13,430,076	12,934,933

18. REVENUE FROM OPERATIONS

Revenue from operations consists of the following:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Online advertising	168,436,353	207,809,263
Enterprise email subscription	231,289,651	237,548,696
Marketplace fee	2,639,651	18,983,019
Total	402,365,655	464,340,978

19. OTHER INCOME (NET)

Other income (net) consists of the following:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Interest income:		
Interest on fixed deposits	2,426,817	2,208,327
Interest on income-tax refund	1,240,228	1,166,522
Interest others	11,675	10,491
Miscellaneous Income	1,430,164	2,592,591
Depository Service Fee	-	9,676,307
Profit on Sale of Fixed Assets	-	1,073,868
Total	5,108,884	16,728,106

Notes forming part of the Standalone Financial Statements

20. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Salaries and wages	177,120,706	174,481,745
Contribution to provident fund	7,613,496	7,667,657
Gratuity	6,541,935	4,443,438
Staff welfare expenses	3,957,743	3,910,913
Total	195,233,880	190,503,753

21. OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Content Charges	17,382,542	16,196,828
Domain registration charges	18,267,473	19,127,735
Subscription and SMS based costs	6,795,513	8,765,243
E-Commerce – Courier, Freight & Forward	795,710	11,325,540
Bandwidth	74,665,606	85,952,328
Software Usage charges	23,524,436	25,104,431
Product development charges	2,424,880	4,908,416
Advertising	434,646	1,416,175
Market support	6,238,301	7,301,734
Rent and amenities	19,127,038	19,686,928
Electricity charges	2,311,738	2,653,547
Telecommunication	1,003,246	1,503,392
Repairs and maintenance:		
Computers	1,970,514	5,366,776
Others	1,110,902	721,265
Insurance	5,363,965	5,259,595
Travel and conveyance	6,136,435	7,715,274
Rates and taxes	1,071,660	172,168
Foreign exchange (gain)/ loss	5,095,710	1,909,590
Bank Charges	1,778,245	2,327,392
Provision for Doubtful Debts	-	3,259,200
Housekeeping Charges	5,849,589	5,570,741
Legal and professional fees	15,587,561	15,935,555
Other Miscellaneous expenses	5,373,414	8,054,714
Total	222,309,124	260,234,567

Notes forming part of the Standalone Financial Statements

22. EXCEPTIONAL ITEMS

Exceptional Items consist of the following:

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Realization from Loan Impaired	-	(750,400)
Impairment of Loan given to Subsidiary Company	275,000	-
Settlement under SVLDR Scheme	5,631,417	-
Total	5,906,417	(750,400)

During the year ended March 31, 2020, the Company opted to pay Rs. 5,631,417/- under Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) as full and final settlement for a litigation pertaining to F.Y. 2009. The said litigation was pending at CESTAT level.

23. AUDITOR'S REMUNERATION

	2019-20	2018-19
	₹	₹
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:

	2019-20	2018-19
	₹	₹
Benefit obligation at the beginning of the year	33,221,619	33,713,673
Actuarial loss/(gain)	2,028,036	(897,620)
Current service cost	2,472,340	2,826,484
Interest cost	2,041,559	2,514,573
Benefits paid	(526,153)	(4,935,491)
Benefit obligation at the end of the year	39,237,401	33,221,619

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Current Portion of Benefit Obligation	12,883,445	11,342,075
Non-Current Portion of benefit Obligation	26,353,956	21,879,544

Expense on defined benefit plan:

	2019-20 ₹	2018-19 ₹
Service cost	2,472,340	2,826,484
Interest cost	2,041,559	2,514,573
Recognised net actuarial loss/(gain)	2,028,036	(897,620)
Net gratuity cost	6,541,935	4,443,437

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:

	2019-20	2018-19
Rate for discounting liabilities	5.50%	6.80%
Salary escalation rate	7.00%	7.00%
Expected rate of return on assets	0.00%	0.00%
Mortality rates	Indian Assured live mortality table (2012-14)	Indian Assured live mortality table (2012-14)

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:

	2019-20 ₹	2018-19 ₹	2017-18 ₹	2016-17 ₹	2015-16 ₹
Defined benefit obligation	39,237,401	33,221,619	33,713,673	34,020,460	38,887,515
(Deficit)	(39,237,401)	(33,221,619)	(33,713,673)	(34,020,460)	(38,887,515)
Experience adjustment on plan liabilities	145,607	(2,561,240)	(2,096,005)	(3,387,338)	(2,358,781)

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 ₹ 7,613,496 (*Previous Year* ₹ 7,667,657) has been charged to the revenue account in this respect.

