

Date: 08<sup>th</sup> September, 2020

To,  
The Department of Corporate Services,  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Sheet,  
Mumbai - 400 001  
Scrip Code -780015

Dear Sir/Madam,

**Sub : Annual Report for the Financial Year 2019-20 along with the Notice of the 12<sup>th</sup> Annual General Meeting of the Company.**

Pursuant to the Regulations 30 and 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached herewith is the Annual Report of the Company for the Financial Year 2019-20 along with the Notice of the 12<sup>th</sup> Annual General Meeting (AGM) of the Company which being circulated to the Members through electronic mode whose e-mail ids are registered with Company/Depositories/Registrar and Transfer Agent for the AGM scheduled to be held on Wednesday, 30<sup>th</sup> September, 2020, at 3.00 pm (IST) through Video Conferencing /Other Audio Visual Means.

The Annual Report for the Financial Year 2019-20 is uploaded on the website of the Company [www.webelementinc.com](http://www.webelementinc.com)

Please take the same on record.

Thanking you,

Regards,  
For Web Element Solutions Limited

 

Yadvender Singh Kanwar  
Director  
DIN: 02150704

# WEB ELEMENT SOLUTIONS LIMITED

CIN: L72200MH2008PLC182320

## 12<sup>TH</sup> ANNUAL REPORT 2019-20

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# WEB ELEMENT SOLUTIONS LIMITED

CIN: L72200MH2008PLC182320

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Shrena K Shah	Executive Director
Yadvender Singh Kanwar	Director
Shailesh B Patel	Director
Nayan J Shah	Director
Sunil Sharma	Independent Director
KiranKumar N Shukla	Independent Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Vishal Mittal

### CHIEF FINANCIAL OFFICER

Shrena K Shah

### REGISTERED OFFICE

301, Corporate Arena, Off. Aarey Piramal Cross Road,  
Behind Mahindra Gardens, Goregaon (West) Mumbai: 400062

### STATUTORY AUDITORS

M/s. SDG & Co.  
Chartered Accountants, Mumbai

### SECRETARIAL AUDITOR

Hansa Gaggar  
Practicing Company Secretary, Mumbai

### BANKER

Axis Bank  
Bank of India

### REGISTRAR AND TRANSFER AGENT

M/s Purva Sharegistry Private Limited  
Mumbai

### LISTED ON STOCK EXCHANGE

BSE ITP Platform

## NOTICE OF 12<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 12<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF WEB ELEMENT SOLUTIONS LIMITED WILL BE HELD ON WEDNESDAY, 30<sup>TH</sup> SEPTEMBER, 2020 AT 3.00 P.M (IST) THROUGH VIDEO CONFERENCING (“VC”)/OTHER AUDIO-VISUAL MEANS (“OAVM”), TO TRANSACT THE FOLLOWING BUSINESS

### ORDINARY BUSINESS

#### 1. ADOPTION OF FINANCIAL STATEMENT:

To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and Statutory Auditors thereon.

#### 2. APPOINTMENT OF DIRECTOR IN PLACE OF RETIRING DIRECTOR BY ROTATION:

To appoint a Director in place of Mr. Shailesh Patel (DIN: 02150718) who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

#### 3. APPOINTMENT OF MR. YADVENDER SINGH KANWAR (DIN: 02150704), DIRECTOR AS A WHOLE TIME DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the Company hereby approves the appointment of Mr. Yadvender Singh Kanwar (DIN: 02150704) as a Whole-Time Director of the Company for a period of three years with effect from 1<sup>st</sup> October, 2020 (the date of appointment) upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Yadvender Singh Kanwar .”

Date: 05/09/2020  
Place: Mumbai

By Order of the Board of Directors  
WEB ELEMENT SOLUTIONS LIMITED  
Sd/-  
Shailesh B. Patel  
(Director)  
DIN: 02150718

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement along with Annexure sets out all material facts relating to the business mentioned under Item No. 3 of the accompanying Notice dated 5<sup>th</sup> September, 2020

### Item no.3

The Board of Directors of your Company has, at its meeting held on 5<sup>th</sup> September, 2020 appointed Mr. Yadvender Singh Kanwar (DIN: 02150704) as a Whole-Time Director of the Company for a period of three years w.e f 01<sup>st</sup> October, 2020 on recommendation received from the Nomination and Remuneration Committee. The Board unanimously approved appointment resolution subject to approval by member's in ensuing General Meeting as per the provisions of Section 196, 197 and Part II Section II of Schedule V and other applicable provision under the Companies Act, 2013. The required Disclosure under Schedule V of the Companies Act, 2013 and Reg 36(3) of SEBI (LODR) Regulations, 2015:

Term of Appointment: Three years from 01<sup>st</sup> October, 2020 to 30<sup>th</sup> September, 2023

#### A) General Information :

1. Nature of the Industry & commercial operation: The Company is engaged in the business of E-commerce, internet, Internet and surfing centres, develop web sites and web pages and to offer consultancy and other services.
2. . Financial Performance based on given indicators

Particulars	Year ended 31.03.2019	Year ended 31.03.2020
Sales	1,41,43,336	1,50,10,197
PBIT	18,02,582	9,97,732
Net Profit	2,18,190	6,95,110

3. Foreign investments and collaborations : Not Applicable

#### B) Information about Appointee

<b>Name of the Director</b>	Mr. Yadvender Singh Kanwar
Director Identification Number	02150704
Date of Joining the Board	16/05/2008
Profile of the Director & Nature of Expertise	He has worked for an IT company for 3 years and post that in the year 2000 ,he made synergies with like minded people to start the own venture into providing software development and related services to Indian customers. Expertise : Business Operations, People Management, Long and Short term business goals planning and execution, Negotiations with customers, government organizations and vendors for continuous business
Number of shares	8400 Shares

Remuneration Proposed	<ul style="list-style-type: none"> <li>a. Basic Salary: 85,000 per month</li> <li>b. Earned Privilege Leave: As per Company Rules</li> <li>c. Facilities: Re-imbusement of conveyance expenses and mobile charges (as per actuals on the basis of claims made by him)</li> <li>d. Perquisites as per the Company policies</li> <li>e. Within the overall pay structure as mentioned above, The Director may be given any other allowances, benefits and perquisites as per the Nomination and Remuneration Committee, may decide from time to time.</li> </ul>
Job Profile & Brief terms of appointment.	Substantial power of management, including but not limited to administration, finance, marketing, purchase, quality control under the overall superintendence and direction of the Board. Appointment is for a period of three years with effect from 01 <sup>st</sup> October, 2020.
Notice period and Severance fees	Notice not less than 30 days in writing by either party. Severance Fees is max not to accede remuneration of Notice Period.
Relationships between Directors \ inter-se	None
Directorships held in other Public Companies	None
Memberships/ Chairmanships of Committees in other Public Companies	None

### C) Other Information

Reasons of loss or inadequate profits	Company has considerably improved its performance in the financial year 2019-20
Steps taken or proposed to be taken for improvements	Detailed note is available in the Directors Report and Report on Management Discussion and Analysis
Expected increase in productivity and profits in measurable terms	The management is having a positive view on Company's performance on the steps taken by the Company .

**Details of Directors proposed to be re-appointed at the Annual General Meeting scheduled to be held on 30<sup>th</sup> September, 2020 (Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended**

1. Mr. Shailesh Becharbhai Patel

<b>Date of First Appointment on the Board</b>	6 <sup>th</sup> May, 2008
<b>Qualification</b>	Commerce Graduate

<b>Nature of Expertise &amp; Experience</b>	Been into development of office infrastructure and management all his life. Expertise: Infrastructure Management, Office Management
<b>Relationship with other Director/ Key Managerial Personnel</b>	None
<b>Terms and conditions of appointment/ re-appointment</b>	It is proposed to appoint Mr. Shailesh Patel as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.
<b>Directorships held in other companies</b>	1. Balgopal Commercial Limited 2. Sandeep (India) Ltd
<b>Memberships / Chairmanships of committees of other companies</b>	Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee in Balgopal Commercial Limited Member of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee in Sandeep (India) Limited.
<b>No. of shares in the Company</b>	6500 Shares

#### **NOTES:**

1. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2020 to September 30, 2020 (both days inclusive).
2. The Notice of the AGM along with Annual Reports 2019-20 is being sent by electronic mode to those members whose E-mail addresses are registered with the Depositories/Company.
3. Ms. Hansa Gaggar, Practicing Company Secretary (Membership No. A40615, COP No. 21614) has been appointed as the Scrutinizer to scrutinize the e-voting process.
4. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL within three days of the passing of the resolutions at the 12<sup>th</sup> AGM of the Company on 30<sup>th</sup> September, 2020 a communicated to the BSE where the shares of the Company are listed.
5. An Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the notice is annexed
6. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

7. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away with vide notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of M/s. SDG & Co ,Chartered Accountants, who were appointed as Auditors for a period of five (5) years in the 11<sup>th</sup> AGM held on September 30, 2019.
8. Electronic copy of the Notice for the AGM and the Annual Report for the financial year ("FY") 2019-20 are being sent to all the Members whose e-mail ids are registered with the Company/Depository Participant(s). Dispatching of physical copies of the Financial Statements (including Board's Report, Auditors' Report, other documents required to be attached therewith), has been dispensed with. The Notice and the Annual Report are also available on the Company's website - [www.webelementinc.com](http://www.webelementinc.com) for download and at the websites of the BSE Ltd (ITP Platform). where the Company's shares are listed. The AGM Notice is also disseminated on the website of National Securities Depositories Limited ("NSDL") (the agency appointed by the Company for providing the Remote e-voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com) .
9. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA/SEBI Circulars through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
10. Under Rule 18 of Companies (Management and Administration) Rules, 2014 Members holding shares in electronic mode who have not got their e-mail addresses updated with the Depository Participants are requested to update their e-mail address and any changes therein. Members holding shares in physical mode are requested to update their e-mail address/mobile number, quoting their Folio Number, to our Registrar and Share Transfer Agent, viz., Purva Sharegistry Private Limited ("RTA") by writing to them at [support@purvashare.com](mailto:support@purvashare.com).
11. As per Regulation 40 of SEBI LODR, securities of listed Companies can be transferred only in dematerialised form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised ed3Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from website of Ministry of Corporate Affairs. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA/Company in case the shares are held in physical form.
12. The Members, whose names appear in the Register of members / list of Beneficial Owners as on Wednesday, 23<sup>rd</sup> September, 2020 ("cut-off date") are entitled to vote on the Resolutions set forth in this Notice.
13. Ms. Hansa Gaggar, Practicing Company Secretary (Membership No. A40615, COP No. 21614) has been appointed as the Scrutinizer to scrutinize the e-voting process.



14. A route map to reach the venue of the Meeting to be attached along with this Notice in accordance with Clause No. 1.2.4 of the Secretarial Standard-2 on "General Meetings" is not attached since the Meeting will be conducted through VC.
15. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL within three days of the passing of the resolutions at the 12<sup>th</sup> AGM of the Company on September 30, 2020 and communicated to the Stock Exchange, where the shares of the Company are listed
16. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
17. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
18. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
20. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.webelementinc.com](http://www.webelementinc.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
21. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -**

**The remote e-voting period begins on September 27, 2020 at 10:00 A.M. and ends on September 29, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

The procedure to login to e-Voting website is given below:

1. Open the attached PDF file “**e-Voting.pdf**” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
2. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
3. Click on “Shareholder - Login”.
4. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
5. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
6. Home page of remote “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
7. Select “EVEN” of WEB ELEMENT SOLUTIONS LIMITED Members can cast their vote online from **27<sup>th</sup> September, 2020 (10.00 am) till 29<sup>th</sup> September, 2020 (5:00 pm)**.  
**Note: e-Voting shall not be allowed beyond said time.**
8. Now you are ready for “e-Voting” as “Cast Vote” page opens.
9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted.
10. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cshansagaggar@gmail.com](mailto:cshansagaggar@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date as on 23<sup>rd</sup> September, 2020 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

#### Other information:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-Voting website of NSDL through their website viz.; [www.icicidirect.com](http://www.icicidirect.com) for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website [www.icicidirect.com](http://www.icicidirect.com). Please note that in case you are not able to login through the ICICI direct website, you can also access the e-Voting system of NSDL by using your existing user ID and password for the evoting system of NSDL.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

#### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [shrena.shah@webelementinc.com](mailto:shrena.shah@webelementinc.com). The same will be replied by the company suitably.

## DIRECTORS' REPORT FOR F.Y. 2019-20

To,  
The Members,  
Web Element Solutions Limited  
Mumbai

Your Directors have pleasure in presenting their 12<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended **31<sup>st</sup> March, 2020**:

### 1. FINANCIAL SUMMARY

The Company's financial performance, for the year ended **31<sup>st</sup> March, 2020** is summarized below:

The Board's Report is prepared based on the standalone financial statements of the company.

