

REDIFF.COM INDIA LIMITED

29TH ANNUAL REPORT
2023-24

CORPORATE INFORMATION

Corporate Identification Number

U22100MH1996PLC096077

Registered Office

1st Floor, Mahalaxmi Engineering Estate
L.J. Cross Road No. 1, Mahim (West)
Mumbai, MH-400016, India

Board of Directors

Mr. Ajit Balakrishnan – Chairman & Managing Director
Mr. Maniedath Madhavan Nambiar
Mr. Melarkode Ganesan Parmeswaran
Mr. Gulshan Rai

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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AGM NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Rediff.com India Limited will be held on Wednesday, 31st July 2024, at 10.30 a.m. (IST) at the registered office of the Company situated at 1st Floor, Mahalaxmi Engineering Estate, L. J. Cross Road No. 1, Mahim (West), Mumbai -400016 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including consolidated financial statements) for the financial year ended 31st March, 2024 together with the Reports of the Directors and Auditors thereon.

SPECIAL BUSINESS

2. RE-APPOINTMENT OF MR. MANIEDATH MADHAVAN NAMBIAR AS INDEPENDENT DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their meeting held on 27th March, 2024, Mr. Maniedath Madhavan Nambiar (DIN: 01122411), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 23rd March, 2019 and who is being eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation for a second term of five consecutive years commencing from 27th March, 2024;

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

3. RE-APPOINTMENT OF MR. MELARKODE GANESAN PARMESWARAN AS INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and based on the

recommendation of the Nomination and Remuneration Committee and the Board of Directors in their meeting held on 21st June, 2024, Mr. Melarkode Ganesan Parmeswaran (DIN: 00792123), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 5th September, 2019 and who is being eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation for a second term of five consecutive years commencing from 5th September, 2024;

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

Any other business with the permission of Chair

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

Date: June 21, 2024
Place: Mumbai

/s/**Vandana Sharma**
Company Secretary

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company, Proxies to be effective must be received by the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Notice of the Annual General Meeting will be sent to those shareholders/beneficial owners, whose name will appear in the register of members.
3. Corporate Members are required to send to the Company/ RTA, 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 physical participation.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT FOR ITEM NO. 2:

ITEM NO. 2

On the recommendation of the Nomination and Remuneration Committee the Board of Directors of the Company at their meeting held on 27th March, 2024, have re-appointed Mr. Maniedath Madhavan Nambiar as an Independent Director of the Company not liable to retire by rotation, for a second term of five consecutive years till 26th March, 2029, subject to consent by the Members of the Company at the ensuing Annual General Meeting.

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

Mr. Maniedath Madhavan Nambiar is interested in the resolution set out at Item No. 2 of the Notice.

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

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

ITEM NO. 3

On the recommendation of the Nomination and Remuneration Committee the Board of Directors of the Company at their meeting held on 21st June, 2024, have re-appointed Mr. Melarkode Ganesan Parmeswaran as an Independent Director of the Company not liable to retire by rotation, for a second term of five consecutive years commencing from 5th September, 2024 upto 4th September, 2029, subject to consent by the Members of the Company at the ensuing Annual General Meeting.

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

Mr. Melarkode Ganesan Parmeswaran is interested in the resolution set out at Item No. 3 of the Notice.

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

The Board recommends the special resolution set out at Item No. 3 of the Notice for approval by the members.

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

Date: June 21, 2024
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 ninth Annual Report on the business and operations of the company together with the audited financial statements for the year ended 31st March, 2024.

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, 2024 | Year ended 31 st March, 2023 | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Revenue from operation | 3607 | 3725 | 3607 | 3725 |
| Other income | 58 | 27 | 60 | 31 |
| Total Revenue | 3665 | 3752 | 3667 | 3756 |
| Total expenses | (4224) | (4526) | (4219) | (4528) |
| Profit/loss before exceptional items and tax | (559) | (774) | (552) | (772) |
| Exceptional items | 6 | (1) | - | - |
| Tax expenses | (7) | - | 1 | 1 |
| Profit/loss for the year | (546) | (775) | (553) | (773) |

2. FINANCIAL HIGHLIGHTS

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

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, with in the revenue from operation, email subscription fee increased by 5% annually and now accounted for 73% of the company's revenue. The online advertising revenue declined by 19% annually.

During the year under review, our overall revenue from standalone operations decreased by 3% to Rs. 3658 lakhs as compared to Rs. 3752 lakhs for the previous year. Our revenue from operation comprises of email subscription fees, advertising revenue and e-commerce marketplace fees.

Total expenses for the standalone operations for the year ended 31st March, 2024 were Rs. 4224 lakhs as compared to Rs. 4526 lakhs for the year ended 31st March, 2023, decreased by 7% due to savings in employee related expenses and costs saving in other OPEX.

The Company reported a net loss of Rs. 546 lakhs for the year as compared to a loss of Rs.775 lakhs during previous year.

Consolidated loss for the year was Rs. 553 lakhs as compared to a loss of Rs. 773 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 2295 lakhs (PY Rs. 1952 lakhs) as an interest free deposit. This amount has largely been used to upgrade the equipment at our data centre to ensure top quality service to our customers.

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

During the financial year 2023-24, 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 2023-24.

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 year under review, there was no change in the share capital of the Company.

b. Buy Back of Securities

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

c. Sweat Equity

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

d. Bonus Shares

No Bonus Shares were issued during the year under review.

e. Employees Stock Option Plan

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

There is no major changes in the state of Company's affairs occurred during the period to which these financial statements relate. However, the Company 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

The Company exited from its investment in Vubites India Private Limited ("Vubites") a wholly owned subsidiary, for a sale proceeds of Rs. 292.31 lakhs. The Vubites converted its loan outstanding of Rs. 6,480.21 lakhs into its equity capital. The Company is holding an equivalent provision for diminution and carrying this investment at zero value. The sale proceed exceeded the carrying value of the investment and resulted into a profit, which will be recognized in the next financial year.

Subject to above, 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/company-filing/2023-24.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There was the following change in the Board of Directors and Key Managerial Personnel (KMP) of the Company during the Financial Year 2023-24:

- a. Mr. Maniedath Madhavan Nambiar, Independent Director of the Company was re-appointed for the second term of five consecutive years with effect from 27th March, 2024.

11. MEETING OF BOARD OF DIRECTORS

A. Number of Board Meetings

The Board of Directors of your Company met 4 (four) 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. | 20 th June, 2023 |
| 2. | 22 nd August, 2023 |
| 3. | 14 th December, 2023 |
| 4. | 27 th March, 2024 |

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

| S. No. | Name of Director | No. of Board Meetings entitled to attend | No. of Board Meetings attended |
|--------|-----------------------------------|--|--------------------------------|
| 1. | Ajit Balakrishnan | 4 | 4 |
| 3. | Maniedath Madhavan Nambiar | 4 | 4 |
| 4. | Melarkode Ganesan Parameswaran | 4 | 4 |
| 5. | Gulshan Rai | 4 | 4 |

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. 343 lakhs (PY Rs. 361 lakhs) from Mr. Ajit Balakrishnan to the Company. This amount has largely been used to upgrade the equipment at our data centres.

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 | 2/2 |
| 2. | Maniedath Madhavan Nambiar | Member | 2/2 |
| 3. | Mr. Gulshan Rai | Member | 2/2 |

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, 2024 was Rs. 766 lakhs (Previous year Rs. 983 lakhs) and the foreign exchange outgo in the same period was Rs. 396 lakhs (Previous year Rs. 350 lakhs).

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

There was no order passed by the Regulators or Courts of Tribunal during the financial year 2023-24.

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 2023-24, 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, 2024. 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, 2024, 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, 2024 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: 21st June, 2024

/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

(Rs. in lakhs except % of Shareholding)

| Name of the Subsidiary | Financial Year ended | Share Capital | Reserve & Surplus | Total Assets | Total Liabilities(Excluding Share Capital & Reserve & Surplus) | Turnover | Investment | Profit before tax | Provision for taxation |
|-----------------------------------|----------------------|---------------|-------------------|--------------|---|----------|------------|-------------------|------------------------|
| Rediff Holding Inc. USA | 31-Mar-24 | 0.92 | (1,117.02) | 2,256.73 | 3,372.82 | - | - | (0.83) | - |
| Rediff.com Inc | 31-Mar-24 | 0.00 | 3,407.37 | 3,409.43 | 2.05 | - | - | - | - |
| Value Communications Corporations | 31-Mar-24 | 5,958.26 | (8,085.63) | 116.60 | 2,243.97 | - | - | - | - |
| Vubites India Private Limited | 31-Mar-24 | 10.00 | (6,258.62) | 231.78 | 6,480.39 | - | - | (0.00) | - |

Note:

Exchange rate used for translating financial position of overseas subsidiaries is USD 1 = Rs. 83.3739

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, 2024, 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, 2024, 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.

EMPHASIS OF MATTER:

- We draw attention to Note 2(a) of the financial statements, which outline the company's economic situation. The company has accumulated losses that exceed its paid-up capital and free reserves, creating uncertainty about its ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis, supported by the continued financial assistance from the company's founder. Additionally, the company sold its investment, which had already been provided for in earlier years, for a net amount of Rs. 2.92 crores. Management remains confident in its plans to enhance operational efficiency and actively seeks additional funding opportunities to improve cash flows and strengthen the company's financial position.

While no new investors have been secured yet, the directors' support and ongoing initiatives provide a positive outlook for the company's future stability.

- **Event after the Balance Sheet date:** We draw attention to an event occurring after the balance sheet date where Vubites India Private Limited ("Vubites"), a wholly-owned subsidiary, converted its unsecured outstanding loan of Rs. 6,480.21 lakhs from the Company into equity capital. Further, the Company exited its investment in Vubites for a value of Rs. 292.31 lakhs. As disclosed in Note 31 to the financial statements, the Company had previously recognized an equivalent provision for diminution, carrying this investment and unsecured loan at zero value.

The sale of the investment resulted in a profit, which will be recognized in the financial statements for the year ending 31 March 2025. This event occurred after the balance sheet date of 31 March 2024 and has been evaluated as a non-adjusting event for the financial statements for the year ended 31 March 2024.

- Our opinion is not modified in respect of the above matters.

