

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO LYCOS NETCOMMERCE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **APOLLO LYCOS NETCOMMERCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the period from 26 October, 2015 to 31 March, 2016, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its loss and its cash flows for the period ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. 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 prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has no pending litigations that has impact on in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366 W / W-100018)



**RASHIM TANDON**  
Partner  
(Membership No. 095540)



Gurgaon, 09 August 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements'  
of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **APOLLO LYCOS NETCOMMERCE LIMITED** ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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, to the best of our information and according to the explanations given to us, 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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366 W / W-100018)



**RASHIM TANDON**

Partner  
(Membership No. 095540)



Gurgaon, 09 August 2016

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence, reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) Except for few delays in deposit of Income Tax, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, and cess with the appropriate authorities during the year and that there are no undisputed amounts in respect of these dues which have remained outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable.

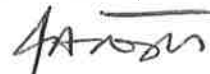
We are informed that the operations of the Company during the year did not give rise to any liability for Excise Duty, Employees' State Insurance, Sales Tax, Service Tax, Value Added Tax and Customs Duty.
  - (b) There are no dues of Provident Fund, Income Tax and cess which have not been deposited as on 31 March 2016 on account of any dispute.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks, and government or has not issued any debentures. Hence, reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration and hence reporting under clause (xi) of the CARO 2016 is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.



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- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366 W / W-100018)



**RASHIM TANDON**  
Partner  
(Membership No. 095540)

Gurgaon, 09 August 2016



**APOLLO LYCOS NETCOMMERCE LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2016**

	Note No.	As at 31.03.2016 (Rupees)
<b>A EQUITY AND LIABILITIES</b>		
<b>1. SHAREHOLDERS' FUNDS</b>		
a) Share capital	3	2,000,000
b) Reserves and surplus	4	(3,218,709)
		<b>(1,218,709)</b>
<b>2. NON-CURRENT LIABILITIES</b>		
a) Long-term provision	5	<b>27,174</b>
<b>3. CURRENT LIABILITIES</b>		
a) Trade payables	6	-
- Total outstanding dues of micro enterprises and small enterprises		-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,123,160
b) Other current liabilities	7	51,473
c) Short-term provision	8	152,886
		<b>1,327,519</b>
		<b>135,984</b>
 <b>B ASSETS</b>		
<b>1. CURRENT ASSETS</b>		
a) Cash and cash equivalents	9	135,984
b) Short-term loans and advances	10	-
		<b>135,984</b>
		<b>135,984</b>

See accompanying notes forming part of the financial statements 1 - 19

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants



**RASHIM TANDON**  
Partner

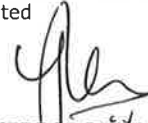


Place : Gurgaon  
Date : 09 August, 2016

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**  
Apollo Lycos Netcommerce Limited



**R SURESHKUMAR**  
Director  
DIN 07268173



**YERRADODDI RAMESH REDDY**  
Director  
DIN 01483626

Place : Gurgaon  
Date : 09 August, 2016



**APOLLO LYCOS NETCOMMERCE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 26 OCTOBER, 2015 TO 31 MARCH, 2016**

	Note No.	Period ended 31.03.2016 (Rupees)
<b>1. REVENUE</b>		-
<b>2. TOTAL REVENUE</b>		-
<b>3. EXPENSES</b>		
a) Employee benefit expenses	11	2,240,345
b) Finance costs	12	1,568
c) Other expenses	13	976,796
		<b>3,218,709</b>
<b>4. LOSS BEFORE TAX (2 - 3)</b>		<b>(3,218,709)</b>
<b>5. TAX EXPENSE</b>		
a) Current tax expense for current period		-
b) Deferred tax expense		-
c) Net tax expense		-
<b>6. LOSS FOR THE PERIOD (4 - 5)</b>		<b>(3,218,709)</b>
<b>7. EARNINGS PER SHARE (Equity shares of Rupees 10 each)</b>		
a) Basic & Diluted		(29.50)

See accompanying notes forming part of the financial statements

1 - 19

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants



**RASHIM TANDON**  
Partner



Place : Gurqaon  
Date : 09 August, 2016

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**  
Apollo Lycos Netcommerce Limited



**R SURESHKUMAR**  
Director  
DIN 07268173



**YERRADODDI RAMESH REDDY**  
Director  
DIN 01483626

Place : Gurqaon  
Date : 09 August, 2016

**APOLLO LYCOS NETCOMMERCE LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD FROM 26 OCTOBER, 2015 TO 31 MARCH, 2016**

	Notes No.	Period ended 31.03.2016 (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax		(3,218,709)
<b>Adjustments for :</b>		
Finance costs		1,568
<b>Operating profit before working capital changes</b>		<b>(3,217,141)</b>
<b>Adjustments for :</b>		
Increase/(Decrease) in long term provisions		27,174
Increase/(Decrease) in trade payables		1,123,160
Increase/(Decrease) in other current liabilities		51,473
Increase/(Decrease) in short term provisions		152,886
<b>Cash generated from / (used in) operations</b>		<b>(1,862,448)</b>
Taxes paid (net)		-
<b>Net cash from/ (used in) operating activities</b>		<b>(1,862,448)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
		-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital		2,000,000
Finance costs		(1,568)
<b>Net cash from/ (used in) financing activities</b>		<b>1,998,432</b>
Net increase/ (decrease) in cash and cash equivalents (A + B + C)		<b>135,984</b>
Cash and cash equivalents as at the beginning of the period		-
Cash and cash equivalents as at the end of the period	9	<b>135,984</b>

