

REDIFF.COM INDIA LIMITED

27TH ANNUAL REPORT
2021-22

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 (resigned due to health reasons w.e.f. September 6, 2021)
Maniedath Madhavan Nambiar
Melarkode Ganesan Parmeswaran
Gulshan Rai (appointed w.e.f November 26, 2021)

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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NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Rediff.com India Limited will be held on Wednesday, 28th September, 2022, at 10:00 a.m. (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, 2022 together with the Reports of the Directors and Auditors thereon.

SPECIAL BUSINESS

2. APPOINTMENT OF MR. GULSHAN RAI AS INDEPENDENT DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any modification(s) or re-enactment thereof), the appointment of Mr. Gulshan Rai (DIN: 01594321), as an Independent Director of the Company, to hold office for a term of 5 (five) consecutive years, from 26th November, 2021 to 25th November, 2026 be and is hereby approved.”

Any other business with the permission of Chair

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

Date: 2nd September, 2022
Place: Mumbai

/s/**Vandana Sharma**
Company Secretary

NOTES:

1. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its General Circular 14/2020 dated April 08, 2020, General Circular No 17/2020 dated April 13, 2020, General Circular No 22/2020 dated June 15, 2020, General Circular No 33/2020 dated September 28, 2020 , General Circular No 39/2020 Dated December 31, 2020, General Circular No 10/2021 Dated June23, 2021, General Circular No 20/2021 dated December 08, 2021 and General Circular No 03/2022 dated May 05, 2022 (“MCA 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, 2022 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 Annual 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 Video Conference.

ANNEXURE TO NOTICE

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

ITEM NO. 2

The Board of Directors of the Company at its meeting held on 26th November, 2021, have appointed Mr. Gulshan Rai as an Independent Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years till 25th November, 2026, subject to consent by the Members of the Company at the ensuing Annual General Meeting.

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

Mr. Gulshan Rai holds an M.Tech and Doctoral degree and has over 35 years of experience in different areas of Information Technology which include different aspects of e-Governance, cyber security, cyber laws and several related fields covering policies and operations. He has been the first National Cyber Security Coordinator, Government of India in the Office of Prime Minister. He is a member of the global board of International center of Red Cross and US Chamber of Commerce. He is also on the global board of United states India Business Council and on the Board of NSEIT, Aujas, Chairman of company set by Govt. of India to create incubation centers and manage innovation fund. Also, advisor in national cooperative development corporation and other reputed companies.

Prior to that he was in the Ministry of Electronics & Information Technology. He held the prestigious post of Director General, CERT-In (Indian Computer Emergency Response Team) and headed E-Security & Cyber Law Division, STQC and other Divisions. He has led the team to put in 2nd Technological Legislation the Information Technology Act, 2000. Such a legislation feed to other legislations. He was a member of Data Protection Committee. He has also led the team to set up National Watch and Alert System in the country as part of cyber security initiative and Computer Emergency Team. He led the Government team to United nations to negotiate “norms of behavior in Cyber Space, Internet domain and WTO.

He played a lead role in designing Income Tax PAN Number and architecture of the computing system and environment at the Central Board of Direct Taxes (CBDT), Central Board of Excise and Customs (CBEC), Service Tax and GSTN. Continues to be the Member of the Technical Advisory Committee overseeing the IT upgradation and architectural changes at CBDT, CBEC and GSTN and is the head of the Cyber Security Board at GSTN. He has also played the key role at the initial stage of planning and implementing the first phase of computerization in Bombay Stock Exchange. He has been involved in all the large projects relating to computerization in the country. The first one of which include the MICR at Reserve Bank of India and computerization at Syndicate Bank, Vijaya Bank, Oriental Bank

of Commerce, Allahabad Bank and other financial institutions. He is also heading the Technical Committee overseeing the modification, upgradation and security of IT assets at National Cooperative Development Corporation (NCDC).

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

The Board recommends the ordinary resolution set out at Item No. 2 of the Notice for approval by the members.

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

Date: 2nd September, 2022
Place: Mumbai

/s/**Vandana Sharma**
Company Secretary

Rediff.Com India Limited
CIN: U22100MH1996PLC096077

DIRECTORS' REPORT

To,

The Members,

Your directors have pleasure in presenting their twenty seventh Annual Report on the business and operations of the company together with the audited financial statements for the year ended 31st March, 2022.

1. FINANCIAL RESULTS

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

(Rupees in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 st March, 2022	Year ended 31 st March, 2021	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Revenue from operation	3,824	3,695	3,824	3,695
Other income	223	32	281	34
Total Revenue	4,047	3,727	4,105	3,729
Total expenses	(4,221)	(3,644)	(4,224)	(3,630)
Profit/loss before exceptional items and tax	(174)	82	(119)	99
Exceptional items	2	-	-	-
Tax expenses	-	-	1	2
Profit/loss for the year	(176)	82	(120)	97

2. FINANCIAL HIGHLIGHTS

Rediff.com delivers Software As Service (email and related services) 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 operations increased by 3% to Rs. 3,824 lakhs as compared to Rs. 3,695 lakhs for the previous year. Our revenue comprises of email subscription fees, advertising revenue and e-commerce marketplace fees.

Total expenses for the standalone operations for the year ended 31st March, 2022 were Rs. 4221 lakhs as compared to Rs. 3644 lakhs for the year ended 31st March, 2021, an increase of Rs. 577 lakhs (16%) in the expenses, largely on account of restoration of employee compensation and increments.

The Company reported a loss of Rs. 180 lakhs for the year compared to profit of Rs. 82 lakhs during previous year. Consolidated loss for the year was Rs. 119 lakhs as compared to profit of Rs. 99 lakhs during previous year.

The Company's Founder and CEO, Ajit Balakrishnan did not draw a salary during the current year as well and kept an amount of Rs 1591 lakhs as an interest free deposit to enable capital expenditure on servers and routing equipment to enable top quality service for the Company's customers.

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

During the financial year 2021-22, your Company has three direct subsidiaries and one step-down subsidiary. These subsidiaries had no operations during the year.

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

4. DIVIDEND

No dividend was declared during the financial year 2021-22.

5. AMOUNTS TRANSFERRED TO RESERVES

There was no transfer to any reserve during the year under review.

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

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

7. SHARES:

a. Changes in Share Capital, if any

During the financial year 2021-22, the Company has issued 30,73,045 (Thirty Lakh Seventy Three Thousand Forty Five) Equity Shares of Rs.5/- each at a premium of Rs. 5/- by way of

rights issue. Thereby the paid-up capital of the Company has been increased from Rs.1193 lakhs to Rs. 1346 lakhs.

b. Buy Back of Securities

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

c. Sweat Equity

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

d. Bonus Shares

No Bonus Shares were issued during the year under review.

e. Employees Stock Option Plan

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

8. MAJOR EVENTS OCCURRED DURING THE YEAR

a. State of Company's Affairs

During the year under review the Company restored the compensation cut made during the COVID period and rewarded outstanding performance with increments. This largely accounts for the increase in the operating expenses compare to the previous year. The Company also invested substantial amounts in its technical infrastructure to ensure high quality service to its customers.

b. Change in the nature of business

During the year under review the Companies revenues has evolved so that it is now largely from Software As Service (email and related services).

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.

9. EXTRACT OF ANNUAL RETURN

The extract of annual return can be accessed on investor.rediff.com/investor/Downloads.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There were the following changes in the Board of Directors and Key Managerial Personnel (KMP) of the Company during the Financial Year 2021-22:

- a) Diwan Arun Nanda, Director of the Company has resigned from the Board with effect from 6th September, 2021, because of health issues.
- b) Mr. Gulshan Rai, former Director General of Indian Computer Emergency Response Team (CERT-IN), has been appointed as independent director on the Board with effect from 26th November, 2021.

11. MEETING OF BOARD OF DIRECTORS

A. Number of Board Meetings

The Board of Directors of your Company met five 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.	29 th June, 2021
2.	6 th September, 2021
3.	26 th November, 2021
4.	24 th December, 2021
5.	25 th March, 2022

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	5	5
2.	Diwan Arun Nanda	2	2
3.	Maniedath Madhavan Nambiar	5	5
4.	Melarkode Ganesan Parameswaran	5	5
5.	Gulshan Rai	2	2

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

a. Details of Loans

There were no such transactions during the year under review.

b. Details of Investments & Guarantee

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

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review related party transactions include interest free loan of Rs. 282 lakhs from Mr. Ajit Balakrishnan to the Company and loan of Rs. 2 lakhs granted to subsidiary company Vubites India Private Limited for meeting statutory compliance expenses.

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.

14. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s. Patkar & Pendse, Chartered Accountants (Firm Registration No. 107824W), were re-appointed as statutory auditors of the Company for a period of further five years in the 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company to be held in the year 2026.

15. EXPLANATION 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.

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

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

17. CORPORATE GOVERNANCE

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

18. COMMITTEES

The Audit Committee and Nomination and Remuneration Committee were constituted as required under section 177 and 178 respectively of the Companies Act, 2013.

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.	Maniedath Madhavan Nambiar	Member	1/1

19. LISTING AGREEMENT COMPLIANCE

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

20. 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.