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 terms 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 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 concerned 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 based on 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 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 an 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 the audit report of the other auditor referred to in the 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 one subsidiary and Trust, whose financial statements reflect total assets of Rs. 235.85 lakhs as of March 31, 2024, total revenues of Rs. Nil and net cash outflows amounting to Rs. 40.08 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 for our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) 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 our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to the 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 agree with the relevant books of account maintained for preparing 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) Based on the written representations received from the directors of the Holding Company as on March 31, 2024 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, 2024 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 the 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 to note 26 to the financial statements as on March 31, 2024.
- 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 by the company to the Investor, Education, and Protection Fund.
- iv)
 - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced 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 misstatement.
- v) No Dividend has been declared or paid during the year by the company.

- 2) For the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditors of the subsidiary company and trust we state that: There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated financial statements.
- 3) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, is applicable from 1 April 2023. Based on our examination, which included test checks, we observed the following:
- The Company has used accounting software to maintain its books of account for the financial year that ended March 31, 2024. It has a feature that allows the recording of an audit trail (edit log) facility. However, we noted that the audit trail feature was enabled on 3rd May 2023 due to a delay in the process of enabling the audit trail feature.
 - The audit trail feature has operated throughout the year from 3rd May 2023 for all relevant transactions recorded in the software.
 - Further, during our audit, we did not encounter any instances of the audit trail feature being tampered with.
 - The Company has four subsidiaries that have used accounting software to maintain its books of account for the financial year ending March 31, 2024, which does not have a feature for recording an audit trail (edit log) facility. However, the Company is completely non-operative and did not engage in any transactions during the year.

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

**/s/Dhaval M. Bandiwadekar
Partner
M. No. 169054
UDIN: 24169054BKEQMN9332**

**Place: Mumbai
Date: June 21, 2024**

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, 2024, 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 Holding company, and 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 the 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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/Dhaval M. Bandiwadekar
Partner
M. No. 169054
UDIN: 24169054BKEQMN9332**

**Place: Mumbai
Date: June 21, 2024**

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Balance Sheet as at March 31, 2024

| | Note | As at March 31, 2024 | As at March 31, 2023 |
|--|------|----------------------|----------------------|
| | | Rs. lakhs | Rs. lakhs |
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 3 | 1,295.63 | 1,295.63 |
| (b) Reserves and Surplus | 4 | | |
| (i) Securities Premium Account | | 32,515.12 | 32,515.12 |
| (ii) Stock Option Outstanding | | 1,395.21 | 1,395.21 |
| (iii) Profit & Loss Account | | (41,995.18) | -41,442.60 |
| (iv) Foreign Currency Translation Reserve | | 2,347.56 | 2,344.01 |
| | | (4,441.66) | (3,892.63) |
| 2 Non - Current Liabilities | | | |
| (a) Other Long Term Liabilities | 5 | | |
| (i) Loan From Director | | 2,503.73 | 2,157.84 |
| (ii) Others | | 299.62 | 319.36 |
| (b) Long - Term Provisions | 6 | 362.08 | 368.39 |
| | | 3,165.43 | 2,845.59 |
| 3 Current Liabilities | | | |
| (a) Trade Payables | 7 | | |
| MSME | | 15.13 | - |
| Other than MSME | | 1,116.69 | 1,016.45 |
| (b) Other Current Liabilities | 8 | 1,886.65 | 1,758.74 |
| (c) Short - Term Provisions | 9 | 260.98 | 274.98 |
| | | 3,279.45 | 3,050.17 |
| TOTAL | | 2,003.22 | 2,003.13 |
| II ASSETS | | | |
| 1 Non - Current Assets | | | |
| (a) Property, plant and equipments and Intangible assets | 10 | | |
| (i) Property, plant and equipments | | 240.79 | 244.51 |
| (ii) Intangible Assets | | - | - |
| (iii) CWIP | | - | - |
| (iv) Intangible Assets under Development | | - | - |
| | | 240.79 | 244.51 |
| (b) Non - Current Investments | 11 | - | - |
| (c) Long - Term Loans and Advances | 12 | 467.95 | 547.86 |
| | | 467.95 | 547.86 |
| 2 Current Assets | | | |
| (a) Trade Receivables | 13 | 374.65 | 279.29 |
| (b) Cash and Cash Equivalents | 14 | 560.00 | 613.51 |
| (c) Short-Term Loans and Advances | 15 | 158.00 | 102.78 |
| (d) Other current assets | 16 | 201.83 | 215.18 |
| | | 1,294.48 | 1,210.76 |
| TOTAL | | 2,003.22 | 2,003.13 |

III NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-32

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/Dhaval Bandiwadekar
Partner
Membership No : 169054

/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: June 21 2024

Date: June 21 2024

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Statement of Profit and Loss for the Year Ended March 31, 2024

| | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|------|-----------------------------------|-----------------------------------|
| | | Rs. lakhs | Rs. lakhs |
| I Revenue From Operations | 17 | 3,607.35 | 3,725.11 |
| II Other Income (Net) | 18 | 59.51 | 30.50 |
| TOTAL REVENUE | | 3,666.86 | 3,755.61 |
| III Expenses: | | | |
| (a) Employee Benefit Expenses | 19 | 1,947.01 | 2,168.42 |
| (b) Depreciation and Amortization Expense | 10 | 154.33 | 144.92 |
| (c) Operation and Other Expenses | 20 | 2,117.41 | 2,214.41 |
| TOTAL EXPENSES | | 4,218.75 | 4,527.75 |
| IV (LOSS) PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX | | (551.89) | (772.14) |
| V Exceptional Item: | 21 | - | - |
| Total | | (551.89) | (772.14) |
| VI Current Tax | | 0.69 | 0.82 |
| VII (LOSS) PROFIT FOR THE YEAR | | (552.58) | (772.96) |
| VIII Earnings Per Equity Share (Face Value of Rs. 5 each) - Basic and Diluted | | (2.13) | (3.38) |

IX NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-32

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/Dhaval Bandiwadekar

Partner

Membership No : 169054

/s/Ajit Balakrishnan

Chairman & Managing Director

DIN: 00073814

/s/M. Madhavan Nambiar

Director

DIN: 01122411

/s/Ramawtar Taparia

Chief Financial Officer

Date: June 21 2024

/s/Vandana Sharma

Company Secretary

ACS -56267

Date: June 21 2024

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Consolidated Cash Flow Statement as at March 31, 2024

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| | Rs. lakhs | Rs. lakhs |
| Cash Flow from Operating Activities | | |
| (Loss) Profit Before Taxes | (552.58) | (772.96) |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 154.32 | 144.92 |
| Realisation from Loan Impaired | (6.59) | - |
| Interest Income | (27.25) | (23.09) |
| Write back of Provision for Doubtful Debts | (20.20) | - |
| Diminution in Long Term Investment/ Loan to Subsidiary | (0.00) | - |
| Profit on Sale of Fixed Assets | (1.78) | - |
| Unrealised Exchange Difference | 14.97 | 5.89 |
| Operating Loss Before Working Capital Changes | (439.11) | (645.24) |
| Changes in Working Capital: | | |
| Trade Receivables | (75.17) | 35.15 |
| Loans and Advances | 19.32 | (80.83) |
| Trade Payables and Current Liabilities | 252.06 | 97.53 |
| Provisions | (20.46) | 42.79 |
| Cash used in Operating Activities | (263.36) | (550.60) |
| Taxes Refund, Net of (Paid) | 19.80 | 31.31 |
| Net Cash used in Operating Activities (A) | (243.56) | (519.29) |
| Cash Flow From Investing Activities | | |
| Payments to Acquire Fixed Assets | (181.96) | (95.52) |
| Loan (Repaid) Received from Director (Net) | 343.00 | 361.00 |
| Proceeds from Sale of Fixed Assets | 1.78 | - |
| Interest Income Received | 27.24 | 23.09 |
| Net Cash (used in)/from Investing Activities (B) | 190.06 | 288.57 |
| Cash Flows From Financing Activities | | |
| Net Proceeds from Issue of Equity Shares | - | - |
| Net Cash used in Financing Activities (C) | - | - |
| Net (Decrease) in Cash and Cash Equivalents (A+B) | (53.51) | (230.72) |
| Cash and Cash Equivalents at the Beginning of the Year | 613.51 | 844.23 |
| Cash and Cash Equivalents at the End of the Year | 560.00 | 613.51 |
| Note ; | | |
| Cash and Cash Equivalents Include: | | |
| Cash on Hand | - | - |
| Bank Balances | 560.00 | 613.51 |
| Fixed deposits with banks (maturity less than 3 months) | - | - |
| Cash and Cash Equivalents as above | 560.00 | 613.51 |
| Effect of Exchange Rate Changes | - | - |
| Cash and Cash Equivalents as per Note 14 | 560.00 | 613.51 |
| NOTES FORMING PART OF THE FINANCIAL STATEMENTS | 1-32 | |

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/Dhaval Bandiwadekar
Partner
Membership No : 169054

/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: June 21 2024

Date: June 21 2024

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.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, 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 Consolidated Financial Statements relate to Rediff.com India Limited (Rediff, the Company) and its subsidiaries. The Company’s wholly owned subsidiaries include Vubites India Private Limited incorporated in India, Rediff.com Holding Inc. and Value Communication Inc. incorporated in USA. Rediff Holding Inc. has further wholly owned subsidiary Rediff.com Inc. The Consolidated financial statements also include Rediff.com India Limited Employee Trust as the Company has the control by way of appointment and determination of composition of Trustees to obtain economic benefits from its activities. The Company has equity investment in associate companies viz. Tachyon Technologies Private Limited and BigSlick Infotech Private Limited as of March 31, 2020, however, the Company had made other than temporary diminution in the total value of its investment in such associates.

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

The Company had a negative net worth as at March 31, 2024 and 2023. The reason for the same was 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. The Company undertakes several initiatives in relation to saving cost, optimising revenue management opportunities and enhancing ancillary revenues are expected to result in improved operating performance going forward. With all these initiatives, the Company saved the overall costs by 8% and reduced the loss to Rs. 553 lakhs from Rs. 775 lakhs.

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, 2024.

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, 2024 | Portion of ownership Interest as at March 31, 2023 |
|--|---------------------------------|---|---|
| <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

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.

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 recognized, 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 recognize a decline, other than temporary, in the value of such investments.

h) Employee benefits

(i) Short term

Short term employee benefits are recognized 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

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.

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.