Particulars	Amount in Lakhs.	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Income from Operations	150.10	141.43
Other Income	12.07	12.11
<b>TOTAL INCOME</b>	<b>162.17</b>	<b>153.54</b>
Profit and (Loss) before Depreciation and Tax	9.97	18.01
<b>PROFIT BEFORE TAX</b>	<b>9.49</b>	<b>17.63</b>
Less: Provision for Current/Deferred Tax	2.54	15.45
<b>PROFIT AND (LOSS) AFTER TAX</b>	<b>6.95</b>	<b>2.18</b>

### 2. RESULT HIGHLIGHTS

- The company continues to be engaged in the business of providing end to end web solutions and there has been no change in the nature of business of your Company.
- Revenue from operations for the year under reference has shown a rise of around 5.78% vis-à-vis the preceding financial year.
- The bottom line has also shown tremendous improvement. There is profit for the year (before tax). Further, there are no significant and material events impacting the going concern status and Company's operations in future.

### 3. DIVIDEND

Your Directors are constrained not to recommend any dividend for the year under report.

### 4. TRANSFER TO RESERVE

Your Directors find it prudent not to transfer any amount to general reserve.

### 5. SHARE CAPITAL

The paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2020 was Rs. 6,77,51,000 divided into 67,75,100 shares of Rs. 10/- each. There has been no change in the capital structure of your Company.

## 6. MAJOR EVENTS DURING THE F.Y. 2019-20

There was no major event in the company during the financial year to disclose here except the change in KMP if any, which is disclose in the point no. 8 along with the details of present Board and KMP.

## 7. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT- 9 of the Companies (Management and Administration) Rules, 2014 is appended as ANNEXURE I to this Report.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board is properly constituted as per the provisions of the Companies Act, 2013. The Board at present comprises of:

Sr. No.	Name	Designation
1.	Mr. Shailesh B Patel	Director
2.	Mr. Yadvendersingh Kanwar	Director
3.	Mr. Nayan J Shah	Director
4.	Mrs. Shrena K Shah	Executive Director cum CFO
5.	Mr. Sunil S Sharma	Independent Director
6.	Mr. Kirankumar N Shukla	Independent Director
7.	Mr. Vishal Mittal	Company Secretary & Compliance Officer

During the year under review, Mr. Samir Gajjar Resigned as Director of the Company w.e.f 12<sup>th</sup> August 2019.

The term of both the Whole-time Directors got completed on 30<sup>th</sup> September, 2019 and continues to be the Director of the Company. Mr. Shailesh Patel has been designated as Non- Executive Director from w.e.f 1<sup>st</sup> October, 2019.

The Board seeks approval of the shareholders at the 12<sup>th</sup> Annual General Meeting for confirmation of the appointment of Mr. Yadvendersingh Kanwar as Whole-time Director for period of three years w.e. f 1<sup>st</sup> October, 2020. The brief profile of Mr. Yadvendersingh Kanwar has been detailed in the Explanatory Statement to the Notice of Annual General Meeting.

In terms of section 203 of the Companies Act, 2013 following are the Key Managerial Personnel of the Company-

Mrs. Shrena Shah - Chief Financial Officer

Mr. Vishal Mittal - Company Secretary and Compliance Officer.

No KMP has been appointed or has retired or resigned during the financial year.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015 as amended. In the opinion of the Board they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

## 9. NUMBER OF BOARD MEETINGS

During the year under reference, 4(Four) Board meetings were properly convened & held.

## 10. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, the directors individually, as well as the evaluation of the working of its Committees. The Company has devised a questionnaire to evaluate the performances of each of Executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of the Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.

## 11. NOMINATION AND REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of this Policy are given in **ANNEXURE II** to this Report.

## 12. COMMITTEES OF THE BOARD:

There are currently three Committees of the Board, as follows:

- I. Audit Committee
- II. Stakeholders' Relationship Committee
- III. Nomination and Remuneration Committee

### I. AUDIT COMMITTEE:

The Audit Committee was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section. The Composition of Audit Committee has been changed in this Financial year pursuant to resignation of Mr. Samir Gajjar.

**Committee Constitution is as follows:**

<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Sunil Sharma	Chairman	Independent Director
KiranKumar N Shukla	Member	Independent Director
Nayan Shah	Member	Director

Note: Vishal Mittal ,Company Secretary and Compliance Officer of the Company is the secretary to the audit committee.