21. DEPOSITS

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

22. 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, 2022 was Rs. 1194 lakhs (Previous year Rs. 998 lakhs) and the foreign exchange outgo in the same period was Rs. 351 lakhs (Previous year Rs. 357 lakhs).

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

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.

An order was passed by the Regional Director on 29th January 2021 and after paying compounding fee by the applicants, the offence due to delay in filing Annual Accounts under section 129 of the Companies Act, 2013 for the financial year 2015-16 and 2016-17 had been compounded and the application was disposed off accordingly.

Another order was passed by the Regional Director on 18th May, 2021 and after paying compounding fee by the applicants, the offence due to delay in holding Annual General Meeting under section 96 of the Companies Act, 2013 for the financial year 2015-16 and 2016-17 had been compounded and the application was disposed off accordingly.

24. 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 2021-22, there was no complaint received by the Company related to sexual harassment.

25. RISK MANAGEMENT POLICY

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

26. 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.

27. 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.

28. 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.

29. 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, 2022. This is also supported by the Auditors of the Company in their report as no fraud has been reported during the financial year.

30. 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, 2022, 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, 2022 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.

31. COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with secretarial standards.

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

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

33. FAILURE TO IMPLEMENT ANY CORPORATE ACTION

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

34. 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: 2nd September, 2022

/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, 2022	0	(102)	205	307	0	0	(0.04)	0	(0)	100%
Rediff.com Inc	31 st March, 2022	0	310	310	0	0	0	0	0	0	100%
Value Communications Corporations	31 st March, 2022	542	(735)	11	204	0	0	0	0	0	100%
Vubites India Private Limited	31 st March, 2022	1	(626)	23	648	0	0	5.48	(0.03)	5.45	100%

Note:

Exchange rate used for translating financial position of overseas subsidiaries is USD 1 = ₹ 75.8071

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

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, 2022, 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, 2022, 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. 272.05 lakhs as at March 31, 2022, total revenues of Rs. Nil and net cash inflows amounting to Rs. 1.70 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section.

(3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

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

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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, 2022 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 30 to the financial statements as on March 31, 2022.

- 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.
- iv)
 - a. The management has represented that, to the best of its knowledge and belief, no funds have been advance or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies) including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries; and
 - c. Based on such audit procedures that have been considered reasonable and appropriate in the circumstance, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v) No Dividend has been declared or paid during the year by the company.

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

/s/B.M. Pendse
**Partner
M. No. 32625
UDIN: 22032625AQWWIX9878**

Place: Mumbai

Date: 2nd September, 2022

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, 2022, 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, 2022, 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
UDIN: 22032625AQWWIX9878**

Place: Mumbai

Date: 2nd September, 2022

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Balance Sheet as at March 31, 2022

	Note	As at March 31, 2022	As at March 31, 2021
		Rs. lakhs	Rs. lakhs
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	1,295.63	1,141.98
(b) Reserves and Surplus	4		
(i) Securities Premium Account		32,515.12	32,361.47
(ii) Stock Option Outstanding		1,395.21	1,395.21
(iii) Profit & Loss Account		(40,669.64)	(40,549.58)
(iv) Foreign Currency Translation Reserve		2,324.24	2,318.30
		(3,139.44)	(3,332.62)
2 Non - Current Liabilities			
(a) Other Long Term Liabilities	5		
(i) Loan From Director		1,780.82	1,493.06
(ii) Others		322.46	329.41
(b) Long - Term Provisions	6	393.81	380.06
		2,497.09	2,202.53
3 Current Liabilities			
(a) Trade Payables	7		
MSME		1.80	2.71
Other than MSME		1,074.80	1,098.88
(b) Other Current Liabilities	8	1,549.74	1,620.92
(c) Short - Term Provisions	9	205.93	185.38
		2,832.27	2,907.89
TOTAL		2,189.92	1,777.80
II ASSETS			
1 Non - Current Assets			
(a) Property, plant and equipments and Intangible assets	10		
(i) Property, plant and equipments		209.59	287.50
(ii) Intangible Assets		-	-
(iii) CWIP		-	-
(iv) Intangible Assets under Development		-	-
		209.59	287.50
(b) Non - Current Investments	11	-	-
(c) Long - Term Loans and Advances	12	512.35	511.66
		512.35	511.66
2 Current Assets			
(a) Trade Receivables	13	314.34	190.71
(b) Cash and Cash Equivalents	14	844.23	569.23
(c) Short-Term Loans and Advances	15	151.05	48.87
(d) Other current assets	16	158.36	169.81
		1,467.98	978.64
TOTAL		2,189.92	1,777.80

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 2, 2022

Date: September 2, 2022

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Statement of Profit and Loss for the Year Ended March 31, 2022

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
		Rs. lakhs	Rs. lakhs
I Revenue From Operations	17	3,823.83	3,695.17
II Other Income (Net)	18	281.32	33.89
TOTAL REVENUE		4,105.15	3,729.06
III Expenses:			
(a) Employee Benefit Expenses	19	1,973.16	1,579.19
(b) Depreciation and Amortization Expense	10	148.52	90.60
(c) Operation and Other Expenses	20	2,102.03	1,959.84
TOTAL EXPENSES		4,223.71	3,629.63
IV (LOSS) PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		(118.56)	99.43
V Exceptional Item:			
Total	21	-	-
		(118.56)	99.43
VI Current Tax		1.48	1.73
VII (LOSS) PROFIT FOR THE YEAR		(120.04)	97.70
VIII Earnings Per Equity Share (Face Value of Rs. 5 each) - Basic and Diluted		(0.53)	0.43

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 2, 2022

Date: September 2, 2022

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Cash Flow Statement as at March 31, 2022

Particulars	For the year ended March	For the year ended March
	31, 2022	31, 2021
	Rs. lakhs	Rs. lakhs
Cash Flow from Operating Activities		
(Loss) Profit Before Taxes	(120.04)	97.70
Adjustments for:		
Depreciation and Amortisation Expense	148.52	90.60
Interest Income	(22.34)	(33.89)
Provision of Doubtful Receivables	(182.18)	-
Unrealised Exchange Difference	2.64	7.67
Operating Loss Before Working Capital Changes	(173.40)	162.08
Changes in Working Capital:		
Trade Receivables	1.25	113.01
Loans and Advances	(1.98)	330.38
Trade Payables and Current Liabilities	77.66	(435.24)
Provisions	34.10	22.69
Other Current Assets	-	0.07
Cash used in Operating Activities	(62.37)	192.99
Taxes Refund, Net of (Paid)	(58.12)	(28.70)
Net Cash used in Operating Activities (A)	(120.49)	164.29
Cash Flow From Investing Activities		
Payments to Acquire Fixed Assets	(216.15)	(129.52)
Loan (Repaid) Received from Director (Net)	282.00	39.00
Interest Income Received	22.34	33.89
Net Cash (used in)/from Investing Activities (B)	88.19	(56.63)
Cash Flows From Financing Activities		
Net Proceeds from Issue of Equity Shares	307.30	-
Net Cash used in Financing Activities (C)	307.30	-
Net (Decrease) in Cash and Cash Equivalents (A+B)	275.00	107.68
Cash and Cash Equivalents at the Beginning of the Year	569.23	461.95
Cash and Cash Equivalents at the End of the Year	844.23	569.63
Note ;		
Cash and Cash Equivalents Include:		
Cash on Hand	-	-
Bank Balances	844.23	569.23
Fixed deposits with banks (maturity less than 3 months)		
Cash and Cash Equivalents as above	844.23	569.63
Effect of Exchange Rate Changes	-	(0.40)
Cash and Cash Equivalents as per Note 14	844.23	569.23
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 2, 2022

Date: September 2, 2022

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 . During the year 2016-17, Rediff filed an application on Form 25 with the Securities and Exchange Commission (“SEC”) to voluntarily withdraw its American Depository Shares from listing on The Nasdaq Stock Market’s (“NASDAQ”).

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 Software As Service (enterprise email related services), News and Information, 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.

Notes forming part of the Consolidated Financial Statements

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.

The Company has a negative net worth as at March 31, 2022 and 2021. The reason for the same is that, out of abundant caution, the Company had 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, optimising revenue management opportunities and enhancing ancillary revenues are expected to result in improved operating performance going forward.

Further, Company's continued thrust to improve operational efficiency and initiatives to raise funds are expected to result in sustainable cash flows addressing any uncertainties. Accordingly, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business including financial support to its subsidiaries.

b) Principles of Consolidation

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

- i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. Intra-group balances and transactions and unrealised profits or losses have been fully eliminated.
- ii) The difference between the costs of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation.
- iii) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of investment in subsidiaries.
- iv) The 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, 2022.

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, 2022	Portion of ownership Interest as at March 31, 2021
<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%
Rediff.com 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.

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

Notes forming part of the Consolidated Financial Statements

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 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.

Notes forming part of the Consolidated Financial Statements

f) Impairment of assets

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

g) Investments

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

h) Employee benefits

(i) Short term

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

(ii) Long term

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

○ **Defined-contribution plans**

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

○ **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

Notes forming part of the Consolidated Financial Statements

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.