3. SHARE CAPITAL

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------|----------------------|-----------|
| | Number | Rs. lakhs | Number | Rs. lakhs |
| Authorised | | | | |
| Equity Shares of Rs. 5 each | 30,000,000 | 1500.00 | 30,000,000 | 1,500.00 |
| | | | | |
| Issued, Subscribed and Fully Paid up | | | | |
| Ordinary Equity Shares of Rs. 5 each fully paid | 26,927,594 | 1,346.38 | 26,927,594 | 1,346.38 |
| 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 | 25,912,594 | 1,295.63 |

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:

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|----------------------|-----------|----------------------|-----------|
| | Number | Rs. lakhs | Number | Rs. lakhs |
| Issued and Subscribed | | | | |
| At the beginning of the year | 26,927,574 | 1,346.38 | 26,927,574 | 1,346.38 |
| Shares issued during the year | - | - | - | - |
| | 26,927,574 | 1,346.38 | 26,927,574 | 1,346.38 |
| 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 | 25,912,574 | 1,295.63 | 25,912,574 | 1,295.63 |

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, 2024 | | As at March 31, 2023 | |
|-------------------------|----------------------|-----------|----------------------|-----------|
| | Number | % Holding | Number | % Holding |
| Ajit Balakrishnan | 16,806,858 | 62.42% | 16,806,858 | 62.42% |
| Styrax Commodities Ltd. | 1,523,000 | 5.66% | 1,523,000 | 5.66% |

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 2024:

| 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% | - |

As at March 31 2023:

| 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% | - |

4. RESERVES AND SURPLUS

Reserves and surplus consist of the following:

Securities premium account

Opening balance

Addition during the year

Total

Less : Treasury Shares (Refer note 3(d) above)

Closing balance

Stock option outstanding account

Opening balance

Addition during the year

Closing balance

(Deficit) in the statement of profit and loss

Opening balance

Deficit during the year

Closing balance

Foreign Currency Translation Reserve

Opening balance

Change during the year

Closing balance

Total

| As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|
| Rs. Lakhs | Rs. lakhs |
| 34,462.27 | 34,462.27 |
| - | - |
| 34,462.27 | 34,462.27 |
| (1,947.15) | (1,947.15) |
| 32,515.12 | 32,515.12 |
| 1,395.21 | 1,395.21 |
| 1,395.21 | 1,395.21 |
| (41,442.60) | (40,669.64) |
| (552.58) | (772.96) |
| (41,995.18) | (41,442.60) |
| 2,344.01 | 2,324.24 |
| 3.55 | 19.77 |
| 2,347.56 | 2,344.01 |
| (5,737.29) | (5,188.26) |

5. OTHER LONG-TERM LIABILITIES (UNSECURED)

Other long-term liabilities consist of the following:

Income received in advance

Loan from Director

Total

| As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|
| Rs. Lakhs | Rs. lakhs |
| 299.62 | 319.36 |
| 2,503.73 | 2,157.84 |
| 2,803.35 | 2,477.20 |

6. LONG – TERM PROVISIONS

Long –term provisions consist of following:

Provision for employee benefits:

Gratuity (unfunded)

Compensated absence (unfunded)

Total

| As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|
| Rs. Lakhs | Rs. lakhs |
| 287.09 | 283.97 |
| 74.99 | 84.42 |
| 362.08 | 368.39 |

7. TRADE PAYABLE

| | As at March 31, 2024 | As at March 31, 2023 |
|--|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Total outstanding dues to Micro and small Enterprises* | 15.13 | - |
| Others for Goods and Services | 1,116.69 | 1,016.45 |
| Total | 1,131.82 | 1,016.45 |

As at March 31 2024:

| 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 | 15.13 | - | - | - | 15.13 |
| Others | 759.28 | 10.15 | 21.70 | 325.56 | 1,116.69 |
| Total | 774.41 | 10.15 | 21.70 | 325.56 | 1,131.82 |

As at March 31 2023:

| 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 | - | - | - | - | - |
| Others | 483.04 | 29.40 | 0.42 | 503.59 | 1016.45 |
| Total | 483.04 | 29.40 | 0.42 | 503.59 | 1016.45 |

*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, 2024 | As at March 31, 2023 |
|---------------------------------|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. Lakhs |
| Capital creditors | 57.63 | 89.01 |
| Deposits from employees | 22.73 | 22.73 |
| Advance received from customers | 91.72 | 91.99 |
| Income received in advance | 1,424.43 | 1,329.68 |
| Others liabilities | 0.64 | 0.64 |
| Staff Incentive | - | 3.29 |
| Other Staff payable | 213.87 | 135.26 |
| Statutory liabilities | | |
| Tax deducted at source Payable | 26.55 | 36.88 |
| GST Payable | 34.18 | 33.09 |
| Provident fund Payable | 14.90 | 15.95 |
| Profession tax Payable | - | 0.22 |
| ESIC Payable | | - |
| Total | 1,886.65 | 1,758.74 |

9. SHORT – TERM PROVISIONS

Short-term provisions consist of the followings:

| | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Provision for employee benefits: | | |
| Gratuity (unfunded) | 199.54 | 207.79 |
| Compensated absence (unfunded) | 49.95 | 55.74 |
| Others | 11.49 | 11.45 |
| Total | 260.98 | 274.98 |

10. FIXED ASSETS

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

| Description | | Gross Block as at April 1, 2023 | Additions | Deletions | Gross Block as at March 31, 2024 | Accumulated Depreciation as at April 1, 2023 | Depreciation for the Year | Deletions | Accumulated Depreciation as at March 31, 2024 | Net Block Value before Impairment as at March 31, 2024 | Impairment as at 31st March 2024 | Net Block after impairment as at 31st March 2024 | Net Block Value as at March 31, 2023 |
|--------------------------------|------------|---------------------------------|-----------|------------|----------------------------------|--|---------------------------|-----------|---|--|----------------------------------|--|--------------------------------------|
| Tangible assets | | | | | | | | | | | | | |
| Furniture and fixture | | 129.23 | - | - | 129.23 | (116.73) | - | - | (116.73) | 12.50 | 12.50 | - | - |
| | <i>P.Y</i> | 129.23 | - | - | 129.23 | (116.73) | - | - | (116.73) | 12.50 | 12.50 | - | - |
| Computer | | 6,214.40 | 150.61 | (1,838.91) | 4,526.10 | (5,226.54) | (153.76) | 1,838.91 | (3,541.40) | 984.71 | 745.89 | 238.81 | - |
| | <i>P.Y</i> | 6,035.84 | 178.56 | - | 6,214.40 | (5,082.07) | (144.47) | - | (5,226.54) | 987.86 | 745.89 | - | 241.97 |
| Office equipment | | 119.49 | - | - | 119.49 | (72.01) | (0.57) | - | (72.58) | 46.91 | 44.94 | 1.97 | - |
| | <i>P.Y</i> | 118.21 | 1.28 | - | 119.49 | (71.56) | (0.45) | - | (72.01) | 47.48 | 44.94 | - | 2.54 |
| Vehicle | | 91.18 | - | - | 91.18 | (4.75) | - | - | (4.75) | 86.43 | 86.43 | - | - |
| | <i>P.Y</i> | 91.18 | - | - | 91.18 | (4.75) | - | - | (4.75) | 86.43 | 86.43 | - | - |
| Leasehold Improvement | | 249.90 | - | - | 249.90 | (203.98) | - | - | (203.98) | 45.92 | 45.92 | - | - |
| | <i>P.Y</i> | 249.90 | - | - | 249.90 | (203.98) | - | - | (203.98) | 45.92 | 45.92 | - | - |
| Total tangible assets | | 6,804.20 | 150.61 | (1,838.91) | 5,115.90 | (5,624.01) | (154.33) | 1,838.91 | (3,939.44) | 1,176.47 | 935.68 | 240.79 | - |
| <i>Previous year</i> | | 6,624.36 | 179.84 | - | 6,804.20 | (5,479.09) | (144.92) | - | (5,624.01) | 1,180.19 | 935.68 | - | 244.51 |
| Intangible assets | | - | - | - | - | - | - | - | - | - | - | - | - |
| Internally Generated | | 3,782.33 | - | (1,105.42) | 2,676.91 | (3,123.81) | - | - | (2,018.39) | (446.90) | 658.52 | - | - |
| Acquired | | 406.56 | - | - | 406.56 | (397.21) | - | - | (397.21) | 9.35 | 9.35 | - | - |
| Total intangible assets | | 4,188.89 | - | - | 3,083.47 | (3,521.02) | - | 1,105.42 | (2,415.60) | (437.55) | 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> | <i>P.Y</i> | 3,782.33 | - | - | 3,782.33 | (3,123.81) | - | - | (3,123.81) | 658.52 | 658.52 | - | - |
| <i>Acquired</i> | <i>P.Y</i> | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|---|------------|-----------|--------|------------|-----------|------------|----------|----------|------------|----------|----------|--------|--------|
| | | 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 | - | - |
| Grand Total | | 11,357.52 | 150.61 | (1,838.91) | 8,563.80 | (9,145.03) | (154.33) | 2,944.33 | (6,355.04) | 1,103.35 | 1,967.98 | 240.79 | - |
| | <i>P.Y</i> | 11,177.68 | 179.84 | - | 11,357.52 | (9,000.11) | (144.92) | - | (9,145.03) | 2,212.49 | 1,967.98 | - | 244.51 |

11. NON-CURRENT INVESTMENTS

Non – current investments consists of the following:

| | Face Value ₹ | No. of shares | As at March 31, 2024 | As at March 31, 2023 |
|---|-----------------|---------------|-------------------------|-------------------------|
| | | | 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 | 2023-24 | 2022-23 |
|---|-----------------|-----------------|
| 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.