## **Terms & Scope of Work of Committee:**

1. Oversight of the Issuer's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors and fixation of audit fee;
3. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be stated in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and Modified opinions in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of Audit Committee:

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise if it considers necessary

The audit committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
  - b) Considering and resolving grievances of shareholder's, debenture holders and other security holders;
1. Redressal of grievances of the security holders of our Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of our Company etc.;
  2. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
  3. Issue of duplicate certificates and new certificates on split/consolidation/renewal etc.;
  4. Overseeing requests for dematerialization and rematerialization of Equity Shares; and
  5. Carrying out any other function contained in the Equity Listing Agreement as and when amended from time to time.
  6. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

The quorum of Audit Committee shall be either 2 members or one third of the members of the Audit Committee whichever is greater with at least 2 Independent Directors.

## II. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Company comprises of three directors. The Composition of the Committee has been changed in this Financial year. **Committee Constitution is as follows:**

Name of the Director	Designation	Nature of Directorship
Sunil Sharma	Chairman	Independent Director
Kiran Kumar N Shukla	Member	Independent Director



Nayan Shah	Member	Director
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Note: Vishal Mittal ,Company Secretary and Compliance Officer of the Company is the secretary to the Stakeholders' Relationship Committee.

The terms of reference of the Stakeholder's Relationship Committee

(1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(2) Review of measures taken for effective exercise of voting rights by shareholders.

(3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### III.NOMINATION AND REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The composition of the Nomination & Remuneration Committee is in conformity with the provisions of the said section. The Composition of the Committee has been changed in this Financial year. Committee Constitution is as follows;

Name of the Director	Designation	Nature of Directorship
Sunil Sharma	Chairman	Independent Director
KiranKumar N Shukla	Member	Independent Director
Nayan Shah	Member	Director

Note: Vishal Mittal , Company Secretary and Compliance Officer of the Company is the secretary to the Nomination and Remuneration committee.

#### Terms & Scope of Work of Committee:

**The terms of reference of the Nomination and Remuneration Committee are:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and our Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Considering and recommending grant if employees stock option, if any, and administration and superintendence of the same; and
6. Carrying out any other function contained in the Equity Listing Agreement as and when amended from time to time.

### 13. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has practice of conducting familiarization programme for Independent Directors of the Company.

### 14. DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors of your Company have submitted the declaration of Independence as required under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence under Section 149(6) of the Companies Act, 2013.

### 15. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is appended as **Annexure II** to this Report.

### 16. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Act, on the basis of information placed before them, the Directors state that:

- i.* in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii.* appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and of the Profit and Loss of the Company for the said period;
- iii.* proper and sufficient care has been taken for the 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 fraud and other irregularities;
- iv.* the annual accounts have been prepared on a going concern basis;
- v.* the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi.* There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 17. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments 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 the report.

### 18. INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

## **19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Report on Management Discussion and Analysis as required under SEBI (LODR) Regulations, 2015 as amended is provided as A separate section in this Report and forms an integral part of the Directors' Report.

## **20. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS:**

The details of Loans given, Investments made and guarantees given and securities provided under the Section 186 of the Companies Act, 2013, are as provided in the notes to the Financial Statements.

## **21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable. Attention of the members is drawn to the disclosures of transactions with the related parties is set out in Notes to Accounts forming part of the financial statement.

## **22. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Your Company has not carried out any business activities warranting conservation of the energy and technology absorption in accordance with Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. During the year under consideration the Company has not spent/incurred foreign exchange. There is no foreign exchange earnings during the year.

## **23. RISKS MANAGEMENT AND AREA OF CONCERN:**

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

Although, market conditions are likely to remain competitive, future success will depend upon offering improved products through technology innovation and productivity. The Company continues to invest in these areas.

## **24. CORPORATE SOCIAL RESPONSIBILITY:**

The Company has not developed or implemented any CSR initiatives. The provisions contained in section 135 of the Companies Act, 2013, as well as the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to your Company for the year under reference.

## **25. CHANGE IN THE NATURE OF BUSINESS:**

During the year under review, there is no change in the nature of Business of the Company.

**26. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint Venture, Associate Company or LLPs during the year under review.

**27. DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT 2013:**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**28. DETAILS RELATING TO DEPOSITS, WHICH ARE NOT IN COMPLIANCE WITH THE REQUIREMENTS UNDER CHAPTER V OF THE COMPANIES ACT 2013:**

During the year under review, your Company has not accepted Deposits which are not in compliance with the requirements under Chapter V of Companies Act, 2013.