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.

Notes forming part of the Consolidated Financial Statements

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, 2022		As at March 31, 2021	
	Number	Rs. lakhs	Number	Rs. lakhs
Authorised				
Equity Shares of Rs. 5 each	30,000,000	1500.00	30,000,000	1500.00
Issued, Subscribed and Fully Paid up				
Ordinary Equity Shares of Rs. 5 each fully paid	26,927,594	1,346.38	23,854,529	1,192.73
Less:				
Treasury Shares (Refer note 3(d) below)	1,015,000	50.75	1,015,000	50.75
Adjusted: Issued and Subscribed Share Capital	25,912,594	1,295.63	22,839,529	1,141.98

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.

The shareholders approved the 10,00,000 equity shares in the general meeting held on April 18, 2018 for the purpose of various employees stock option plans.

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

Issued and Subscribed	As at March 31, 2021		As at March 31, 2020	
	Number	₹	Number	₹
At the beginning of the year	23,854,529	1,192.73	23,854,529	1,192.73
Shares issued during the year	3,073,045	153.65	-	-
	23,854,529	1,346.38	23,854,529	1,192.73
Less: Treasury Shares (Refer note 3(d) below):	1,015,000	50.75	1,015,000	50.75
Outstanding at the end of the period – Adjusted	25,912,594	1,295.63	22,839,529	1,141.98

Notes:

1. During the year March 31, 2019, 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.
2. During the year March 31, 2022, 3,073,045 equity shares of Rupees 5/- were issued at Rs. 10/- at a premium of Rs. 5/- per share and subscribed fully under Rights issue of shares. The Board of Directors approved the right issue in its meeting held on December 24, 2021.

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

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Notes forming part of the Consolidated Financial Statements

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number	% Holding	Number	% Holding
Ajit Balakrishnan	16,806,858	62.42%	10,289,071	43.13%
Rediffusion Holding Pvt. Ltd.	-	-	2,200,002	9.22%
Styrax Commodities Ltd.	1,523,000	5.66%	1,523,000	6.38%
Diwan Arun Nanda	-	-	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.

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.

e. Shareholding of promoters:

As at March 31 2022:

Shares held by promoters at the end of the year			% change during the year
Promotor's name	No of shares	% of total shares	
Ajit Balakrishnan	16,806,858	62.42%	19.29%
Diwan Arun Nanda	-	-	(100%)

As at March 31 2021:

Shares held by promoters at the end of the year			% change during the year
Promotor's name	No of shares	% of total shares	
Ajit Balakrishnan	10,289,081	43.13%	-
Diwan Arun Nanda	1,244,740	5.22%	-

4. RESERVES AND SURPLUS

Reserves and surplus consist of the following:

Notes forming part of the Consolidated Financial Statements

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Securities premium account		
Opening balance	34,308.62	34,308.62
Addition during the year	153.65	-
Total	34,462.27	34,308.62
Less : Treasury Shares (Refer note 3(d) above)	(1,947.15)	(1,947.15)
Closing balance	32,515.12	32,361.47
Stock option outstanding account		
Opening balance	1395.21	1,395.21
Addition during the year	-	-
Closing balance	1395.21	1,395.21
(Deficit) in the statement of profit and loss		
Opening balance	(40,549.58)	(40,647.28)
Deficit during the year	(120.06)	97.70
Closing balance	(40,669.64)	(40,549.58)
Foreign Currency Translation Reserve		
Opening balance	2,318.3	2,311.53
Change during the year	5.94	6.76
Closing balance	2,324.24	2,318.29
Total	(4,435.06)	(4,474.60)

5. OTHER LONG-TERM LIABILITIES (UNSECURED)

Other long-term liabilities consist of the following:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Income received in advance	322.46	329.41
Loan from Director	1,780.82	1,493.06
Total	2,103.28	1,822.47

6. LONG – TERM PROVISIONS

Long –term provisions consist of following:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Provision for employee benefits:		
Gratuity (unfunded)	301.54	290.69
Compensated absence (unfunded)	92.27	89.37
Total	393.81	380.06

7. TRADE PAYABLE

Notes forming part of the Consolidated Financial Statements

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Total outstanding dues to Micro and small Enterprises*	1.80	2.71
Others for Goods and Services	1,074.80	1,098.88
Total	1,076.60	1,101.59

As at March 31 2022:

Particulars	Outstanding for following periods from due date of payment				Rs. lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	1.80	-	-	-	1.80
Others	766.33	2.96	38.78	266.73	1,074.80
Total	768.13	2.96	38.78	266.74	1,076.60

As at March 31 2021:

Particulars	Outstanding for following periods from due date of payment				Rs. lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	2.71	-	-	-	2.71
Others	899.15	40.41	45.54	113.78	1,098.88
Total	901.86	40.41	45.54	113.78	1,101.59

*The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified based on the information available with the Company. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

8. OTHER CURRENT LIABILITIES

Other current liabilities consist of the followings:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Capital creditors	4.69	150.23
Deposits from employees	22.73	22.73
Advance received from customers	89.14	103.60
Income received in advance	1,210.11	1,192.73
Others	0.64	0.64
Statutory liabilities		
Tax deducted at source Payable	34.00	22.46
Others	149.89	122.34
Indirect Tax Payable	38.54	6.19
Total	1,549.74	1,620.92

Notes forming part of the Consolidated Financial Statements

9. SHORT – TERM PROVISIONS

Short-term provisions consist of the followings:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Provision for employee benefits:		
Gratuity (unfunded)	149.08	134.74
Compensated absence (unfunded)	46.22	40.97
Others	10.63	9.67
Total	205.93	185.38

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10. FIXED ASSETS

Fixed assets consist of the followings: (Rs. lakhs)

Description		Gross Block as at April 1, 2021	Additions	Deletions	Gross Block as at March 31, 2022	Accumulated Depreciation as at April 1, 2021	Depreciation for the Year	Deletions	Accumulated Depreciation as at March 31, 2022	Value before Impairment as at March 31, 2022	Impairment as at 31st March 2022	Net Block after impairment as at 31st March 2022	Net Block Value as at March 31, 2021
Tangible assets													
		129.23	-	-	129.23	(116.73)	-	-	(116.73)	12.50	12.50	-	-
Furniture and fixture	P.Y	129.23	-	-	129.23	(116.73)	-	-	(116.73)	12.50	12.50	-	-
		5,965.59	70.25	-	6,035.84	(4,933.90)	(148.17)	-	(5,082.07)	953.77	745.89	207.88	-
Computer	P.Y	5,724.39	241.20	-	5,965.59	(4,843.60)	(90.30)	-	(4,933.90)	1,031.69	745.89	-	285.80
		131.72	0.35	-	132.07	(85.08)	(0.34)	-	(85.42)	46.65	44.94	1.71	-
Office equipment	P.Y	131.72	-	-	131.72	(84.77)	(0.30)	-	(85.08)	46.64	44.94	-	1.70
		91.18	-	-	91.18	(4.75)	-	-	(4.75)	86.43	86.43	-	-
Vehicle	P.Y	98.91	-	(7.72)	91.18	(12.47)	-	7.72	(4.75)	86.43	86.43	-	-
		249.90	-	-	249.90	(203.98)	-	-	(203.98)	45.92	45.92	-	-
Leasehold Improvement	P.Y	249.90	-	-	249.90	(203.98)	-	-	(203.98)	45.92	45.92	-	-
Total tangible assets		6,567.62	70.60	-	6,638.22	(5,344.44)	(148.51)	-	(5,492.95)	1,145.27	935.68	209.59	-
<i>Previous year</i>		6,334.15	241.20	(7.72)	6,567.62	(5,261.55)	(90.60)	7.72	(5,344.44)	1,223.18	935.68	-	287.50
Intangible assets		-	-	-	-	-	-	-	-	-	-	-	-
Internally Generated		3,782.33	-	-	3,782.33	(3,123.81)	-	-	(3,123.81)	658.52	658.52	-	-
Acquired		406.56	-	-	406.56	(397.21)	-	-	(397.21)	9.35	9.35	-	-
Total intangible assets		4,188.89	-	-	4,188.89	(3,521.02)	-	-	(3,521.02)	667.87	667.87	-	-
<i>Previous year</i>		4,188.89	-	-	4,188.89	(3,521.02)	-	-	(3,521.02)	667.87	667.87	-	-
<i>Internally Generated</i>	P.Y	3,782.33	-	-	3,782.33	(3,123.81)	-	-	(3,123.81)	658.52	658.52	-	-
<i>Acquired</i>	P.Y	406.56	-	-	406.56	(397.21)	-	-	(397.21)	9.35	9.35	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under development (internally generated)		364.43	-	-	364.43	-	-	-	-	364.43	364.43	-	-
		364.43	-	-	364.43	-	-	-	-	364.43	364.43	-	-
		11,120.94	70.60	-	11,191.54	(8,865.46)	(148.51)	-	(9,013.97)	2,177.57	1,967.98	209.59	-
Grand Total	P.Y	10,887.47	241.20	(7.72)	11,120.94	(8,782.57)	(90.60)	7.72	(8,865.46)	2,255.48	1,967.98	-	287.50