12. LONG –TERM LOANS AND ADVANCES (Unsecured)

Long – term loans and advances consists of the following:

Considered Good

Rent deposits
Recoverable taxes
Prepaid expenses.
Unamortise expenses

| As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|
| Rs. lakhs | Rs. lakhs |
| 26.85 | 94.70 |
| 358.29 | 377.01 |
| 0.41 | 0.60 |
| 82.40 | 75.55 |
| 467.95 | 547.86 |

13. TRADE RECEIVABLES

Trade receivables consist of the following:

Outstanding for a period

- (a) Over six months from the date they were due for payments
- (i) Considered good
 - (ii) Considered doubtful
- (b) Others
- (i) Considered good
 - (ii) Considered doubtful

| As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|
| Rs. Lakhs | Rs. lakhs |
| - | - |
| 152.07 | 142.40 |
| 152.07 | 142.40 |
| 374.65 | 279.29 |
| 3.53 | 3.53 |
| 378.18 | 282.82 |
| 530.25 | 425.22 |
| 155.60 | 145.93 |
| 374.65 | 279.29 |

Total (a+b)

Less: Provision for doubtful debts

Trade Receivables ageing schedule as at March 31, 2024:

| 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 | 374.65 | - | - | - | - | 374.65 |
| Undisputed trade receivables-considered doubtful | 3.53 | 9.47 | 12.72 | 6.23 | 123.65 | 155.60 |
| Less – provision for Doubtful Debts | (3.53) | (9.47) | (12.72) | (6.23) | (123.65) | (155.60) |
| Total | 374.65 | - | - | - | - | 374.65 |

Trade Receivables ageing schedule as at March 31, 2023:

| 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 | 279.29 | - | - | - | - | 279.29 |
| Undisputed trade receivables-considered doubtful | 3.53 | 5.91 | 7.45 | 5.95 | 123.09 | 145.93 |
| Less – provision for Doubtful Debts | (3.53) | (5.91) | (7.45) | (5.95) | (123.09) | (145.93) |
| Total | 279.29 | - | - | - | - | 279.29 |

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalent consist of the following:

Cash and cash equivalents

(a) Balances with banks
In current account

(b) Other
In deposits account

Total (a+b)

| As at March 31, 2024 | As at March 31, 2023 |
|----------------------|----------------------|
| Rs. Lakhs | Rs. Lakhs |
| 420.38 | 323.70 |
| 420.38 | 323.70 |
| 139.62 | 289.81 |
| 139.62 | 289.81 |
| 560.00 | 613.51 |

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

Short-term loans and advances consist of the following:

Supplier advances
Rent deposits
Loan to employees #

Total

| As at March 31, 2024 | As at March 31, 2023 |
|----------------------|----------------------|
| Rs. Lakhs | Rs. lakhs |
| 23.49 | 28.21 |
| 104.50 | 36.97 |
| 30.01 | 37.60 |
| 158.00 | 102.78 |

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:

Prepaid expenses
Unamortised expenses
Other Loans & Advances

| As at March 31, 2024 | As at March 31, 2023 |
|-------------------------|-------------------------|
| Rs. Lakhs | Rs. lakhs |
| 57.84 | 64.53 |
| 121.79 | 114.82 |
| 22.20 | 35.82 |
| 201.83 | 215.17 |

17. REVENUE FROM OPERATIONS

Revenue from operations consists of the following:

Online advertising
Fee based services

Total

| For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|
| Rs. lakhs | Rs. lakhs |
| 978.36 | 1,212.78 |
| 2,628.99 | 2,512.33 |
| 3,607.35 | 3,725.11 |

18. OTHER INCOME (NET)

Other income (net) consists of the following:

Interest income:
Interest on fixed deposits
Interest on income-tax refund
Interest others
Miscellaneous Income
Write Back of Provision for Doubtful Debts

Total

| For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|
| Rs. Lakhs | Rs. lakhs |
| 19.11 | 18.49 |
| 10.85 | 7.87 |
| 0.64 | 1.72 |
| 8.72 | 2.42 |
| 20.19 | - |
| 59.51 | 30.50 |

19. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

Salaries and wages
Contribution to provident fund
Gratuity
Staff welfare expenses

Total

| For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|
| Rs. Lakhs | Rs. lakhs |
| 1,793.38 | 1,996.44 |
| 84.58 | 85.69 |
| 40.36 | 52.23 |
| 28.69 | 34.06 |
| 1,947.01 | 2,168.42 |

20. OPERATION AND OTHER EXPENSES

Operation and other expenses consist of the following:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--|--|
| | Rs. Lakhs | Rs. lakhs |
| Content Charges | 180.72 | 202.78 |
| Domain registration charges | 198.65 | 184.64 |
| Subscription and SMS based costs | 57.94 | 80.61 |
| E-Commerce – Courier, Freight and Forward | 0.05 | 0.25 |
| Bandwidth | 705.20 | 707.57 |
| Software Usage charges | 308.95 | 333.61 |
| Product development charges | 9.96 | 15.41 |
| Advertising | 23.59 | 24.44 |
| Market support | 70.17 | 67.16 |
| Rent and amenities | 144.37 | 140.70 |
| Electricity charges | 14.93 | 13.45 |
| Telecommunication | 8.27 | 8.58 |
| Repairs and maintenance: | | |
| Computers | 80.41 | 81.90 |
| Others | 4.54 | 5.18 |
| Insurance | 56.34 | 54.50 |
| Travel and conveyance | 45.30 | 43.13 |
| Rates and taxes | 1.57 | 1.58 |
| Foreign exchange (gain)/ loss | 26.33 | 61.22 |
| Bank Charges | 14.77 | 15.36 |
| House-Keeping Charges | 29.70 | 32.96 |
| Legal and professional fees | 69.73 | 101.20 |
| Other Miscellaneous expenses | 65.92 | 38.18 |
| Total | 2,117.41 | 2,214.41 |

21. AUDITOR'S REMUNERATION

| | 2023-24 | 2022-23 |
|-----------------------------|------------------|------------------|
| | Rs. lakhs | Rs. lakhs |
| (i) For service as auditors | 10.00 | 10.00 |
| For other Services: | 0.95 | 0.80 |
| | 10.95 | 10.80 |

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:

| | 2023-24 Rs. lakhs | 2022-23 Rs. lakhs |
|---|-----------------------------|-----------------------------|
| Benefit obligation at the beginning of the year | 491.76 | 450.62 |
| Actuarial loss/(gain) | (18.09) | (0.22) |
| Current service cost | 28.09 | 28.76 |
| Interest cost | 30.36 | 23.68 |
| Benefits paid | (45.49) | (11.08) |
| Benefit obligation at the end of the year | 486.63 | 491.76 |

| | | |
|---|--------|--------|
| Current Portion of Benefit Obligation | 199.53 | 207.79 |
| Non-Current Portion of benefit Obligation | 287.09 | 283.97 |

Expense on defined benefit plan:

| | 2023-24 Rs. lakhs | 2022-23 Rs. lakhs |
|--------------------------------------|-----------------------------|-----------------------------|
| Service cost | 28.09 | 28.76 |
| Interest cost | 30.36 | 23.68 |
| Recognised net actuarial loss/(gain) | (18.09) | (0.22) |
| Net gratuity cost | 40.36 | 52.22 |

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:

| | 2023-24 | 2022-23 |
|-----------------------------------|---|---|
| Rate for discounting liabilities | 7.15% | 7.30% |
| 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:

| | 2023-24 Rs. lakhs | 2022-23 Rs. lakhs | 2021-22 Rs. lakhs | 2020-21 Rs. lakhs | 2019-20 Rs. lakhs |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Defined benefit obligation | 486.63 | 491.75 | 450.62 | 425.43 | 392.37 |
| (Deficit) | (486.63) | (491.75) | (450.62) | (425.43) | (392.37) |
| Experience adjustment on plan liabilities | (20.41) | 24.69 | (2.74) | (16.06) | 1.46 |

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. 85.69 lakhs (*Previous Year Rs. 79.24 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 | 846,667 | | | |
| Option granted | - | | | |
| Option forfeited | - | | | |
| Options outstanding, end of period | 846,667 | 5 | 5 | 6 |

Options exercisable as at March 31, 2024, were 846,667 (Weighted average exercise price Rs. 5/-).

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:

| | 2023-24 Rs. lakhs | 2022-23 Rs. lakhs |
|--|-----------------------------|-----------------------------|
| Office Premises | 133.14 | 134.12 |
| Residential flats for accommodation of employees | 11.22 | 6.58 |
| Total | 144.36 | 140.70 |

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

| | 2023-24 Rs. lakhs | 2022-23 Rs. lakhs |
|---|-----------------------------|-----------------------------|
| Not later than one year | - | 22.12 |
| Later than one year and not later than five years | - | 10.56 |
| Total payments | - | 32.68 |

25. EARNING PER EQUITY SHARES

| | 2023-24 | 2022-23 |
|---|-----------------|-----------------|
| A. Net profit / (loss) profit attributable to equity shareholders (Rs.) | (552.58) | (772.96) |
| B. Weighted average number of equity shares outstanding during the year | 25,912,594 | 25,912,594 |
| C. Potentially dilutive equity share equivalents (stock options) | - | - |
| D. Weighted average number of equity shares and potentially dilutive equity share equivalents outstanding | 25,912,594 | 25,912,594 |
| E. Nominal value of Equity Shares (Rs.) | 5.00 | 5.00 |
| Basic Earnings per Share (Rs.) | (2.13) | (2.98) |
| Diluted Earnings per Share (Rs.) | (2.13) | (2.98) |

26. CONTINGENCIES AND CAPITAL COMMITMENTS

Contingent liabilities:

a) 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

b) During the financial year 2020-2021, 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. The Commissioner of Service Tax (Appeal) wide its order dated March 10, 2023, gave the partial relief and remanded the matter to the adjudicating authority for considering the case on merits in accordance with the law after following the principles of Natural Justice.

The Company has not recognized any accrual for the said order as the Company believes that it is probable that it would be successful in resolution of the orders at appeal level.

c) 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, 2024 and 2023.

27. DERIVATIVE TRANSACTION

The Group has not entered in to any derivative transaction during the year ended March 31, 2024.

Foreign exchange currency exposures not hedged by derivative instruments are:

| Sl. No. | Particulars | 2023-24 | | 2022-23 | |
|---------|--|--------------|---------------------|--------------|---------------------|
| | | Amount \$ | Amount Rs. lakhs | Amount \$ | Amount Rs. lakhs |
| 1 | Amount receivable on account of sale of services | 100,466.07 | 83,77,999.49 | 98,397 | 80.90 |
| 2 | Creditors payable on account of foreign currency expenditure | 135,221.74 | 112.73 | 125,011 | 100.76 |
| 3 | Amount (Payable) / Receivable (to)/from subsidiary companies | (821,217) | (684.68) | (821,217) | (675.18) |

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077

Notes forming part of the Consolidated Financial Statements

28. 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 Rs. lakhs |
| Rediff.com India Limited | 96% | (4,247.20) | 100% | (551.95) |
| Indian Subsidiary | | | | |
| Vubites India Pvt. Ltd. | (5)% | 231.60 | 0% | (0.00) |
| Foreign Subsidiaries | | | | |
| Rediff Holdings, Inc. | 9% | (390.63) | 0% | (0.83) |
| Rediff.com Inc | 0% | - | 0% | - |
| Value communication corporation Inc. | 0% | (11.98) | | - |
| Rediff.com Employee Trust | 0% | 3.55 | 0% | 0.21 |
| Total Consolidated Net Assets | | (4,441.66) | | |
| Total Consolidated Profit | | | | (552.57) |

29. ANALYTICAL RATIOS:

The ratios for the year ended March 31, 2024 and 2023 are as follows:

| Sr No | Ratio Analysis | Numerator | Denominator | 31-Mar-24 | 31-Mar-23 | Variiance (in %) |
|-------|----------------------------------|------------------------|---------------------------|-----------|-----------|------------------|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities | 0.39 | 0.40 | (1%) |
| 2 | Debt Equity Ratio (in times) | Total Liabilities | Sharholder's Equity | (0.56) | (0.55) | (2%) |
| 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 | 11.03 | 12.55 | (12%) |
| 7 | Trade Payables Turnover Ratio | Total Purchases | Average Trade Payables | 2.04 | 2.18 | (7%) |
| 8 | Net Capital Turnover Ratio | Net Sales | Average Working Capital | (1.89) | (2.33) | 19% |
| 9 | Net Profit Ratio (%) | Net Profit | Net Sales | (15%) | (21%) | 26% |
| 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.