See accompanying notes forming part of the financial statements

1 - 19

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants



**RASHIM TANDON**  
Partner



Place : Gurgaon  
Date : 09 August, 2016

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**  
Apollo Lycos Netcommerce Limited



**R SURESHKUMAR**  
Director  
DIN 07268173



**YERRADODDI RAMESH REDDY**  
Director  
DIN 01483626

Place : Gurgaon  
Date : 09 August, 2016

**APOLLO LYCOS NETCOMMERCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**1. Corporate information**

Apollo Lycos Netcommerce Limited ("the Company") was incorporated on 26 October, 2015. The Company is a Joint Venture of Apollo International Limited (51%) and Lycos Internet Limited (49%).

The Company is incorporated to engage in providing solutions and services related to Web-Technologies, Internet, E-Commerce, Software Development, mobile applications and mobile commerce.

These financial statements have been prepared for the period from the date of incorporation i.e. 26 October, 2015 to 31 March, 2016. This being the first year of operations, hence no comparative figures have been given.

**2. Significant accounting policies**

**2.1 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) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable.

As at 31 March 2016, the Company has share capital of Rupees 2,000,000 and accumulated losses of Rupees 3,218,709 and net current liability of Rupees 1,191,535. Additional funds required for the operation of the Company would be made available with the support of Apollo International Limited ('AIL'), the holding company. Management, based on continuing financial and operational support from AIL, has prepared these financial statements on a going concern basis and does not consider need for any adjustments to the carrying value of assets and liabilities. AIL has provided the management a letter of support for continuing financial and operational support for the foreseeable future which covers more than one year from the date of approval of these financials statements.

The financial statements have been prepared on accrual basis under the historical cost convention.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Examples of such estimates include future obligations under employee retirement benefit plans. 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.

**2.3 Cash and cash equivalents (for the purpose of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.4 Cash flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.5 Employee benefits**

Defined contribution plans

The Company's contribution to Provident Fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution required to be made. The provisions of Employee State Insurance Act, 1948 do not apply to the Company since the Company does not employ minimum number of employees in terms of provisions of the said Act.

Defined benefit plans

The company's defined benefit plans include Gratuity. The liability in respect of these benefits is provided on actuals on the basis of calculations made by the Company.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders related service.

The liability in respect of compensated absences is provided on actuals on the basis of calculations made by the company.



## **2.6 Segment Reporting**

The Company is incorporated to primarily engage in providing solutions and services related to Web-Technologies, Internet, E-Commerce, Software Development and range of advertising services in internet and other mass medias.. As the Company's business activity falls within a single primary business segment and geographical segment, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" are not applicable to the Company.

## **2.7 Leases**

Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

## **2.8 Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## **2.9 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses,, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

## **2.10 Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events 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 their 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 disclosed in the Notes. Contingent assets are not recognised in the financial statements.

## **2.11 Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **2.11 Service tax input credit/ CENVAT credit**

Service tax input credit/CENVAT is accounted for in the books in the period in which the underlying goods / service received is accounted and when there is no uncertainty in availing / utilising the credits.



**APOLLO LYCOS NETCOMMERCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**3. SHARE CAPITAL**

Particulars	As at 31.03.2016	
	(Number)	(Rupees)
<b>Authorised</b> Equity Shares of Rupees 10 each	1,000,000	10,000,000
<b>Issued, Subscribed and Paid-Up</b> Equity Shares of Rupees 10 each fully paid up (Refer Notes (i) to (iv) below)	200,000	2,000,000
<b>Total</b>	<b>200,000</b>	<b>2,000,000</b>

**Notes :**

- (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares	
	Period ended 31.03.2016	
	(Number)	(Rupees)
Shares outstanding at the date of Incorporation	100,000	1,000,000
Shares issued during the period	100,000	1,000,000
Shares outstanding at the end of the period	<b>200,000</b>	<b>2,000,000</b>

- (ii) The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (iii) Details of shares held by the Holding Company and its Subsidiaries :

Particulars	Equity Shares	
	As at 31.03.2016	
	(Number)	(Rupees)
Apollo International Limited*	102,000	1,020,000
	<b>102,000</b>	<b>1,020,000</b>

\* Out of the above, 5 shares of Rs.10 each are held by 5 nominees on behalf of the company.