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, 2022	As at March 31, 2021
			Rs. lakhs	Rs. lakhs
Trade investments				
A- Others, Fully paid equity shares (unquoted)- At cost				
Traveljini.com Limited	10	88,350	603.00	603.00
Tachyon Technologies Pvt. Ltd. (Refer Note 2 below)	10	13,177	417.00	417.00
Vakow Technologies Pvt. Ltd.	10	500,000	50.00	50.00
BigSlick Infotech Pvt. Ltd. (Refer Note 2 below)	1	59,230	40.00	40.00
			1,110.00	1,110.00
Less : Provision for diminution in value of investments			1,110.00	1,110.00
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 Rs. lakhs) :

Name of the Company	2021-22	2020-21
Traveljini.com Limited	603.00	603.00
Tachyon Technologies Pvt. Ltd.	417.00	417.00
Vakow Technologies Pvt. Ltd.	50.00	50.00
BigSlick Infotech Pvt. Ltd.	40.00	40.00
TOTAL (Provision for diminution in value of investments)	1,110.00	1,110.00

- 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, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Considered Good		
Rent deposits	22.73	116.77
Recoverable taxes	413.78	324.36
Prepaid expenses.	1.07	0.61
Unamortise expenses	74.77	69.92
	512.35	511.66

13. TRADE RECEIVABLES

Trade receivables consist of the following:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Outstanding for a period		
(a) Over six months from the date they were due for payments		
(i) Considered good	-	-
(ii) Considered doubtful	145.93	247.36
	145.93	247.36
(b) Others		
(i) Considered good	314.34	190.71
(ii) Considered doubtful	-	23.44
	314.34	214.15
Total (a+b)	460.27	461.51
Less: Provision for doubtful debts	145.93	270.80
	314.34	190.71

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Trade Receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables-considered good	314.34	-	-	-	-	314.34
Undisputed trade receivables-considered doubtful	-	7.04	5.07	5.32	128.51	145.93
Less – provision for Doubtful Debts		(7.04)	(5.07)	(5.32)	(128.51)	(145.93)
Total	314.34	-	-	-	-	314.34

Trade Receivables ageing schedule as at March 31, 2021:

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables-considered good	190.71	-	-	-	-	190.71
Undisputed trade receivables-considered doubtful	23.44	11.81	8.39	23.31	203.86	300.37
Less – provision for Doubtful Debts	(23.44)	(11.81)	(8.39)	(23.31)	(203.85)	(270.80)
Total	190.71	-	-	-	-	190.71

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, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Cash and cash equivalents		
(a) Balances with banks In current account	567.37	303.67
	567.37	303.67
(b) Other In deposits account	276.86	265.56
	276.86	265.56
Total (a+b)	844.23	569.23

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

Short-term loans and advances consist of the following:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Supplier advances	31.57	19.10
Rent deposits	107.86	18.04
Loan to employees #	11.62	11.73
Total	151.05	48.87

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, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Prepaid expenses	26.89	43.00
Unamortised expenses	108.06	103.73
Other Loans & Advances	23.41	23.08
	158.36	169.81

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, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. lakhs
Online advertising	1,472.81	1,288.23
Fee based services	2351.02	2,406.94
Total	3,823.83	3,695.17

18. OTHER INCOME (NET)

Other income (net) consists of the following:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. lakhs
Interest income:		
Interest on fixed deposits	15.73	18.57
Interest on income-tax refund	8.78	15.27
Interest others	0.09	0.05
Miscellaneous Income	131.84	-
Write Back of Provision for Doubtful Debts	124.88	-
Total	281.32	33.89

19. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. lakhs
Salaries and wages	1,837.22	1452.65
Contribution to provident fund	79.24	80.45
Gratuity	38.93	33.06
Staff welfare expenses	17.77	13.03
Total	1,973.16	1,579.19

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, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. lakhs
Content Charges	194.94	183.75
Domain registration charges	177.18	179.37
Subscription and SMS based costs	59.12	62.78
E-Commerce – Courier, Freight and Forward	1.00	2.08
Bandwidth	776.54	706.72
Software Usage charges	296.67	264.29
Product development charges	20.79	21.01
Advertising	3.47	1.03
Market support	76.40	68.26
Rent and amenities	147.28	156.55
Electricity charges	15.89	2.62
Telecommunication	8.33	7.93
Repairs and maintenance:		
Computers	46.49	34.77
Others	3.18	2.46
Insurance	50.66	52.09
Travel and conveyance	26.42	25.12
Rates and taxes	6.42	6.55
Foreign exchange (gain)/ loss	33.73	42.75
Bank Charges	14.54	17.03
House-Keeping Charges	29.05	28.55
Legal and professional fees	59.14	63.42
Other Miscellaneous expenses	54.79	30.78
Total	2,102.03	1,959.84

21. AUDITOR'S REMUNERATION

	2021-22	2020-21
	Rs. lakhs	Rs. lakhs
(i) For service as auditors	10.00	10.00
For other Services:	0.90	0.50
	10.90	10.50

Notes forming part of the Consolidated Financial Statements

22. RETIREMENT BENEFIT PLAN

Defined – Benefit Plans

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

Defined benefit commitments:

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
Benefit obligation at the beginning of the year	425.43	392.37
Actuarial loss/(gain)	(10.47)	(14.42)
Current service cost	28.53	27.90
Interest cost	20.88	19.57
Benefits paid	(13.74)	-
Benefit obligation at the end of the year	450.63	425.42

Current Portion of Benefit Obligation	149.08	134.74
Non-Current Portion of benefit Obligation	301.54	290.69

Expense on defined benefit plan:

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
Service cost	28.53	27.90
Interest cost	20.88	19.57
Recognised net actuarial loss/(gain)	(10.47)	(14.42)
Net gratuity cost	38.94	33.05

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:

	2021-22	2020-21
Rate for discounting liabilities	5.85%	5.40%
Salary escalation rate	7.00%	7.00%
Expected rate of return on assets	0.00%	0.00%

Notes forming part of the Consolidated Financial Statements

Mortality rates	Indian Assured live mortality table (2012-14)	Indian Assured live mortality table (2012-14)
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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:

	2021-22 Rs. lakhs	2020-21 Rs. lakhs	2019-20 Rs. lakhs	2018-19 Rs. lakhs	2017-18 Rs. lakhs
Defined benefit obligation	450.62	425.43	392.37	332.22	337.14
(Deficit)	(450.62)	(425.43)	(392.37)	(332.22)	(337.14)
Experience adjustment on plan liabilities	(2.74)	(16.06)	1.46	(25.61)	(20.96)

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 Rs. 79.24 lakhs (*Previous Year Rs. 80.45 lakhs*) has been charged to the revenue account in this respect.

23. 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 Rs.	Range of exercise price Rs.	Weighted average remaining contractual life
Option outstanding, beginning of the year	866,667			
Option granted	-			
Option forfeited	20,000	5		
Options outstanding, end of period	846,667	5	5	7

Options exercisable as at March 31, 2022, were 578,667 (Weighted average exercise price Rs. 5/-).

Notes forming part of the Consolidated Financial Statements

24. 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:

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
Office Premises	131.19	133.34
Residential flats for accommodation of employees	16.09	23.25
Total	147.28	156.55

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

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
Not later than one year	18.82	114.50
Later than one year and not later than five years	15.18	60.00
Total payments	34.00	174.50

25. EARNING PER EQUITY SHARES

	2021-22	2020-21
A. Net profit / (loss) profit attributable to equity shareholders (Rs.)	(120.04)	97.70
B. Weighted average number of equity shares outstanding during the year	23,663,621	22,839,529
C. Potentially dilutive equity share equivalents (stock options)	-	-
D. Weighted average number of equity shares and potentially dilutive equity share equivalents outstanding	23,663,621	22,839,529
E. Nominal value of Equity Shares (Rs.)	5.00	5.00
Basic Earnings per Share (Rs.)	(0.51)	0.43
Diluted Earnings per Share (Rs.)	(0.51)	0.43

Notes forming part of the Consolidated Financial Statements

26. 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 received an adjudication order from the Additional Commissioner, CGST & Central Excise, Mumbai Central for a demand of service tax amounting to Rs. 45.55 lakhs and interest and penalty is charged additionally thereon. The tax amount is related to the financial year 2012-13. The Company filed an appeal before the Commissioner of Service Tax (Appeal) against the said order. Further, The Company has not recognized any accrual for the said order as the Company believes that it is probable that it would be successful on resolution of the orders at appeal level.

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

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

Capital Commitments: There is no capital commitment as at March 31, 2022 and 2021.

27. DERIVATIVE TRANSACTION

The Group has not entered in to any derivative transaction during the year ended March 31, 2021.

Foreign exchange currency exposures not hedged by derivative instruments are:

Sl. No.	Particulars	2021-22		2020-21	
		Amount \$	Amount Rs. lakhs	Amount \$	Amount Rs. lakhs
1	Amount receivable on account of sale of services	160,633	123.40	154,250	113.37
2	Creditors payable on account of foreign currency expenditure	95087	72.78	91,347	67.09
3	Amount (Payable) / Receivable (to)/from subsidiary companies	(821,217)	(622.54)	(821,217)	(603.63)

Notes forming part of the Consolidated Financial Statements

28. 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.