(9) Net Profit ration improved due to reduction in losses during the year

30. 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.

31. EVENTS AFTER BALANCE SHEET DATE

The Company exited from its investment in Vubites India Private Limited (“Vubites”) a wholly owned subsidiary, for a value of Rs. 292.31 lakhs. Vubites converted its loan outstanding of Rs. 6,480.21 lakhs into its equity capital. The Company is holding an equivalent provision for diminution and carrying this investment at zero value.

The proceeds exceed the carrying value of the investment and has resulted in a profit, which will be recognized in the next financial year. This sale occurred after the balance sheet date of 31 March 2024 and is considered a non-adjusting event for the financial statements for the year ended 31 March 2024.

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

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

For and on behalf of the Board of Directors

/s/Dhaval M. Bandiwadekar
Partner
Membership No: 169054

/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: June 21, 2024

Date: June 21, 2024

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, 2024, 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, 2024, 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 following 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 under 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.

Emphasis of matter:

- We draw attention to Note 2(a) of the financial statements, which outline the company's economic situation. The company has accumulated losses that exceed its paid-up capital and free reserves, creating uncertainty about its ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis, supported by the continued financial assistance from the company’s founder. Additionally, the company sold its investment, which had already been provided for in earlier years, for a net amount of Rs. 2.92 crores. Management remains confident in its plans to enhance operational efficiency and actively seeks additional funding opportunities to improve cash flows and strengthen the company's financial position. While no new investors have been secured yet, the directors' support and ongoing initiatives provide a positive outlook for the company's future stability.

- **Event after the Balance Sheet date:** We draw attention to an event occurring after the balance sheet date where Vubites India Private Limited ("Vubites"), a wholly-owned subsidiary converted its unsecured outstanding loan of Rs. 6,480.21 lakhs from the Company into equity capital. Further, the Company exited its investment in Vubites, for a value of Rs. 292.31 lakhs. As disclosed in Note 36 to the financial statements, the Company had previously recognized an equivalent provision for diminution, carrying this investment and unsecured loan at zero value.

The sale of the investment resulted in a profit, which will be recognized in the financial statements for the year ending 31 March 2025. This event occurred after the balance sheet date of 31 March 2024 and has been evaluated as a non-adjusting event for the financial statements for the year ended 31 March 2024.

Our opinion is not modified for the above matters.

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 the 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 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 gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and the 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 based on 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 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 an 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) Based on the written representations received from the Directors as on March 31, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 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 the 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 does not apply 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 to note 30 to the financial statements as on March 31, 2024;
 - 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 advanced 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 the 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 misstatement.
 - v. No Dividend has been declared or paid during the year by the company.
 - vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, is applicable from 1 April 2023. Based on our examination, which included test checks, we observed the following:

- The Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording an audit trail (edit log) facility. However, we noted that the audit trail feature was enabled on 3rd May 2023, due to a delay in the process of enabling the audit trail feature.
- The audit trail feature has operated throughout the year from 3rd May 2023 for all relevant transactions recorded in the software.
- Further, during our audit, we did not come across any instance of the audit trail feature being tampered with.

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

**/s/ Dhaval Bandiwadkar
Partner
M. No.169054
UDIN: 24169054BKEQMM3754**

**Place: Mumbai
Date: June 21, 2024**

ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT

As per 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 2024, 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 based on 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 in time during the year, from banks or financial institutions based on security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
3. (a) In our opinion and according to the information provided to us, during the year, the company has not made investments in, provide any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties.

- The Company has not provided any advances in the nature of loans, guarantees and security to subsidiaries, joint ventures and associates during the year:

| Nature | Aggregate amount the year | Balance outstanding as on 31.03.2022 |
|--|--------------------------------------|---|
| To associates | Nil | Rs. 19.72 crores |
| To Wholly-owned subsidiary | Nil | Rs.65.51 crores |
| <i>The loans mentioned above were already provided in earlier years.</i> | | |

- The Company has not provided any advances in the nature of loans, guarantees and security to any other entity during the year:
- (b) According to the information and explanations given to us, the company has not made investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured during the year. Hence requirements under clause 3(iii)(b) are not applicable.
- (c) According to the information and explanations given to us, terms, and conditions for principal repayment and interest are not stipulated for the loans granted. Therefore, we cannot make specific comments on the regularity of principal repayment and payment of interest.
- (d) According to the information and explanations given to us, loans granted are repayable on demand and during the year company had not demanded its loans granted and accordingly there is no amount overdue for more than ninety days in respect of such loans.
- (e) There is no loan given falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same party.

- (f) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Details of the said loan or advances are as follows:

| Particulars* | Aggregate amount during the year | % total loans granted | Closing balance as on 31.03.2024 |
|--|---|------------------------------|---|
| Total loans granted-repayable on demand | Nil | - | Rs.85.23 crores |
| To related parties-(Associate & wholly-owned subsidiaries) | Nil | - | Rs.85.23 crores |

**The loans mentioned above were already provided in earlier years.*

4. The company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees or securities provided during the year as applicable.
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 sections 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 based on 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, 2024 for 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, or GST outstanding on account of any dispute subject to Note 30 to the financial statements.
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 based on 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 a short-term 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 not made a private placement of shares during the year.
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 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 have 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 comply with sections

177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us 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 Company records, 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 an 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. During the year under audit, the company incurred cash losses amounting to Rs.420 lakhs and Rs.629.27 lakhs 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 based on the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, and 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 the balance sheet as and when they fall due within one year from the balance sheet date. However, we state that this is not an assurance of the Company's future viability. 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 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 concerning Corporate Social Responsibility do not apply to the company, clause 3 (20) of the order is not applicable.

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

**Dhaval Bandiwadekar
Partner
M. No. 169054
UDIN: 24169054BKEQMM3754**

**Place: Mumbai
Date: June 21, 2024**

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 the standalone financial statements of **REDIFF.COM INDIA LIMITED** ("the Company") as of 31 March 2024 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 the company's policies, the safeguarding of its assets, the prevention and detection of fraud 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 were 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 2024, 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/ Dhaval Bandiwadekar
Partner
M. No. 169054
UDIN: 24169054BKEQMM3754**

Place: Mumbai

Date: June 21, 2024

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Balance Sheet as at March 31, 2024

| Particulars | Note | As at March 31, 2024 | As at March 31, 2023 |
|--|------|-------------------------|-------------------------|
| | | Rs. lakhs | Rs. lakhs |
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| (a) Share Capital | 3 | 1,346.38 | 1,346.38 |
| (b) Reserves and Surplus | 4 | | |
| (i) Securities Premium Account | | 34,462.27 | 34,462.27 |
| (ii) Stock Option Outstanding | | 1,395.21 | 1,395.21 |
| (iii) Profit & Loss Account | | (42,136.32) | (41,590.95) |
| | | (4,932.46) | (4,387.10) |
| 2 Non - Current Liabilities | | | |
| (a) Other Long Term Liabilities | 5 | | |
| (i) Loan From Director | | 2,295.30 | 1,952.30 |
| (ii) Others | | 957.82 | 968.45 |
| (b) Long - Term Provisions | 6 | 362.08 | 368.39 |
| | | 3,615.20 | 3,289.14 |
| 3 Current Liabilities | | | |
| (a) Trade Payables | 7 | | |
| MSME | | 15.13 | - |
| Other than MSME | | 899.63 | 803.01 |
| (b) Other Current Liabilities | 8 | 1,886.62 | 1,758.75 |
| (c) Short - Term Provisions | 9 | 249.49 | 263.53 |
| | | 3,050.87 | 2,825.29 |
| TOTAL | | 1,733.61 | 1,727.33 |
| II ASSETS | | | |
| 1 Non - Current Assets | | | |
| (a) Property, plant and equipments and Intangible assets | 10 | | |
| (i) Property, plant and equipments | | 240.79 | 244.51 |
| (ii) Intangible Assets | | - | - |
| (iii) CWIP | | - | - |
| (iv) Intangible Assets under Development | | - | - |
| | | 240.79 | 244.51 |
| (b) Non - Current Investments | 11 | - | - |
| (c) Long - Term Loans and Advances | 12 | 153.69 | 274.42 |
| (d) Other Non - Current assets | 13 | 82.81 | 76.15 |
| | | 236.50 | 350.57 |
| 2 Current Assets | | | |
| (a) Trade Receivables | 14 | 374.65 | 279.29 |
| (b) Cash and Cash Equivalents | 15 | 521.92 | 535.00 |
| (c) Short-Term Loans and Advances | 16 | 180.18 | 138.61 |
| (d) Other current assets | 17 | 179.57 | 179.35 |
| | | 1,256.32 | 1,132.25 |
| TOTAL | | 1,733.61 | 1,727.33 |

III Notes forming part of the Financial Statements

1-38

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/Dhaval Bandiwadekar

Partner

Membership No : 169054

/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: June 21 2024

Date: June 21 2024

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Statement of Profit and Loss for the year ended March 31, 2024

| Particulars | Note | For the year ended | For the year ended |
|--|------|--------------------|--------------------|
| | | March 31, 2024 | March 31, 2023 |
| | | Rs. lakhs | Rs. lakhs |
| I Revenue From Operations | 18 | 3,607.35 | 3,725.11 |
| II Other Income (Net) | 19 | 57.65 | 27.06 |
| TOTAL REVENUE | | 3,665.00 | 3,752.17 |
| III Expenses: | | | |
| (a) Employee Benefit Expenses | 20 | 1,947.01 | 2,168.43 |
| (b) Depreciation and Amortization Expense | 10 | 154.33 | 144.92 |
| (c) Other Expenses | 21 | 2,122.61 | 2,213.01 |
| TOTAL EXPENSES | | 4,223.95 | 4,526.36 |
| IV PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX | | (558.95) | (774.19) |
| V Exceptional Items: | 22 | (6.59) | 0.50 |
| VI PROFIT /(LOSS) BEFORE TAX | | (552.36) | (774.69) |
| VII Current tax | | - | - |
| Excess/Short Provision of Earlier Years | | (6.99) | |
| VIII PROFIT /(LOSS) FOR THE YEAR | | (545.37) | (774.69) |
| IX Earnings Per Equity Share (Face Value of Rs. 5 each) - Basic and Diluted | | (2.03) | (2.88) |
| X Notes forming part of the Financial Statements | 1-38 | | |