Notes forming part of the Standalone Financial Statements

25. EMPLOYEE STOCK OPTION PLANS (ESOP)

Stock Option Plan 2018 (ESOP 2018)

On April 18, 2018, pursuant to the approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue to eligible employees of the Company under the ESOP 2018 Plan. The maximum number of shares under the ESOP 2018 Plan shall not exceed 1,000,000 equity shares.

Number of options granted, exercised and forfeited during the year ended March 31,	ESOP 2018			
	Options	Weighted average exercise price ₹	Range of exercise price ₹	Weighted average remaining contractual life
Option granted	907,500			
Option forfeited	35,500			
Options outstanding, end of period	872,000	5	5	9

There were no options exercisable as at March 31, 2020.

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)

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Notes forming part of the Standalone Financial Statements

Transactions with Related Parties during the year and balances outstanding as at March 31, 2020:

Name of the Related party	Transactions	2019-20 ₹	2018-19 ₹
Mr. Ajit Balakrishnan	Loan received during the year	7,000,000	24,230,000
	Loan repaid during the year	-	45,000,000
	Payable as at year end	127,030,000	120,030,000
Value Communications Corporation	Payable as at year end, net	10,542,420	9,673,333
Rediff Holdings Inc.	Expenses paid on behalf of Rediff Holding Inc.	-	1,784,453
	Payable as at year end, net	334,852	890,863
Rediff.com, Inc.	Payable as at year end	47,433,604	43,523,313
Vubites India Private Limited	Loan given during the year (Interest free)	275,000	-
	Repayment of loan	-	750,400
	Provision for doubtful loan	275,000	-
	Write-back of impaired loan	-	750,400
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 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:

	2019-20 ₹	2018-19 ₹
Office Premises	16,801,793	17,418,273
Residential flats for accommodation of employees	2,325,245	2,268,655
Total	19,127,038	19,686,928

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

Notes forming part of the Standalone Financial Statements

	2019-20 ₹	2018-19 ₹
Not later than one year	2,611,493	16,223,488
Later than one year and not later than five years	1,055,895	3,078,643
Total payments	3,667,388	19,302,131

29. EARNING PER EQUITY SHARES

	2019-20 ₹	2018-19 ₹
A. Net (loss) profit attributable to equity shareholders (₹)	(21,707,073)	26,979,282
B. Weighted average number of equity shares outstanding during the year	23,854,529	21,971,322
C. Potentially dilutive equity share equivalents (stock options)	-	-
D. Weighted average number of equity shares and potentially dilutive equity share equivalents outstanding	23,854,529	21,971,322
E. Nominal value of Equity Shares (₹)	5.00	5.00
Basic Earnings per Share (₹)	(0.91)	1.23
Diluted Earnings per Share (₹)	(0.91)	1.23

30. CONTINGENCIES AND CAPITAL COMMITMENTS

Contingent liabilities:

The Income tax authorities 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

During the year, the Company filed two Appeals to the Commissioner of Service Tax (Appeal) against the two orders passed by Joint Commissioner, Office of the Commissioner of CGST & Central Excise, Mumbai. The Company has deposited Rs. 1,407,302/-, being an amount equivalent to 7.5% of the service tax (including interest) demanded of Rs. 18,764,027/-, in accordance with Section 35F of Central Excise Act, 1944 read with Section 83 of the Finance Act, 1994. The Company has not recognized any accrual for the said orders as the Company believes that it is probable that it would be successful on resolution of the orders at appeal level.

Notes forming part of the Standalone Financial Statements

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: Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to ₹ 568,976/- as at March 31, 2020.

31. DERIVATIVE TRANSACTION

The Company has not entered in to any derivative transaction during the years ended March 31, 2020 and 2019. Foreign exchange currency exposures not hedged by derivative instruments are:

Sl. No.	Particulars	2019-20		2018-19	
		Amount \$	Amount ₹	Amount \$	Amount ₹
1	Amount receivable on account of sale of services	118,397	8,925,914	219,295	15,168,661
2	Creditors payable on account of foreign currency expenditure	74,715	(5,632,792)	(103,391)	(7,151,546)
3	Amount (Payable) / Receivable (to)/from subsidiary companies	(711,217)	(53,615,703)	(679,481)	(47,000,598)

32. INCOME IN FOREIGN CURRENCIES

Media and others services
Total

2019-20 ₹	2018-19 ₹
127,061,126	151,417,002
127,061,126	151,417,002

33. EXPENDITURE IN FOREIGN CURRENCIES

Particulars

- (i) Product development
- (ii) Software usage charges
- (iii) Purchase of email domains
- (iv) Other matters

Total

2019-20 ₹	2018-19 ₹
344,880	442,516
22,531,556	30,921,510
12,848,830	13,714,973
599,262	407,265
36,324,528	45,486,264

Notes forming part of the Standalone Financial Statements

34. 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.

35. 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

Place: Mumbai
Date: September 29, 2020