29. 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 (Rs. lakhs)	As % of consolidated profit or loss	Amount (₹ crores)
Rediff.com India Limited	97%	(3,047.31)	145%	(174.12)
Indian Subsidiary				
Vubites India Pvt. Ltd.	-7%	231.70	-45%	54.82
Foreign Subsidiaries				
Rediff Holdings, Inc.	11%	(353.66)	0%	(0.38)
Rediff.com Inc	0%	-	0%	-
Value communication corporation Inc.	0%	(10.89)		-
Rediff.com Employee Trust	-1%	40.72	0%	(0.35)
Total Consolidated Net Assets		(3,139.44)		
Total Consolidated Profit				(120.04)

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077

Notes forming part of the Consolidated Financial Statements

30. ANALYTICAL RATIOS:

The ratios for the year ended March 31, 2022 and 2021 are as follows:

Sr No	Ratio Analysis	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance (in %)
1	Current Ratio (in times)	Current Assets	Current Liabilities	0.52	0.34	54%
2	Debt Equity Ratio (in times)	Total Liabilities	Shareholder's Equity	- 0.57	- 0.45	27%
3	Debt Service Coverage Ratio	Net Operating Income	Debt Service	-	-	-
4	Return on Equity Ratio (%)	Profit for the period	Avg. Shareholders Equity	-	-	-
5	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	-	-	-
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	15.14	14.95	1%
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	1.99	1.65	21%
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	- 2.32	- 1.88	24%
9	Net Profit Ratio (%)	Net Profit	Net Sales	-3%	0.03	-219%
10	Return on Capital employed (%)	EBIT	Capital Employed	-	-	-
11	Return on Investment	Return/Profit/Earnings	Investment	-	-	-

(1)- Current asset ratio has improved due to higher trade receivables and cash/ cash equivalents.

(2)- Since the debt has increased by more than 20% in FY 2021-22 compared to FY 2020-21 and the Shareholders equity has been reduced due to losses for the year, the ratio of debt to equity is high.

(8)- Ratio has improved as there is marginal increase in sales as also reduced average working capital compared to the previous year.

(9)- Net profit margin ratio decreased due to losses during the year compared to marginal profits in the previous year.

Notes forming part of the Consolidated Financial Statements

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

For and on behalf of the Board of Directors

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

/s/M. Madhavan Nambiar
Director
DIN: 01122411

/s/Ramawtar Taparia
Chief Financial officer

/s/Vandana Sharma
Company Secretary
ACS- 56267

Mumbai,
Date: September 2, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of

REDIFF.COM INDIA LIMITED

Report on the audit of the 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, 2022, and the Statement of Profit and Loss and statement of cash flows 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 financial statements give the information required by the Companies Act, 2013 (‘Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 auditors’ 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 Board’s Report including Annexures to Board’s

Report, Business Responsibility Report and other related disclosures but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 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.

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 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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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 it 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 the written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 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”;
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act as amended, we report that Section 197 is not applicable to a private company. Hence reporting as per Section 197(16) is not required.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements as on March 31, 2022;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advance or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies) including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstance, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

- v. No Dividend has been declared or paid during the year by the company.

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

**/s/B.M. Pendse
Partner
M. No. 32625
UDIN:22032625AQWVUT5637**

Place : Mumbai

Date : 02nd September, 2022

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 2022, 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 Property, Plant and Equipment.

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

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

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use Assets) or intangible assets or both during the year.

(e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.
2. (a) The Company is a service company primarily rendering online advertising and fee-based services and does not hold physical inventories. Accordingly, the Company does not have any inventory clause (ii) of paragraph 3 is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
3. The Company has granted two loans to companies listed in the register maintained under section 189 of Companies Act, 2013 of Rs.2,85,070 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 online advertising and fee-based 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, 2022 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, GST outstanding on account of any dispute.
8. According to the information and explanation given to us, no transactions not recorded in the books of accounts have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
9. (a) In our opinion and according to the information and explanations given to us, the Company had not defaulted in repayment of dues or interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of the records of the company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given by the management, funds raised on short terms basis have not been utilized for long term purposes.

(e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

(f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10. (a) According to the information and explanations given to us the Company had not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year.

In respect of the above issue, we further report that:

- the requirement of Section 42 and Section 62 of the Companies Act, 2013 as applicable, have been complied with; and

- the amount raised has been applied by the company during the year for the purpose for which the funds were raised.
11. (a) 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.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of companies (Audit and Auditors) Rules, 2014 with the Central Government;
 - (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.
 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 give to us the Company does not have an internal audit system commensurate with the size and nature of its business and has been advised that it is not required to have an internal audit system as per the provisions of section 138 of the Companies Act, 2013.
 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. (a) 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.
 - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
 - (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 17. The Company has incurred cash losses amounting to Rs.150.86 lakhs in the current financial year however it had made cash profits in the immediately preceding financial year.
 18. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
 19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future

viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. Since the provisions of Section 135 of the Companies Act, 2013 with regard to Corporate Social Responsibility are not applicable to the company hence clause 3 (20) of the order is not applicable.

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

**/s/B.M. Pendse
Partner
M. No. 32625
UDIN:22032625AQWVUT5637**

Place : Mumbai

Date : 02nd September, 2022

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 2022 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 2022, 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

UDIN:22032625AQWVUT5637

Place : Mumbai

Date : 02nd September, 2022

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Balance Sheet as at March 31, 2022

Particulars	Note	As at	As at
		March 31, 2022	March 31, 2021
		Rs. lakhs	Rs. lakhs
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	1,346.38	1,192.73
(b) Reserves and Surplus	4		
(i) Securities Premium Account		34,462.27	34,308.62
(ii) Stock Option Outstanding		1,395.21	1,395.21
(iii) Profit & Loss Account		(40,816.26)	(40,640.13)
		(3,612.40)	(3,743.57)
2 Non - Current Liabilities			
(a) Other Long Term Liabilities	5		
(i) Loan From Director		1,591.30	1,309.30
(ii) Others		920.95	909.71
(b) Long - Term Provisions	6	393.81	380.06
		2,906.06	2,599.07
3 Current Liabilities			
(a) Trade Payables	7		
MSME		1.80	2.71
Other than MSME		877.36	858.92
(b) Other Current Liabilities	8	1,549.75	1,612.69
(c) Short - Term Provisions	9	195.30	175.71
		2,624.21	2,650.03
TOTAL		1,917.87	1,505.53
II ASSETS			
1 Non - Current Assets			
(a) Property, plant and equipments and Intangible assets	10		
(i) Property, plant and equipments		209.59	287.50
(ii) Intangible Assets		-	-
(iii) CWIP		-	-
(iv) Intangible Assets under Development		-	-
		209.59	287.50
(b) Non - Current Investments	11	-	-
(c) Long - Term Loans and Advances	12	238.47	241.18
(d) Other Non - Current assets	13	75.84	70.54
		314.31	311.72
2 Current Assets			
(a) Trade Receivables	14	314.34	190.71
(b) Cash and Cash Equivalents	15	770.23	496.93
(c) Short-Term Loans and Advances	16	174.44	71.94
(d) Other current assets	17	134.96	146.73
		1,393.97	906.31
TOTAL		1,917.87	1,505.53

III Notes forming part of the Financial Statements

1-36

In terms of our report attached.

For and on behalf of the Board of Directors

For **Patkar & Pendse**

Chartered Accountants

Firm Reg. No. 107824W

/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 2, 2022

Date: September 2, 2022

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Statement of Profit and Loss for the Year Ended March 31, 2022

Particulars	Note	For the year ended	For the year ended
		March 31, 2022	March 31, 2021
		Rs. lakhs	Rs. lakhs
I Revenue From Operations	18	3,823.83	3,695.17
II Other Income (Net)	19	223.14	31.70
TOTAL REVENUE		4,046.97	3,726.87
III Expenses:			
(a) Employee Benefit Expenses	20	1,973.16	1,579.19
(b) Depreciation and Amortization Expense	10	148.52	90.60
(c) Other Expenses	21	2,099.43	1,974.67
TOTAL EXPENSES		4,221.11	3,644.46
IV PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		(174.14)	82.41
V Exceptional Items:	22	2.00	0.50
VI PROFIT /(LOSS) BEFORE TAX		(176.14)	81.91
VII Current tax		-	-
VIII PROFIT /(LOSS) FOR THE YEAR		(176.14)	81.91
IX Earnings Per Equity Share (Face Value of Rs. 5 each) - Basic and Diluted		(0.71)	(0.91)
X Notes forming part of the Financial Statements	1-36		

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

For and on behalf of the Board of Directors

/s/**B. M. Pendse**
Partner

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

/s/**M. Madhavan Nambiar**
Director
DIN: 01122411

/s/**Ramawtar Taparia**
Chief Financial Officer

/s/**Vandana Sharma**
Company Secretary
ACS -56267

Date: September 2, 2022

Date: September 2, 2022

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Cash Flow Statement for the Year Ended March 31, 2022