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/Dhaval Bandiwadekar
Partner
Membership No : 169054

/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: June 21 2024

Date: June 21 2024

REDIFF.COM INDIA LIMITED
CIN-U22100MH1996PLC096077
Cash Flow Statement for the year ended March 31, 2024

| Particulars | For the year ended | For the year ended |
|--|--------------------|--------------------|
| | March 31, 2024 | March 31, 2023 |
| | Rs. lakhs | Rs. lakhs |
| Cash Flow from Operating Activities | | |
| Profit (Loss) Before Taxes | (545.37) | (774.69) |
| Adjustments for: | | |
| Depreciation Expense | 154.33 | 144.92 |
| Realisation from Loan Impaired | (6.59) | - |
| Interest Income | (28.92) | (25.57) |
| Write back of Provision for Doubtful Debts | (20.19) | - |
| Diminution in loan to Subsidiary , etc | - | 0.50 |
| (Profit) on Sale of Fixed Assets | (1.78) | - |
| Unrealised Exchange Difference | 7.11 | 3.18 |
| Operating profit /(loss) Before Working Capital Changes | (441.41) | -651.66 |
| Changes in Working Capital: | | |
| Trade Receivables | (75.17) | 35.15 |
| Loans and Advances | 19.32 | (80.83) |
| Trade Payables and Current Liabilities | 252.23 | 98.17 |
| Provisions | (20.35) | 42.80 |
| Cash from /(used in) Operating Activities | (265.37) | (556.37) |
| Taxes Refund, Net of paid | 19.80 | 31.32 |
| Net Cash from / (used in) Operating Activities (A) | (245.56) | (525.05) |
| Cash Flow From Investing Activities | | |
| Payments to Acquire Fixed Assets | (181.98) | (95.49) |
| Proceeds from Sale of Fixed Assets | 1.78 | - |
| Loan given to Rediff Employee Trust | 40.76 | (0.75) |
| Loan given to Vubites India Pvt Ltd | - | (0.50) |
| Loan received from Director | 343.00 | 361.00 |
| Interest Income Received | 28.92 | 25.57 |
| Net Cash (used in)/from Investing Activities (B) | 232.48 | 289.82 |
| Cash Flows From Financing Activities | | |
| Net proceeds from issue of equity shares | - | - |
| Net Cash used in Financing Activities (C) | - | - |
| Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C) | (13.08) | (235.23) |
| Cash and Cash Equivalents at the Beginning of the Year | 535.00 | 770.23 |
| Cash and Cash Equivalents at the End of the Year | 521.92 | 535.00 |
| Note ; | | |
| Cash and Cash Equivalents Include: | | |
| Cash on Hand | - | - |
| Bank Balances | 521.92 | 535.00 |
| Cash and Cash Equivalents as above | 521.92 | 535.00 |
| Effect of Exchange Rate Changes | - | - |
| Cash and Cash Equivalents per Note 14 | 521.92 | 535.00 |

Notes forming part of the Financial Statements

1-38

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/**Dhaval Bandiwadekar**
Partner
Membership No : 169054

/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: June 21 2024

Date: June 21 2024

1. CORPORATE INFORMATION

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, 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 had a negative net worth as at March 31, 2024 and 2023. The reason for the same was 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. The Company undertakes several initiatives in relation to saving cost, optimising revenue management opportunities and enhancing ancillary revenues are expected to result in improved operating performance going forward. With all these initiatives, the Company saved the overall costs by 8% and reduced the loss to Rs. 545 lakhs from Rs. 775 lakhs.

Further, the 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/materialised.

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 subscriptions and marketplace fees. Marketplace fees primarily comprise of commission earned on the sale of items to customers who shop online while enterprise email subscriptions 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 the display of advertisements 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 on 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 the 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 |
| 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. The software includes costs incurred in the operations stage that provide 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 factors.

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. The cost of investments in wholly owned subsidiaries comprise of purchase cost as increased by legal fees, due diligence fees and other direct expenses connected with such acquisition.

g) Employee benefits

(i) Short term

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

(ii) Long term

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

- **Defined-contribution plans**

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

- **Defined-benefit plans**

The obligation for the unfunded defined-benefit gratuity is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains 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 the Balance Sheet. Exchange gains/losses on account of exchange differences either on settlement or translation are recognised in the Statement of Profit and Loss.

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

i) Stock-based compensation

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

j) Earnings per share

Basic earnings per equity share is computed by dividing the net profit/loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

k) Taxes

Income taxes comprise both current and deferred tax.

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

3. SHARE CAPITAL

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-----------------------------|------------------|-----------------------------|------------------|
| | Number | Rs. lakhs | Number | Rs. lakhs |
| Authorised | | | | |
| Equity Shares of Rs. 5 each | 30,000,000 | 1500.00 | 30,000,000 | 1,500.00 |
| Issued, Subscribed and Fully Paid up | | | | |
| Ordinary Equity Shares of Rs. 5 each fully paid | 26,927,574 | 1346.38 | 26,927,574 | 1,346.38 |

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 employee stock option plans.

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

| | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------------|-----------------------------|------------------|-----------------------------|------------------|
| | Number | Rs. lakhs | Number | Rs. lakhs |
| At the beginning of the year | 26,927,574 | 1,346.38 | 26,927,574 | 1,346.38 |
| Shares issued during the year | - | - | - | - |
| Outstanding at the end of the period | 26,927,574 | 1,346.38 | 26,927,574 | 1,346.38 |

Notes:

1. During the year March 31, 2019, 9,044,351 equity shares of Rupees 5/- were issued at par and subscribed fully under the 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 the 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, 2024 | | As at March 31, 2023 | |
|-------------------------|----------------------|-----------|----------------------|-----------|
| | Number | % Holding | Number | % Holding |
| Ajit Balakrishnan | 16,806,858 | 62.42% | 16,806,858 | 62.42% |
| Styrax Commodities Ltd. | 1,523,000 | 5.66% | 1,523,000 | 5.66% |

c. Terms/rights attached to equity shares:

In respect of every ordinary share, voting rights 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 shareholder's 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 2024:

| 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% | - |

As at March 31 2023:

| 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% | - |

4. RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

| | As at March 31, 2024 | As at March 31, 2023 |
|--|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Securities premium account | | |
| Opening balance | 34,462.27 | 34,462.27 |
| Addition during the year | - | - |
| Closing balance | 34,462.27 | 34,462.27 |
| 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 | (41,590.95) | (40,816.26) |
| Deficit during the year | (545.37) | (774.69) |
| Closing balance | (42,136.32) | (41,590.95) |
| Total | (6,278.84) | (5,733.47) |

5. OTHER LONG-TERM LIABILITIES (UNSECURED)

Other long-term liabilities consist of the following:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Income received in advance | 299.59 | 319.36 |
| Payables to a related party: | | |
| Loan from Director | 2,295.30 | 1,952.30 |
| Other payables to related parties (unsecured): | | |
| Rediff Holding Inc. | 17.03 | 16.79 |
| Rediff.com Inc. | 524.60 | 517.32 |
| Value Communication Corporation | 116.60 | 114.98 |
| Total | 3,253.12 | 2,920.75 |

6. LONG – TERM PROVISIONS

Long-term provisions consist of the following:

| | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Provision for employee benefits: | | |
| Gratuity (unfunded) | 287.10 | 283.97 |
| Compensated absence (unfunded) | 74.98 | 84.42 |
| Total | 362.08 | 368.39 |

7. TRADE PAYABLES

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Total outstanding dues to Micro and Small Enterprises (MSME)* | 15.13 | - |
| Others for Goods and Services | 529.02 | 567.26 |
| Accrued expenses | 370.61 | 235.75 |
| Total | 914.76 | 803.01 |

As at March 31 2024:

| 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 | 15.13 | - | - | - | 15.13 |
| Others | 542.20 | 10.15 | 21.70 | 325.58 | 899.63 |
| Total | 557.33 | 10.15 | 21.70 | 325.58 | 914.76 |

As at March 31 2023:

| 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 | - | - | - | - | - |
| Others | 483.08 | 29.40 | 0.42 | 290.11 | 803.01 |
| Total | 483.08 | 29.40 | 0.42 | 290.11 | 803.01 |

* 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 following:

| | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Capital creditors | 57.63 | 89.01 |
| Deposits from employees | 22.73 | 22.73 |
| Advance received from customers | 91.72 | 91.99 |
| Income received in advance | 1424.40 | 1,329.68 |
| Other liabilities | 0.63 | 0.64 |
| Staff Incentive | - | 3.29 |
| Other staff payable | 213.87 | 135.27 |
| Statutory liabilities | | |
| Tax deducted at source payable | 26.55 | 36.88 |
| GST payable | 34.18 | 33.09 |
| Provident Fund Payable | 14.71 | 15.95 |
| Profession Tax Payable | 0.20 | 0.22 |
| ESIC Payable | - | - |
| Total | 1886.62 | 1,758.75 |

9. SHORT – TERM PROVISIONS

Short-term provisions consist of the following:

| | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Provision for employee benefits: | | |
| Gratuity (unfunded) | 199.54 | 207.79 |
| Compensated absence (unfunded) | 49.95 | 55.74 |
| Total | 249.49 | 263.53 |