**29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

**30. INTERNAL FINANCIAL CONTROL SYSTEM:**

Your Company has an internal financial control system commensurate with the size, scale and complexity of its operations. The Audit Committee has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. The Audit Committee has a process for timely check for compliance with the operating systems, accounting procedures and policies. Major risks identified by the businesses and functions are systematically addressed through mitigating action on continuing basis.

**31. STATUTORY AUDITORS & REPORT OF THE AUDITORS:**

In compliance with the Companies (Audit and Auditors) Rules, 2014 M/s. SDG & CO, Chartered Accountants (FRN No. 137864W), Mumbai were appointed as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 11<sup>th</sup> AGM to the conclusion of 16<sup>th</sup> AGM to examine and audit the accounts of the Company on such remuneration plus reimbursement of out-of-pocket expense, as may be mutually agreed between the Board of Directors/Audit Committee of the Company and the Statutory Auditors.

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. SDG & CO, Chartered Accountants (FRN No. 137864W), Statutory Auditors, in their Report on the accounts of the Company for the year under reference. The observations made by them in their Report are self-explanatory and do not call for any further clarifications from the Board.

**32. SECRETARIAL AUDITOR & REPORT:**

The Company had appointed Ms. Hansa Gaggar to undertake the Secretarial Audit of the Company. The report of the Secretarial Auditor in Form MR - 3 is annexed herewith as Annexure -III. There are no qualifications, reservations or adverse remarks or disclaimers made by Ms. Hansa Gaggar, Practicing Company Secretaries, in their secretarial audit report except what have been specifically mentioned in the

Report which is self-explanatory. The Board is and will be taking necessary steps to ensure proper compliance with regard to the qualifications in the Report. The Company and Management ensures the strict adherence to all the Compliances with the applicable provisions, Acts, rules, regulations.

**33. COST AUDITORS:**

The Board of Directors of the Company here confirmed that according to the Companies working and business the company does not required to appoint the Cost Auditor as per the Section 148 of the Companies Act, 2013.

**34. WHISTLE BLOWER POLICY/ VIGIL MECHANISM:**

The Company has a Whistle Blower Policy in line with the provisions of the Section 177 of the Companies Act, 2013. This policy establishes a vigil mechanism for directors and employees to report their genuine concerns actual or suspected fraud or violation of the Company's code of conduct. The said mechanism also provides for adequate safeguards against victimisation of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee. We confirm that during the financial year 2019-20, no employee of the Company was denied access to the Audit Committee. The said Whistle Blower Policy is available on the website of the Company at [www.webelementinc.com](http://www.webelementinc.com).

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

Your Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation and intimidation. Accordingly the Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. Internal Complaints Committee (ICC) was set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year:

No. of Complaints received	Nil
No. of Complaints disposed off	Nil

**36. PARTICULARS OF EMPLOYEES:**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as ANNEXURE IV to this Report. There were no such employees of the Company for which the information required to be disclosed pursuant to Section 197 of the Companies Act read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules.

**37. ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation and sincere thanks to the State Governments, Government agencies, Banks & Financial Institutions, customers, shareholders, vendors and other related organizations, who through their continued support and co-operation have helped, as partners in your Company's progress. Your Directors, also acknowledge the hard work, dedication and commitment of the employees.

**Date: 05/09/2020**

**Place: Mumbai**

**By Order of the Board of Directors  
WEB ELEMENT SOLUTIONS LIMITED**

**Sd/-**

**Sd/-**

**Shailesh B. Patel  
( Director)**

**Y.S Kanwar  
(Director)**

**DIN: 02150718**

**DIN:02150704**

Annexure - I  
Form No. MGT-9

Extract Of Annual Return as on the financial year ended on 31st March, 2020

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN:	L72200MH2008PLC182320
2	Registration Date:	16/05/2008
3	Name of the Company:	Web Element Solutions Limited
4	Category / Sub-Category of the Company:	Company having Share Capital
5	Address of the Registered office: Contact details:	301, Corporate Arena, Off. Aarey Piramal Cross Road, Behind Mahindra Gardens, Goregaon (West) Mumbai - 400062 Tel No. 022- 67828282 E-mail: info@webelementinc.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Purva Sharegistry (India) Private Limited Unit no. 9, Shiv Shakti Ind. Estt., J. R. Boricha Marg, Lower Parel (E), Mumbai -400 011 Tel No. 022 - 2301 6761 / 8261 E-mail: support@purvashare.com