- (iv) Details of shares held by each shareholder holding more than 5% shares :

Particulars	Equity Shares	
	As at 31.03.2016	
	(Number)	(% of Holding)
Apollo International Limited	102,000	51%
Lycos Internet Limited	98,000	49%



**APOLLO LYCOS NETCOMMERCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	As at 31.03.2016 (Rupees)
<b>4. RESERVES AND SURPLUS</b>	
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>	
Loss for the period	(3,218,709)
Closing balance	<u>(3,218,709)</u>
<b>5. LONG-TERM PROVISION</b>	
Provision for employee benefits	
- Provision for gratuity	<u>27,174</u>
<b>6. TRADE PAYABLES</b>	
Trade payables	
- Micro and small enterprises	
- Others	1,123,160
	<u>1,123,160</u>
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	
<b>7. OTHER CURRENT LIABILITIES</b>	
Other payables - Statutory dues	<u>51,473</u>
<b>8. SHORT-TERM PROVISION</b>	
Provision for employee benefits	
- Compensated absences	<u>152,886</u>
<b>9. CASH AND CASH EQUIVALENTS</b>	
(i) Cash on hand	19,288
(ii) Balances with banks:	
- in current accounts	116,696
	<u>135,984</u>
<b>10. SHORT-TERM LOANS AND ADVANCES</b> (Unsecured)	
Balance with government authorities	
- Service Tax credit receivable considered doubtful	16,511
Less : Provision for doubtful advances	<u>(16,511)</u>
	<u>-</u>



**APOLLO LYCOS NETCOMMERCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Period ended 31.03.2016 (Rupees)
<b>11 EMPLOYEE BENEFIT EXPENSES</b>	
(i) Salaries and wages	2,132,111
(ii) Contribution to provident funds	81,060
(iii) Gratuity expense	27,174
	<b>2,240,345</b>
<b>12. FINANCE COST</b>	
Interest on delayed payment of income taxes	<b>1,568</b>
<b>13. OTHER EXPENSES</b>	
(i) Rent (See note 17)	25,763
(ii) Professional charges (See note (i) below)	575,209
(iii) Travelling and conveyance	43,337
(iv) Communication	7,215
(v) Software expenses	60,300
(vi) Provision for doubtful advances	16,511
(vii) Bank charges	169
(viii) Printing and stationary	2,742
(ix) Preliminary expenses	245,550
	<b>976,796</b>
<b>Note (i) : Auditors' remuneration (excluding service tax)</b>	
(i) As auditors - statutory audit	<b>450,000</b>



**APOLLO LYCOS NETCOMMERCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**14. Additional information to the financial statements**

**13.1 Commitments**

The Company has other commitments for purchase/sales orders, which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

**15. Related party disclosure**

Disclosures as required by the Accounting Standard (AS) 18 – "Related Party Disclosures" are as below:

**(a) Name of the related parties and nature of relationship :**

Description of relationship	Name of related parties
1. Holding Company	Apollo International Limited
2. Entity having significant influence (EHSI)	Lycos Internet Limited

Note : Related parties have been identified by the Management.

Particulars	Period ended 31.03.2016 (Rupees)	
	Holding Company	EHSI
<b>(b) Transactions during the period</b>		
<b>(i) Share capital issued</b>		
Apollo International Limited	1,020,000	-
Lycos Internet Limited	-	980,000
	<b>1,020,000</b>	<b>980,000</b>
(ii) Rent	25,763	-
(iii) Reimbursement of expenses (paid) - Preliminary expenses	245,550	-

**(c) Balance as at period end**

Particulars	As at 31.03.2016 (Rupees)	
	Holding Company	EHSI
(i) Share Capital	1,020,000	980,000





**APOLLO LYCOS NETCOMMERCE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**16. Segment Information** - The Company operates in a single business and geographical segment. The reporting requirements for primary and secondary segment disclosure prescribed by paragraphs 39 to 51 of Accounting Standard 17 - Segment reporting have not been provided in these financial statements.

**17. Operating Lease**

(a) The Company has taken the office on operating lease, which are cancellable subject to two months written notice. The future minimum lease expense in respect of period of lease of the premises considering notice period is as follows :

Particulars	As at 31.03.2016 (Rupees)
Not later than one year	11,450
Later than one year and not later than five years	-
	<b>11,450</b>
(b) Lease payments recognised in the Statement of Profit and Loss	<b>25,763</b>

**18. Earnings per share**

Particulars	Unit	Period ended 31.03.2016 (Rupees)
Net loss after tax	Rupees	(3,218,709)
Weighted average number of equity shares outstanding during the period	Numbers	109,091
Nominal Value of Equity Shares	Rupees	10.00
Basic and Diluted Loss per Share	Rupees	(29.50)

**19.** The Company has carried out its tax computation in accordance with the mandatory standard on accounting, Accounting Standard 22 - 'Accounting for Taxes on Income' issued under the Companies (Accounting Standard) Rules, 2006. In view of absence of virtual certainty of realisation of unabsorbed tax losses, deferred tax assets have not been recognised.



**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**  
Apollo Lycos Netcommerce Limited

*R Sureshkumar*

**R SURESHKUMAR**  
Director  
DIN 07268173

*Yerradoddi Ramesh Reddy*

**YERRADODDI RAMESH REDDY**  
Director  
DIN 01483626

Place : Gurgaon  
Date : 09 August, 2016