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

| Description | | Gross Block as at April 1, 2023 | Additions | Deletions | Gross Block as at March 31, 2024 | Accumulated Depreciation as at April 1, 2023 | Depreciation for the Year | Deletions | Accumulated Depreciation as at March 31, 2024 | Net Block Value before Impairment as at March 31, 2024 | Impairment as at 31st March 2024 | Net Block after impairment as at 31st March 2024 | Net Block Value as at March 31, 2023 |
|--------------------------------|------------|---------------------------------|---------------|-------------------|----------------------------------|--|---------------------------|-----------------|---|--|----------------------------------|--|--------------------------------------|
| | | | | | | | | | | | | | |
| Tangible assets | | | | | | | | | | | | | |
| Furniture and fixture | | 129.23 | - | - | 129.23 | (116.73) | - | - | (116.73) | 12.50 | 12.50 | - | - |
| | <i>P.Y</i> | 129.23 | - | - | 129.23 | (116.73) | - | - | (116.73) | 12.50 | 12.50 | - | - |
| Computer | | 6,212.08 | 150.61 | (1,836.59) | 4,526.10 | (5,224.22) | (153.76) | 1,836.59 | (3,541.40) | 984.71 | 745.89 | 238.81 | - |
| | <i>P.Y</i> | 6,033.52 | 178.56 | - | 6,212.08 | (5,079.75) | (144.47) | - | (5,224.22) | 987.86 | 745.89 | - | 241.97 |
| Office equipment | | 119.49 | - | - | 119.49 | (72.01) | (0.57) | - | (72.58) | 46.91 | 44.94 | 1.97 | - |
| | <i>P.Y</i> | 118.21 | 1.28 | - | 119.49 | (71.56) | (0.45) | - | (72.01) | 47.48 | 44.94 | - | 2.54 |
| Vehicle | | 91.18 | - | - | 91.18 | (4.75) | - | - | (4.75) | 86.43 | 86.43 | - | - |
| | <i>P.Y</i> | 91.18 | - | - | 91.18 | (4.75) | - | - | (4.75) | 86.43 | 86.43 | - | - |
| Leasehold Improvement | | 249.90 | - | - | 249.90 | (203.98) | - | - | (203.98) | 45.92 | 45.92 | - | - |
| | <i>P.Y</i> | 249.90 | - | - | 249.90 | (203.98) | - | - | (203.98) | 45.92 | 45.92 | - | - |
| Total tangible assets | | 6,801.88 | 150.61 | (1,836.59) | 5,115.90 | (5,621.69) | (154.33) | 1,836.59 | (3,939.44) | 1,176.47 | 935.68 | 240.79 | - |
| <i>Previous year</i> | | <i>6,622.04</i> | <i>179.84</i> | <i>-</i> | <i>6,801.88</i> | <i>(5,476.77)</i> | <i>(144.92)</i> | <i>-</i> | <i>(5,621.69)</i> | <i>1,180.19</i> | <i>935.68</i> | <i>-</i> | <i>244.51</i> |
| 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> | | <i>3,083.47</i> | <i>-</i> | <i>-</i> | <i>3,083.47</i> | <i>(2,415.60)</i> | <i>-</i> | <i>-</i> | <i>(2,415.60)</i> | <i>667.87</i> | <i>667.87</i> | <i>-</i> | <i>-</i> |
| <i>Internally Generated</i> | <i>P.Y</i> | <i>2,676.91</i> | <i>-</i> | <i>-</i> | <i>2,676.91</i> | <i>(2,018.39)</i> | <i>-</i> | <i>-</i> | <i>(2,018.39)</i> | <i>658.52</i> | <i>658.52</i> | <i>-</i> | <i>-</i> |
| <i>Acquired</i> | <i>P.Y</i> | <i>406.56</i> | <i>-</i> | <i>-</i> | <i>406.56</i> | <i>(397.21)</i> | <i>-</i> | <i>-</i> | <i>(397.21)</i> | <i>9.35</i> | <i>9.35</i> | <i>-</i> | <i>-</i> |

| | | | | | | | | | | | | | |
|---|------------|------------------|---------------|-------------------|------------------|-------------------|-----------------|-----------------|-------------------|-----------------|-----------------|---------------|---------------|
| Intangible assets under development (internally generated) | | - | - | - | - | - | - | - | - | - | - | - | - |
| | | 364.43 | - | - | 364.43 | - | - | - | - | 364.43 | 364.43 | - | - |
| | | 364.43 | - | - | 364.43 | - | - | - | - | 364.43 | 364.43 | - | - |
| | | 10,249.78 | 150.61 | (1,836.59) | 8,563.80 | (8,037.29) | (154.33) | 1,836.59 | (6,355.04) | 2,208.77 | 1,967.98 | 240.79 | - |
| Grand Total | <i>P.Y</i> | <i>10,069.94</i> | <i>179.84</i> | - | <i>10,249.78</i> | <i>(7,892.37)</i> | <i>(144.92)</i> | - | <i>(8,037.29)</i> | <i>2,212.49</i> | <i>1,967.98</i> | - | <i>244.51</i> |

11. NON-CURRENT INVESTMENTS

Non-current investments consist of the following:

| | Face Value | No. of Shares. | As at March 31, 2024 | As at March 31, 2023 |
|--|--------------|----------------|----------------------|----------------------|
| | | | 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 the investment is as under (Amount in ₹ lakhs) :

| Name of the Company | FY – 2023-24 | FY - 2022-23 |
|--|--------------|--------------|
| 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 | 11,344.83 | 11,344.83 |
| 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 |

12. LONG –TERM LOANS AND ADVANCES (Unsecured)

Long – term loans and advances consists of the following:

| | As at March 31, 2024 | As at March 31, 2023 |
|--|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Considered Good | | |
| Rent deposits | 26.85 | 94.70 |
| Recoverable taxes (net of provision) | 126.84 | 145.56 |
| | | |
| Loans and advances to related parties:# | | |
| Considered Doubtful | | |
| Loans and advances to related parties: # | | |
| Vubites India Pvt. Ltd. | 6,480.21 | |
| Less: diminution | <u>6,480.21</u> | - |
| Rediff.com Employee Trust | 1971.76 | |
| Less: diminution | <u>1971.76</u> | 34.16 |
| | | |
| Rediff Holdings Inc. | 70.87 | |
| Less: diminution | <u>70.87</u> | - |
| | | |
| | 153.69 | 274.42 |

#Notes:

- 1) Loans given to wholly-owned subsidiaries are for funding its working capital requirements and loans 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 consist of the following:

| | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Prepaid expenses | 0.41 | 0.60 |
| Unamortized expenses | 82.40 | 75.55 |
| Total | 82.81 | 76.15 |

14. TRADE RECEIVABLES (Unsecured)

Trade receivables consist of the following:

| | | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|--|---------------------------------|---------------------------------|
| | | 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 | 152.07 | 142.40 |
| | | 152.07 | 142.40 |
| (b) | Others | | |
| | (i) Considered good | 374.65 | 279.29 |
| | (ii) Considered doubtful | 3.53 | 3.53 |
| | | 378.18 | 282.82 |
| | Total (a+b) | 530.25 | 425.22 |
| | Less: Provision for doubtful debts | 155.60 | 145.93 |
| | | 374.65 | 279.29 |

Trade Receivables ageing schedule as at March 31, 2024:

Rs. lakhs

| 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 | 374.65 | - | - | - | - | 374.65 |
| Undisputed trade receivables-considered doubtful | 3.53 | 9.47 | 12.72 | 6.23 | 123.65 | 155.60 |
| Less – provision for Doubtful Debts | (3.53) | (9.47) | (12.72) | (6.23) | (123.65) | (155.60) |
| Total | 374.65 | - | - | - | - | 374.65 |

Trade Receivables ageing schedule as at March 31, 2023:

Rs. lakhs

| 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 | 279.29 | - | - | - | - | 279.29 |
| Undisputed trade receivables-considered doubtful | 3.53 | 5.91 | 7.45 | 5.95 | 123.09 | 145.93 |
| Less – provision for Doubtful Debts | (3.53) | (5.91) | (7.45) | (5.95) | (123.09) | (145.93) |
| Total | 279.29 | - | - | - | - | 279.29 |

15. CASH AND CASH EQUIVALENT

Cash and cash equivalent consist of the following:

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| | Rs. Lakhs | Rs. Lakhs |
| Cash and cash equivalents | | |
| (a) Balances with banks In current accounts | 382.30 | 286.00 |
| | 382.30 | 286.00 |
| (b) Other In deposits account | 139.62 | 249.00 |
| | 139.62 | 249.00 |
| Total (a+b) | 521.92 | 535.00 |

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

Short-term loans and advances consist of the following:

| | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Supplier advances | 23.49 | 28.21 |
| Rent deposits | 104.50 | 36.97 |
| Loan to employees # | 30.01 | 37.60 |
| Input Tax Credit | 21.28 | 28.99 |
| Electronic Cash Register | 0.90 | 6.84 |
| Total | 180.18 | 138.61 |

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

17. OTHER CURRENT ASSETS

Other current assets consist of the following:

| | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|---------------------------------|---------------------------------|
| | Rs. Lakhs | Rs. lakhs |
| Prepaid expenses | 57.84 | 64.53 |
| Unamortised expenses | 121.73 | 114.82 |
| Total | 179.57 | 179.35 |

18. REVENUE FROM OPERATIONS

Revenue from operations consists of the following:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|-------------------------------|--|--|
| | Rs. Lakhs | Rs. lakhs |
| Online advertising | 978.36 | 1,212.78 |
| Enterprise email subscription | 2,627.90 | 2,511.24 |
| Marketplace fee | 1.09 | 1.09 |
| Total | 3,607.35 | 3,725.11 |

19. OTHER INCOME (NET)

Other income (net) consists of the following:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--|--|
| | Rs. Lakhs | Rs. lakhs |
| Interest income: | | |
| Interest on fixed deposits | 17.43 | 16.00 |
| Interest on income-tax refund | 10.85 | 7.85 |
| Interest others | 0.64 | 1.72 |
| Miscellaneous Income | 8.55 | 1.49 |
| Realisation from loan-impaired | - | - |
| Write back of provision for doubtful debts | 20.18 | - |
| Total | 57.65 | 27.06 |

20. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses consist of the following:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--------------------------------|--|--|
| | Rs. Lakhs | Rs. Lakhs |
| Salaries and wages | 1,793.38 | 1,996.44 |
| Contribution to provident fund | 84.58 | 85.69 |
| Gratuity | 40.36 | 52.23 |
| Staff welfare expenses | 28.69 | 34.07 |
| Total | 1,947.01 | 2,168.43 |