**I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Domain , Hosting & related services	63112 & 63119	35.61%
2	Computer software programming, consultancy & related activities	62011, 62012 & 62013	64.39%

**II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A.	-	-	-	-



## SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### I. CATEGORY-WISE SHAREHOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	14,80,000	NIL	14,80,000	21.84	14,80,000	NIL	14,80,000	21.84	0
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks/ FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other...	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-Total A(1)</b>	<b>14,80,000</b>	<b>NIL</b>	<b>14,80,000</b>	<b>21.84</b>	<b>14,80,000</b>	<b>NIL</b>	<b>14,80,000</b>	<b>21.84</b>	<b>0</b>
<b>(2) Foreign</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bank/ FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other...	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub- Total (A)(2):</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Shareholding of Promoters (A)=(A)(1) + (A)(2)</b>	<b>14,80,000</b>	<b>NIL</b>	<b>14,80,000</b>	<b>21.84</b>	<b>14,80,000</b>	<b>NIL</b>	<b>14,80,000</b>	<b>21.84</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Mutual Fund / UTI/LIC	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/ FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Alternate Investor Fund/Venture Capital Funds	5,00,000	NIL	5,00,000	7.38	5,00,000	NIL	5,00,000	7.38	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-Total (B)(1):</b>	<b>5,00,000</b>	<b>NIL</b>	<b>5,00,000</b>	<b>7.38</b>	<b>5,00,000</b>	<b>NIL</b>	<b>5,00,000</b>	<b>7.38</b>	<b>NIL</b>
<b>(2) Non - Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	2,23,750	NIL	2,23,750	3.30	1,03,560	NIL	1,03,560	1.52	(1.78)
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto 1 lakh	NIL	NIL	NIL	0.00	NIL	NIL	NIL	NIL	0.00
ii) Individual Shareholders holding nominal share capital in excess of 1 lakh	44,52,250	NIL	44,52,250	65.71	46,25,690	NIL	46,25,690	68.27	2.56
c) Others (HUF, Clearing Members, Foreign Nationals, NRI, Trust)	119100	NIL	119100	1.75	65,850	NIL	65,850	0.97	(0.78)



\ Sub - Total (B)(2)	47,95,100	NIL	4325100	70.78	43,25,100	NIL	47,95,100	70.78	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	52,95,100	NIL	52,95,100	78.16	52,95,100	NIL	52,95,100	78.16	NIL
C. Share held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	67,75,100	NIL	67,75,100	100	67,75,100	NIL	67,75,100	100	NIL

## ii. Shareholding of Promoters:

Name of Promoter shareholders	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% Change in Shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
<b>A. Individuals</b>							
a. Shailesh B Patel	6,500	0.10	NIL	6,500	0.10	NIL	NIL
b. Yadvender Singh S Kanwar	8,400	0.12	NIL	8,400	0.12	NIL	NIL
c. Nayan J Shah	14,50,000	21.40	NIL	14,50,000	21.40	NIL	NIL
d. Purvi K Shah	5,800	0.08	NIL	5,800	0.08	NIL	NIL
e. Shrena K Shah	9,300	0.14	NIL	9,300	0.14	NIL	NIL
<b>Total</b>	<b>14,80,000</b>	<b>21.84</b>	<b>NIL</b>	<b>14,80,000</b>	<b>21.84</b>	<b>NIL</b>	<b>NIL</b>

## iii. Change in Promoters' Shareholding (Please specify, if there is no change):

Particulars	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL

## iv. Shareholding Pattern of Top Ten Shareholders (Other than Director, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
VISHAL VIJAY SHAH	6,04,190	8.90	6,04,190	8.90
NEXT ORBIT VENTURES FUND	500,000	7.38	5,00,000	7.38
HINAL RAJENDRA SHAH	2,00,000	2.95	2,00,000	2.95
NITIN ANANTRAI VORA	1,45,000	2.14	1,39,500	2.06
CHETNA NITIN VORA	1,45,000	2.14	1,30,440	1.93
TARLABEN RAJENDRA SHAH	1,44,305	2.13	1,44,305	2.13
DIKSHIT KUMAR CHOUDHARY	1,39,240	2.06	2,59,430	3.83
YOGESH DHARNIDHARKA	1,18,230	1.75	1,18,230	1.75
DKC TRADING PRIVATE LIMITED	1,16,190	1.71	-	0
RAJU MUKUND VANARASE	1,11,050	1.64	1,25,450	1.85
RAVINDRA KISAN MANDAVKAR	1,10,500	1.63	1,10,500	1.63