Particulars	For the year ended March 31, 2022 Rs. lakhs	For the year ended March 31, 2021 Rs. lakhs
Cash Flow from Operating Activities		
Profit (Loss) Before Taxes	(176.14)	81.91
Adjustments for:		
Depreciation Expense	148.52	90.60
Interest Income	(23.47)	(31.70)
Write back of Provision for Doubtful Debts	(124.88)	-
Diminution in loan to Subsidiary , etc	2.00	0.50
Unrealised Exchange Difference	1.64	7.54
Operating profit /(loss) Before Working Capital Changes	(172.33)	148.85
Changes in Working Capital:		
Trade Receivables	1.25	113.01
Loans and Advances	(1.98)	330.58
Trade Payables and Current Liabilities	77.35	(435.60)
Provisions	33.35	22.68
Cash from /(used in) Operating Activities	(62.36)	179.52
Taxes Refund, Net of paid	(58.12)	(28.70)
Net Cash from / (used in) Operating Activities (A)	(120.48)	150.82
Cash Flow From Investing Activities		
Payments to Acquire Fixed Assets	(216.15)	(129.52)
Loan given to Rediff Employee Trust	(0.85)	(0.88)
Loan given to Vubites India Pvt Ltd	(2.00)	(0.50)
Loan received from Director	282.00	39.00
Interest Income Received	23.47	31.70
Net Cash (used in)/from Investing Activities (B)	86.48	(60.20)
Cash Flows From Financing Activities		
Net proceeds from issue of equity shares	307.30	-
Net Cash used in Financing Activities (C)	307.30	-
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	273.30	90.62
Cash and Cash Equivalents at the Beginning of the Year	496.93	406.31
Cash and Cash Equivalents at the End of the Year	770.23	496.93
Note ;		
Cash and Cash Equivalents Include:		
Cash on Hand	-	-
Bank Balances	770.23	496.93
Cash and Cash Equivalents as above	770.23	496.93
Effect of Exchange Rate Changes	-	-
Cash and Cash Equivalents per Note 14	770.23	496.93

Notes forming part of the Financial Statements

1-36

In terms of our report attached.

For and on behalf of the Board of Directors

For **Patkar & Pendse**
Chartered Accountants
Firm Reg. No. 107824W

/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 2, 2022

Date: September 2, 2022

Notes forming part of the Standalone Financial Statements

1. CORPORATE INFORMATION

Rediff.com India Limited (“Rediff” or “the Company”) delivers Software As Services (enterprise email related services), News and Information, 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 consist 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, 2022 and 2021. The reason for the same is that, out of abundant caution, the Company had 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, optimising revenue management opportunities and enhancing ancillary revenues are expected to result in improved operating performance going forward.

Further, Company’s continued thrust to improve operational efficiency and initiatives to raise funds are expected to result in sustainable cash flows addressing any uncertainties. Accordingly, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business including financial support to its subsidiaries.

b) Use of estimates

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

c) Revenue recognition

Revenues comprise of revenues from online advertising and fee based services. Online advertising includes advertisement and sponsorships. Fee based services include enterprise email subscription and marketplace fee. Marketplace fee primarily comprise of commission

Notes forming part of the Standalone Financial Statements

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
Office equipment	3 to 10 years

Notes forming part of the Standalone Financial Statements

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 Rs. 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.

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 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.

Notes forming part of the Standalone Financial Statements

k) Taxes

Income taxes comprise both current and deferred tax.

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

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

l) Cash and cash equivalent

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

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

m) Research and development expenses

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

n) Leases

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

o) Provisions and Contingencies

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted

Notes forming part of the Standalone Financial Statements

to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statement. A contingent asset is neither recognized nor disclosed.

3. SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	Number	Rs. lakhs	Number	Rs. lakhs
Authorised				
Equity Shares of Rs. 5 each	30,000,000	1,500.00	30,000,000	1,500.00
Issued, Subscribed and Fully Paid up				
Ordinary Equity Shares of Rs. 5 each fully paid	26,927,574	1,346.38	23,854,529	1,192.73

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.

The shareholders approved the 10,00,000 equity shares in the general meeting held on April 18, 2018 for the purpose of various employees stock option plans.

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

	As at March 31, 2022		As at March 31, 2021	
	Number	Rs. lakhs	Number	Rs. lakhs
At the beginning of the year	23,854,529	1,192.73	23,854,529	1,192.73
Shares issued during the year	3,073,045	153.65	-	-
Outstanding at the end of the period	26,927,574	1,346.38	23,854,529	1,192.73

Notes:

1. During the year March 31, 2019, 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.
2. During the year March 31, 2022, 3,073,045 equity shares of Rupees 5/- were issued at Rs. 10/- at a premium of Rs. 5/- per share and subscribed fully under Rights issue of shares. The Board of Directors approved the right issue in its meeting held on December 24, 2021.

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

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number	% Holding	Number	% Holding
Ajit Balakrishnan	16,806,858	62.42%	10,289,071	43.13%
Rediffusion Holding Pvt. Ltd.	-	-	2,200,002	9.22%

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077

Notes forming part of the Standalone Financial Statements

Styrax Commodities Ltd.	1,523,000	5.66%	1,523,000	6.38%
Diwan Arun Nanda	-	-	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.

Holder 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. Shareholding of promoters:

As at March 31 2022:

Shares held by promoters at the end of the year			% change during the year
Promotor's name	No of shares	% of total shares	
Ajit Balakrishnan	16,806,858	62.42%	19.29%
Diwan Arun Nanda	-	-	(100%)

As at March 31 2021:

Shares held by promoters at the end of the year			% change during the year
Promotor's name	No of shares	% of total shares	
Ajit Balakrishnan	10,289,081	43.13%	-
Diwan Arun Nanda	1,244,740	5.22%	-

4. RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Securities premium account		
Opening balance	34,308.62	34,308.62
Addition during the year	153.65	-
Closing balance	34,462.27	34,308.62
Stock option outstanding account		
Opening balance	1,395.21	1,395.21
Addition during the year	-	-
Closing balance	1,395.21	1,395.21
(Deficit) in the statement of profit and loss		
Opening balance	(40,640.13)	(40,722.04)
Deficit during the year	(176.13)	81.91
Closing balance	(40,816.26)	(40,640.13)
Total	(4,958.78)	(4,936.30)

Notes forming part of the Standalone Financial Statements

5. OTHER LONG-TERM LIABILITIES (UNSECURED)

Other long-term liabilities consist of the followings:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Income received in advance	322.47	329.41
Payables to related party:		
Loan from Director	1,591.30	1,309.30
Other payables to related parties (unsecured):		
Rediff Holding Inc.	15.48	15.01
Rediff.com Inc.	476.99	462.50
Value Communication Corporation	106.01	102.79
Total	2,512.25	2,219.01

6. LONG – TERM PROVISIONS

Long –term provisions consist of following:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Provision for employee benefits:		
Gratuity (unfunded)	301.54	290.69
Compensated absence (unfunded)	92.27	89.37
Total	393.81	380.06

7. TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. lakhs
Total outstanding dues to Micro and small Enterprises (MSME)*	1.80	2.71
Others for Goods and Services	649.21	675.89
Accrued expenses	228.15	183.03
Total	879.16	861.63

As at March 31 2022:

Particulars	Outstanding for following periods from due date of payment				Rs. lakhs Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1.80	-	-	-	1.80
Others	568.89	155.92	38.78	113.78	877.36
Total	570.69	155.92	38.78	113.78	879.16

Notes forming part of the Standalone Financial Statements

As at March 31 2021:

Particulars	Outstanding for following periods from due date of payment				Rs. lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	2.71	-	-	-	2.71
Others	659.19	40.41	45.54	113.78	858.92
Total	661.90	40.41	45.54	113.78	861.63

* The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified based on the information available with the Company. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

8. OTHER CURRENT LIABILITIES

Other current liabilities consist of the followings:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. Lakhs
Capital creditors	4.69	150.23
Deposits from employees	22.73	22.73
Advance received from customers	89.14	94.97
Income received in advance	1,210.12	1,192.74
Other liabilities	0.64	0.64
Staff Incentive	3.29	3.29
Other staff payable	131.15	104.09
Statutory liabilities		
Tax deducted at source payable	34.00	22.86
Indirect Taxes payable	38.54	6.19
Others	15.45	14.95
Total	1,549.75	1,612.69

9. SHORT – TERM PROVISIONS

Short-term provisions consist of the followings:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. Lakhs
Provision for employee benefits:		
Gratuity (unfunded)	149.08	134.74
Compensated absence (unfunded)	46.22	40.97
Total	195.30	175.71