21. OTHER EXPENSES

Other expenses consist of the following:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|--|--|
| | Rs. Lakhs | Rs. Lakhs |
| Content Charges | 180.72 | 202.78 |
| Domain registration charges | 198.65 | 184.64 |
| Subscription and SMS based costs | 57.94 | 80.61 |
| E-Commerce – Courier, Freight & Forward | 0.05 | 0.25 |
| Bandwidth | 705.20 | 707.57 |
| Software Usage charges | 308.95 | 333.62 |
| Product development charges | 9.96 | 15.41 |
| Advertising | 23.59 | 24.44 |
| Market support | 70.17 | 67.16 |
| Rent and amenities | 144.36 | 140.70 |
| Electricity charges | 14.93 | 13.45 |
| Telecommunication | 8.27 | 8.58 |
| Repairs and maintenance: | | |
| Computers | 80.40 | 81.90 |
| Others | 4.54 | 5.18 |
| Insurance | 56.34 | 54.50 |
| Travel and conveyance | 45.30 | 43.13 |
| Rates and taxes | 1.57 | 1.55 |
| Foreign exchange (gain)/ loss | 26.33 | 61.22 |
| Bank Charges | 13.92 | 14.54 |
| Housekeeping Charges | 29.70 | 32.96 |
| Membership and Subscription | 13.68 | 6.44 |
| Provision for Doubtful Debts | - | - |
| Legal and professional fees | 69.55 | 100.64 |
| Other Miscellaneous expenses | 58.49 | 31.74 |
| Total | 2,122.61 | 2,213.01 |

22. EXCEPTIONAL ITEMS

Exceptional Items consist of the following:

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--|--|
| | Rs. Lakhs | Rs. lakhs |
| Impairment of Loan given to Subsidiary Company | (6.59) | 0.50 |
| Excess/Short Provision of Earlier Years | (6.99) | - |
| Total | (13.58) | 0.50 |

23. AUDITOR'S REMUNERATION

| | 2023-24 Rs. Lakhs | 2022-23 Rs. lakhs |
|-------------------------|------------------------------|------------------------------|
| For service as auditors | 10.00 | 10.00 |
| For other service | 0.95 | 0.80 |
| | 10.95 | 10.80 |

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:

| | 2023-24 Rs. Lakhs | 2022-23 Rs. lakhs |
|---|------------------------------|------------------------------|
| Benefit obligation at the beginning of the year | 491.76 | 450.62 |
| Actuarial loss/(gain) | (18.09) | (0.22) |
| Current service cost | 28.09 | 28.76 |
| Interest cost | 30.36 | 23.68 |
| Benefits paid | (45.49) | (11.09) |
| Benefit obligation at the end of the year | 486.63 | 491.75 |
| | | |
| Current Portion of Benefit Obligation | 199.53 | 207.79 |
| Non-Current Portion of benefit Obligation | 287.09 | 283.97 |

Expense on defined benefit plan:

| | 2023-24 Rs. Lakhs | 2022-23 Rs. lakhs |
|--------------------------------------|------------------------------------|------------------------------------|
| Service cost | 28.09 | 28.76 |
| Interest cost | 30.36 | 23.68 |
| Recognised net actuarial loss/(gain) | (18.09) | (0.21) |
| Net gratuity cost | 40.36 | 52.23 |

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:

| | 2023-24 | 2022-23 |
|-----------------------------------|---|---|
| Rate for discounting liabilities | 7.15% | 7.30% |
| 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 | | | | |
|---|------------------|----------------|----------------|----------------|----------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| Defined benefit obligation | 486.63 | 491.75 | 450.62 | 425.43 | 392.37 |
| (Deficit) | (486.63) | (491.75) | (450.62) | (425.43) | (392.37) |
| Experience adjustment on plan liabilities | (20.41) | 24.69 | (2.74) | (16.06) | 1.46 |

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. 84.58 lakhs (*Previous Year Rs. 85.69 lakhs*) 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 | 846,667 | | | |
| Option granted | - | | | |
| Option forfeited | - | | | |
| Options outstanding, end of period | 846,667 | 5 | 5 | 6 |

Options exercisable as at March 31, 2024, were 846,667 (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)

Mr. Ajit Balakrishnan (Director and Shareholder)

e. Independent Directors

Mr. Maniedath Madhavan Nambiar
 Mr. Melarkode Ganesan Parmeswaran
 Mr. Gulshan Rai

Transactions with Related Parties during the year and balances outstanding as at March 31, 2024 and 2023:

| Name of the Related party | Transactions | 2023-24 Rs. lakhs | 2022-23 Rs. lakhs |
|-------------------------------------|---|------------------------------|------------------------------|
| Mr. Ajit Balakrishnan | Loan received during the year | 343.00 | 361.00 |
| | Loan repaid during the year | - | - |
| | Payable as at year end | 2,295.30 | 1,952.30 |
| Value Communications Corporation | Payable as at year end, net | 116.60 | 114.98 |
| Rediff Holdings Inc. | Expenses paid on behalf of Rediff Holding Inc. | - | - |
| | Payable as at year end, net | 17.03 | 16.79 |
| Rediff.com, Inc. | Payable as at year end | 524.60 | 517.32 |
| Vubites India Private Limited | Loan given during the year (Interest free) | - | 0.50 |
| | Provision for doubtful loan | | 0.50 |
| Rediff.com India Ltd Employee Trust | Loan given during the year Repayment of loan Realisation of loan impaired | 40.75 (6.59) | 0.75 |
| Independent Directors | Expense for the Year | | |
| | Maniedath Nambiar | 5.00 | 5.00 |
| | M G Parmeswaran | 5.00 | 5.00 |
| | Gulshan Rai | 4.00 | 5.00 |
| | Payable as at year end | | |
| | Maniedath Nambiar | 2.00 | - |
| M G Parmeswaran | 2.00 | - | |
| Gulshan Rai | 2.00 | - | |

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:

| | 2023-24 Rs. lakhs | 2022-23 Rs. lakhs |
|--|------------------------------------|------------------------------------|
| Office Premises | 133.14 | 134.12 |
| Residential flats for accommodation of employees | 11.22 | 6.58 |
| Total | 144.36 | 140.70 |

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

| | 2023-24 Rs. Lakhs | 2022-23 Rs. lakhs |
|---|------------------------------------|------------------------------------|
| Not later than one year | - | 22.12 |
| Later than one year and not later than five years | - | 10.56 |
| Total payments | - | 32.68 |

29. EARNING PER EQUITY SHARES

| | 2023-24 Rs. Lakhs | 2022-23 Rs. lakhs |
|---|------------------------------------|------------------------------------|
| A. Net profit / (loss) profit attributable to equity shareholders (Rs.) | (545.37) | (774.69) |
| B. Weighted average number of equity shares outstanding during the year | 26,927,574 | 26,927,574 |
| C. Potentially dilutive equity share equivalents (stock options) | - | - |
| D. Weighted average number of equity shares and potentially dilutive equity share equivalents outstanding | 26,927,574 | 2,6,927,574 |
| E. Nominal value of Equity Shares (Rs.) | 5.00 | 5.00 |
| Basic Earnings per Share (Rs.) | (2.03) | (2.88) |
| Diluted Earnings per Share (Rs.) | (2.03) | (2.88) |

30. CONTINGENCIES AND CAPITAL COMMITMENTS

Contingent liabilities:

a) 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

b) During the financial year 2020-2021, 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. The Commissioner of Service Tax (Appeal) wide its order dated March 10, 2023, gave the partial relief and remanded the matter to the adjudicating authority for considering the case on merits in accordance with the law after following the principles of Natural Justice.

The Company has not recognized any accrual for the said order as the Company believes that it is probable that it would be successful in resolution of the orders at appeal level.

c) 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, 2024 and 2023.

31. DERIVATIVE TRANSACTION

32.

The Company has not entered in to any derivative transaction during the years ended March 31, 2024 and 2023. Foreign exchange currency exposures not hedged by derivative instruments are:

| Sl. No. | Particulars | 2023-24 | | 2022-23 | |
|---------|--|------------|------------------|-----------|------------------|
| | | Amount \$ | Amount Rs. lakhs | Amount \$ | Amount Rs. lakhs |
| 1 | Amount receivable on account of sale of services | 100,466.07 | 83.76 | 98,397 | 80.90 |
| 2 | Creditors payable on account of foreign currency expenditure | 135,221.74 | 112.73 | 125,011 | 100.76 |
| 3 | Amount (Payable) / Receivable (to)/from subsidiary companies | (821,217) | (684.68) | (821,217) | (675.18) |

33. INCOME IN FOREIGN CURRENCIES

| | 2023-24 Rs. Lakhs | 2022-23 Rs. Lakhs |
|-------------------------------|----------------------|----------------------|
| Online Advertising | 739.30 | 957.91 |
| Enterprise email Subscription | 26.28 | 24.98 |
| Total | 765.58 | 982.89 |

34. EXPENDITURE IN FOREIGN CURRENCIES

| Particulars | 2023-24 Rs. Lakhs | 2022-23 Rs. lakhs |
|-----------------------------------|----------------------|----------------------|
| (i) Product development | 5.00 | 4.52 |
| (ii) Software usage charges | 238.36 | 197.08 |
| (iii) Domain registration charges | 139.09 | 130.56 |
| (iv) Other matters | 13.39 | 17.48 |
| Total | 395.84 | 349.64 |

35. ANALYTICAL RATIOS:

The ratios for the year ended March 31, 2024 and 2023 are as follows:

| Sr No | Ratio Analysis | Numerator | Denominator | 31-Mar-24 | 31-Mar-23 | Variance (in %) |
|-------|---|------------------------|---------------------------|-----------|-----------|-----------------|
| 1 | Current Ratio (in times) | Current Assets | Current Liabilities | 0.41 | 0.40 | 3% |
| 2 | Debt Equity Ratio (in times) | Total Liabilities | Sharholder's Equity | (0.47) | (0.45) | (5%) |
| 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 | 11.03 | 12.55 | (12%) |
| 7 | Trade Payables Turnover Ratio | Total Purchases | Average Trade Payables | 2.64 | 2.72 | (3%) |
| 8 | Net Capital Turnover Ratio (in times) | Net Sales | Average Working Capital | (2.07) | (2.55) | 19% |
| 9 | Net Profit Ratio (%) | Net Profit | Net Sales | (15%) | (21%) | 27% |
| 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.

(9) - Net profit margin ratio improved due to reduction in losses during the year.

36. 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.

37. EVENTS AFTER BALANCE SHEET DATE

The Company exited from its investment in Vubites India Private Limited (“Vubites”) a wholly owned subsidiary, for a value of Rs. 292.31 lakhs. Vubites converted its loan outstanding of Rs. 6,480.21 lakhs into its equity capital. The Company is holding an equivalent provision for diminution and carrying this investment at zero value.

The proceeds exceed the carrying value of the investment and has resulted in a profit, which will be recognized in the next financial year. This sale occurred after the balance sheet date of 31 March 2024 and is considered a non-adjusting event for the financial statements for the year ended 31 March 2024.

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

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

For and on behalf of the Board of Directors

/s/Dhaval M. Bandiwadekar
Partner
Membership No: 169054

/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: June 21, 2024

Date: June 21, 2024