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077

Notes forming part of the Standalone Financial Statements

10. PROPERTY, PLANT AND EQUIPMENTS - PP&E consist of the followings: (Rs. lakhs)

Description		Gross Block as at April 1, 2021	Additions	Deletions	Gross Block as at March 31, 2022	Accumulated Depreciation as at April 1, 2021	Depreciation for the Year	Deletions	Accumulated Depreciation as at March 31, 2022	Net Block Value before Impairment as at March 31, 2022	Impairment as at 31st March 2022	Net Block after impairment as at 31st March 2022	Net Block Value as at March 31, 2021
Tangible assets													
		129.23	-	-	129.23	(116.73)	-	-	(116.73)	12.50	12.50	-	-
Furniture and fixture	P.Y	129.23	-	-	129.23	(116.73)	-	-	(116.73)	12.50	12.50	-	-
		5,963.27	70.25	-	6,033.52	(4,931.58)	(148.17)	-	(5,079.75)	953.77	745.89	207.88	-
Computer	P.Y	5,722.07	241.20	-	5,963.27	(4,841.28)	(90.30)	-	(4,931.58)	1,031.69	745.89	-	285.80
		131.72	0.35	-	132.07	(85.08)	(0.34)	-	(85.42)	46.65	44.94	1.71	-
Office equipment	P.Y	131.72	-	-	131.72	(84.77)	(0.30)	-	(85.08)	46.64	44.94	-	1.70
		91.18	-	-	91.18	(4.75)	-	-	(4.75)	86.43	86.43	-	-
Vehicle	P.Y	98.91	-	(7.72)	91.18	(12.47)	-	7.72	(4.75)	86.43	86.43	-	-
		249.90	-	-	249.90	(203.98)	-	-	(203.98)	45.92	45.92	-	-
Leasehold Improvement	P.Y	249.90	-	-	249.90	(203.98)	-	-	(203.98)	45.92	45.92	-	-
Total tangible assets		6,565.30	70.60	-	6,635.90	(5,342.12)	(148.51)	-	(5,490.63)	1,145.27	935.68	209.59	-
<i>Previous year</i>		6,331.83	241.20	(7.72)	6,565.30	(5,259.23)	(90.60)	7.72	(5,342.12)	1,223.18	935.68	-	287.50
Intangible assets													
Internally Generated		2,676.91	-	-	2,676.91	(2,018.39)	-	-	(2,018.39)	658.52	658.52	-	-
Acquired		406.56	-	-	406.56	(397.21)	-	-	(397.21)	9.35	9.35	-	-
Total intangible assets		3,083.47	-	-	3,083.47	(2,415.60)	-	-	(2,415.60)	667.87	667.87	-	-
<i>Previous year</i>		3,083.47	-	-	3,083.47	(2,415.60)	-	-	(2,415.60)	667.87	667.87	-	-
Internally Generated	P.Y	2,676.91	-	-	2,676.91	(2,018.39)	-	-	(2,018.39)	658.52	658.52	-	-
Acquired	P.Y	406.56	-	-	406.56	(397.21)	-	-	(397.21)	9.35	9.35	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets under development (internally generated)		364.43	-	-	364.43	-	-	-	-	364.43	364.43	-	-
		364.43	-	-	364.43	-	-	-	-	364.43	364.43	-	-
		10,013.20	70.60	-	10,083.80	(7,757.72)	(148.51)	-	(7,906.23)	2,177.57	1,967.98	209.59	-
Grand Total	P.Y	9,779.73	241.20	(7.72)	10,013.20	(7,674.83)	(90.60)	7.72	(7,757.72)	2,255.48	1,967.98	-	287.50

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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, 2022	As at March 31, 2021
			Rs. lakhs	Rs. in lakhs
Trade investments				
A- Others, Fully paid equity shares (unquoted)- At Cost				
Traveljini.com Limited	10	88,350	603.00	603.00
Tachyon Technologies Pvt. Ltd.	10	13,177	417.00	417.00
Vakow Technologies Pvt. Ltd.	10	500,000	50.00	50.00
BigSlick Infotech Pvt. Ltd.	1	59,230	40.00	40.00
			1,110.00	1,110.00
B – Wholly Owned Subsidiary Companies, Fully paid equity shares (unquoted)				
Rediff Holding Inc., USA	\$0.0001	11,066,667	11,344.84	11,344.84
Value Communication Corporation, USA	No par value	12,000,000	3,406.10	3,406.10
Vubites India Pvt. Ltd.	1	1,000,000	131.53	131.53
			14,882.47	14,882.47
Total (A+B)			15,992.47	15,992.47
Less Provision for diminution in value of investments			15,992.47	15,992.47
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 ₹ lakhs) :

Name of the Company	FY – 2021-22	FY - 2021-22
Traveljini.com Limited	603.00	603.00
Tachyon Technologies Pvt. Ltd.	417.00	417.00
Vakow Technologies Pvt. Ltd.	50.00	50.00
BigSlick Infotech Pvt. Ltd.	40.00	40.00
Rediff Holding Inc., USA	11,344.84	11,344.84
Value Communication Corporation, USA	3,406.10	3,406.10
Vubites India Pvt. Ltd.	131.53	131.53
TOTAL (Provision for diminution in value of investments)	15,992.47	15,992.47

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, 2022	As at March 31, 2021
	Rs. lakhs	Rs. Lakhs
Considered Good		
Rent deposits	22.73	116.77
Recoverable taxes (net of provision)	182.33	91.86
 Loans and advances to related parties:#		
Considered Doubtful		
Loans and advances to related parties: #		
Vubites India Pvt. Ltd.	6,477.72	
Less: diminution	<u>6,477.72</u>	-
Rediff.com Employee Trust	2011.76	
Less: diminution	<u>1978.35</u>	32.55
 Rediff Holdings Inc.	70.87	
Less: diminution	<u>70.87</u>	-
	238.47	241.18

#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, 2022	As at March 31, 2021
	Rs. lakhs	Rs. Lakhs
Prepaid expenses	1.07	0.61
Unamortised expenses	74.77	69.93
Total	75.84	70.54

Notes forming part of the Standalone Financial Statements

14. TRADE RECEIVABLES (Unsecured)

Trade receivables consist of the following:

		As at March 31, 2022	As at March 31, 2021
		Rs. lakhs	Rs. Lakhs
Outstanding for a period			
(a)	Over six months from the date they were due for payments		
	(i) Considered good	-	-
	(ii) Considered doubtful	145.93	247.36
		145.93	247.36
(b)	Others		
	(i) Considered good	314.34	190.71
	(ii) Considered doubtful	-	23.44
		314.34	214.15
	Total (a+b)	460.27	461.51
	Less: Provision for doubtful debts	145.93	270.80
		314.34	190.71

Trade Receivables ageing schedule as at March 31, 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1 -2 years	2-3 years	More than 3 years	
Undisputed trade receivables-considered good	314.34	-	-	-	-	314.34
Undisputed trade receivables-considered doubtful	-	7.04	5.07	5.32	128.51	145.93
Less – provision for Doubtful Debts	-	(7.04)	(5.07)	(5.32)	(128.51)	(145.93)
Total	314.34	-	-	-	-	314.34

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Trade Receivables ageing schedule as at March 31, 2021:

Particulars	Outstanding for following periods from due date of payment					Rs. lakhs
	Less than 6 months	6 months – 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables-considered good	190.71	-	-	-	-	190.71
Undisputed trade receivables-considered doubtful	23.44	11.81	8.39	23.31	203.86	300.37
Less – provision for Doubtful Debts	(23.44)	(11.81)	(8.39)	(23.31)	(203.85)	(270.80)
Total	190.71	-	-	-	-	190.71

15. CASH AND CASH EQUIVALENT

Cash and cash equivalent consist of the following:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. Lakhs
Cash and cash equivalents		
(a) Balances with banks In current accounts	533.01	270.07
	533.01	270.07
(b) Other In deposits account	237.22	226.86
	237.22	226.86
Total (a+b)	770.23	496.93

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

Short-term loans and advances consist of the following:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. Lakhs
Supplier advances	31.57	19.10
Rent deposits	107.86	18.04
Loan to employees #	11.62	11.72
Input Tax Credit	21.70	19.70
Electronic Cash Register	1.69	3.38
Total	174.44	71.94

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.

Notes forming part of the Standalone Financial Statements

17. OTHER CURRENT ASSETS

Other current assets consists of the following:

	As at March 31, 2022	As at March 31, 2021
	Rs. lakhs	Rs. Lakhs
Prepaid expenses	26.89	43.00
Unamortised expenses	108.07	103.73
Total	134.96	146.73

18. REVENUE FROM OPERATIONS

Revenue from operations consists of the following:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. Lakhs
Online advertising	1,472.81	1,288.23
Enterprise email subscription	2,341.08	2,397.00
Marketplace fee	9.94	9.94
Total	3,823.83	3,695.17

19. OTHER INCOME (NET)

Other income (net) consists of the following:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. Lakhs
Interest income:		
Interest on fixed deposits	14.60	16.38
Interest on income-tax refund	8.78	15.27
Interest others	0.08	0.05
Miscellaneous Income	74.80	-
Write back of Provision for Doubtful Debts	124.88	-
Total	223.14	31.70

20. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

Notes forming part of the Standalone Financial Statements

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. Lakhs
Salaries and wages	1,837.22	1,452.65
Contribution to provident fund	79.24	80.45
Gratuity	38.93	33.06
Staff welfare expenses	17.77	13.03
Total	1,973.16	1,579.19

21. OTHER EXPENSES

Other expenses consist of the following:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. Lakhs
Content Charges	194.94	183.75
Domain registration charges	177.18	179.37
Subscription and SMS based costs	59.12	62.78
E-Commerce – Courier, Freight & Forward	1.00	2.08
Bandwidth	776.54	706.72
Software Usage charges	296.67	264.29
Product development charges	20.79	21.01
Advertising	3.47	1.03
Market support	76.40	68.26
Rent and amenities	147.28	156.55
Electricity charges	15.89	2.62
Telecommunication	8.33	7.93
Repairs and maintenance:		
Computers	46.49	34.77
Others	3.18	2.46
Insurance	50.66	52.09
Travel and conveyance	26.42	25.12
Rates and taxes	6.25	6.38
Foreign exchange (gain)/ loss	33.73	42.75
Bank Charges	14.30	16.80
Housekeeping Charges	29.05	28.55
Membership and Subscription	19.26	
Legal and professional fees	57.38	78.66
Other Miscellaneous expenses	35.10	30.70
Total	2,099.43	1,974.67

Notes forming part of the Standalone Financial Statements

22. EXCEPTIONAL ITEMS

Exceptional Items consist of the following:

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Rs. lakhs	Rs. Lakhs
Impairment of Loan given to Subsidiary Company	2.00	0.50
Total	2.00	0.50

23. AUDITOR'S REMUNERATION

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
For service as auditors	10.00	10.00
For other service	0.90	0.50
	10.90	10.50

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:

	2021-22 Rs. lakhs	2020-21 Rs. Lakhs
Benefit obligation at the beginning of the year	425.43	392.37
Actuarial loss/(gain)	(10.47)	(14.42)
Current service cost	28.53	27.90
Interest cost	20.88	19.57
Benefits paid	(13.74)	-
Benefit obligation at the end of the year	450.63	425.42

Current Portion of Benefit Obligation	149.08	134.74
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Notes forming part of the Standalone Financial Statements

Non-Current Portion of benefit Obligation	301.54	290.69
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Expense on defined benefit plan:

	2021-22 Rs. lakhs	2020-21 Rs. Lakhs
Service cost	28.53	27.90
Interest cost	20.88	19.57
Recognised net actuarial loss/(gain)	(10.47)	(14.42)
Net gratuity cost	38.94	33.05

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:

	2021-22	2020-21
Rate for discounting liabilities	5.85%	5.40%
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:

	Rs. lakhs				
	2021-22	2020-21	2019-20	2018-19	2017-18
Defined benefit obligation	450.62	425.43	392.37	332.22	337.14
(Deficit)	(450.62)	(425.43)	(392.37)	(332.22)	(337.14)
Experience adjustment on plan liabilities	(2.74)	(16.06)	1.46	(25.61)	(20.96)

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

Notes forming part of the Standalone Financial Statements

schemes to fund the benefits. A sum of Rs. lakh 79.24 (*Previous Year* Rs. Lakhs 80.45) has been charged to the revenue account in this respect.

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 Rs.	Range of exercise price Rs.	Weighted average remaining contractual life
Option outstanding, beginning of the year	866,667			
Option granted	-			
Option forfeited	20,000	5		
Options outstanding, end of period	846,667	5	5	7

Options exercisable as at March 31, 2022, were 578,667 (Weighted average exercise price Rs. 5/-).

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)

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Notes forming part of the Standalone Financial Statements

Mr. Ajit Balakrishnan (Director and Shareholder)
Transactions with Related Parties during the year and balances outstanding as at March 31, 2022 and 2021:

Name of the Related party	Transactions	2021-22 Rs. lakhs	2020-21 Rs. lakhs
Mr. Ajit Balakrishnan	Loan received during the year	282.00	39.00
	Loan repaid during the year	-	-
	Payable as at year end	1591.30	1,309.30
Value Communications Corporation	Payable as at year end, net	106.01	102.79
Rediff Holdings Inc.	Expenses paid on behalf of Rediff Holding Inc.	-	-
	Payable as at year end, net	15.48	15.01
Rediff.com, Inc.	Payable as at year end	476.99	462.50
Vubites India Private Limited	Loan given during the year (Interest free)	2.00	0.50
	Repayment of loan	-	-
	Provision for doubtful loan	2.00	0.50
	Write-back of impaired loan	-	-
Rediff.com India Ltd Employee Trust	Loan given during the year	0.85	0.88
	Receivable as at year end, net	33.41	32.56

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:

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
Office Premises	131.19	133.33
Residential flats for accommodation of employees	16.09	23.22
Total	147.28	156.55

Notes forming part of the Standalone Financial Statements

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

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
Not later than one year	18.82	114.50
Later than one year and not later than five years	15.18	60.00
Total payments	34.00	174.50

29. EARNING PER EQUITY SHARES

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
A. Net profit / (loss) profit attributable to equity shareholders (Rs,)	(176.12)	81.91
B. Weighted average number of equity shares outstanding during the year	24,678,621	23,854,529
C. Potentially dilutive equity share equivalents (stock options)	-	-
D. Weighted average number of equity shares and potentially dilutive equity share equivalents outstanding	24,678,621	2,3854,529
E. Nominal value of Equity Shares (Rs.)	5.00	5.00
Basic Earnings per Share (Rs.)	(0.71)	0.34
Diluted Earnings per Share (Rs.)	(0.71)	0.34

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 received an adjudication order from the Additional Commissioner, CGST & Central Excise, Mumbai Central for a demand of service tax amounting to Rs. 45.55 lakhs and interest and penalty is charged additionally thereon. The tax amount is related to the financial year 2012-13. The Company filed an appeal before the Commissioner of Service Tax (Appeal) against the said order. Further, The Company has not recognized any accrual for the said order 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: There is no capital commitment as at March 31, 2022 and 2021.

31. DERIVATIVE TRANSACTION

The Company has not entered in to any derivative transaction during the years ended March 31, 2022 and 2021. Foreign exchange currency exposures not hedged by derivative instruments are:

Sl. No.	Particulars	2021-22		2020-21	
		Amount \$	Amount Rs. lakhs	Amount \$	Amount Rs. lakhs
1	Amount receivable on account of sale of services	160,633	123.40	154,250	113.37
2	Creditors payable on account of foreign currency expenditure	95,087	72.78	91,347	67.09
3	Amount (Payable) / Receivable (to)/from subsidiary companies	(821,217)	(622.54)	(821,217)	(603.63)

32. INCOME IN FOREIGN CURRENCIES

	2021-22 Rs. lakhs	2020-21 Rs. lakhs
Online Advertising	11,70.08	971.25
Enterprise email Subscription	24.40	26.77
Total	1,194.48	998.02

33. EXPENDITURE IN FOREIGN CURRENCIES

Particulars	2021-22 Rs. lakhs	2020-21 Rs. lakhs
(i) Product development	3.88	3.28
(ii) Software usage charges	191.83	211.00
(iii) Purchase of email domains	138.11	138.92
(iv) Other matters	17.39	4.09
Total	351.21	357.29

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. ANALYTICAL RATIOS:

The ratios for the year ended March 31, 2022 and 2021 are as follows:

Sr No	Ratio Analysis	Numerator	Denominator	31-Mar-22	31-Mar-21	Variance (in %)
1	Current Ratio (in times)	Current Assets	Current Liabilities	0.53	0.34	54%
2	Debt Equity Ratio (in times)	Total Liabilities	Shareholder's Equity	(0.44)	(0.35)	26%
3	Debt Service Coverage Ratio (in times)	Net Operating Income	Debt Service	-	-	-
4	Return on Equity Ratio (%) (in times) #	Profit for the period	Avg. Shareholders Equity	-	-	-
5	Inventory Turnover Ratio (in times)	Cost of Goods sold	Average Inventory	N.A	N.A	N.A
6	Trade Receivables Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	15.14	14.95	1%
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	2.49	2.29	9%
8	Net Capital Turnover Ratio (in times)	Net Sales	Average Working Capital	(2.57)	(1.04)	148%
9	Net Profit Ratio (%)	Net Profit	Net Sales	(5%)	0.02	(308%)
10	Return on Capital employed (%) #	EBIT	Capital Employed	-	-	-
11	Return on Investment	Return/Profit/Earnings	Investment	-	-	-

In view of negative net worth, ratios are not calculated.

(1)- Current asset ratio has improved due to higher trade receivables and cash/ cash equivalents.

(2)- Since the debt has increased by more than 20% in FY 2021-22 compared to FY 2020-21 and the Shareholders equity has been reduced due to losses for the year, the ratio of debt to equity is high.

(8)- Ratio has improved as there is marginal increase in sales as also reduced average working capital compared to the previous year.

(9)- Net profit margin ratio decreased due to losses during the year compared to marginal profits in the previous year.

Notes forming part of the Standalone Financial Statements

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

For and on behalf of the Board of Directors

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

/s/M. Madhavan Nambiar
Director
DIN: 01122411

/s/Ramawtar Taparia
Chief Financial Officer

/s/Vandana Sharma
Company Secretary
ACS -56267

Place: Mumbai
Date: September 2, 2022