## v. Shareholding of Directors and Key Managerial Personnel:

For Each of the Director	Name of Director			
	Shareholding at the beginning of the year (As on 01.04.2019)		Shareholding at the end of the year (As on 31.03.2020)	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Yadvender Singh Sukhpal Singh Kanwar - Director*</b>				
At the beginning of the year	8,400	0.12	8,400	0.12
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	NIL	NIL	NIL	NIL
At the end of the year	8,400	0.12	8,400	0.12
<b>Shailesh Becharbhai Patel -Director</b>				
At the beginning of the year	6,500	0.10	6,500	0.10
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	NIL	NIL	NIL	NIL
At the end of the year	6,500	0.10	6,500	0.10
<b>Nayan Jaswant Kumar Shah -Director</b>				
At the beginning of the year	14,50,000	21.40	14,50,000	21.40
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	NIL	NIL	NIL	NIL
At the end of the year	14,50,000	21.40	14,50,000	21.40
<b>Sunil Satyanarayan Sharma - Non-Executive Independent Director</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	-	-	-	-
<b>Kirankumar Navinchandra Shukla - Non-Executive Independent Director</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	-	-	-	-
<b>Vishal Mittal - Company Secretary &amp; Compliance Officer</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	-	-	-	-
<b>Shrena K Shah -Director &amp; CFO</b>				
At the beginning of the year	9,300	0.14	9,300	0.14

Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	9,300	0.14	9,300	0.14

### III. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Particulars	Secured Loans	Unsecured Loan	Deposits	Total Indebtedness (In Rupees)
<b>Indebtedness at the beginning of the financial year (01-04-2019)</b>	6,10,863	12,83,950	-	18,94,813
i) Principal Amount	6,10,863	12,83,950	-	18,94,813
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,10,863</b>	<b>12,83,950</b>	-	<b>18,94,813</b>
<b>Change in Indebtedness</b>				
Addition	2,99,190	9,17,770	-	12,61,960
Reduction	3,03,793	13,15,170	-	16,53,963
<b>Net Change</b>	<b>(4,603)</b>	<b>(4,32,400)</b>	-	<b>(4,37,003)</b>
<b>Indebtedness at the end of the financial year (31-03-2020)</b>	<b>6,06,260</b>	<b>8,51,550</b>	-	<b>14,57,810</b>
i) Principal Amount	6,06,260	8,51,550	-	14,57,810
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,06,260</b>	<b>8,51,550</b>	-	<b>14,57,810</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(In Rs.)

Sr. No.	Particulars of Remuneration	Yadvender Singh Kanwar (WTD)* Total Amount	Shailesh B Patel (WTD)* Total Amount
	Gross Salary		
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8,40,000	2,40,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL
2	Stock Options	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit Others, specify.....	NIL NIL NIL	NIL NIL NIL
5	Others, please specify	NIL	NIL
	<b>Total (A)</b>	<b>8,40,000</b>	<b>2,40,000</b>

\* The Directors are Whole-time Director till 30<sup>th</sup> September, 2019.

### B. Remuneration to other Directors: NIL

### C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Shrena K Shah (CFO) Total Amount	Vishal Mittal Company Secretary	Total
1	Gross Salary	1,92,000	1,80,000	3,72,000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	NIL	NIL	NIL
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Options	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission as % of profit Others, specify.....	NIL NIL NIL	NIL NIL NIL	NIL NIL NIL
5	Others, please specify	NIL	NIL	NIL
	<b>Total (C)</b>	<b>1,92,000</b>	<b>1,80,000</b>	<b>3,72,000</b>

**VII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Property/ Punishment/ Compounding fees imposed	Authority	Appeal made, if any (give details)
				[RD/NCLT/COURT]	
<b>A) COMPANY</b>					
Penalty	None				
Punishments					
Compounding					
<b>B) DIRECTORS&amp; C) OTHER OFFICERS IN DEFAULT</b>					
Penalty	None				
Punishments					
Compounding					

**Date: 05/09/2020**  
**Place: Mumbai**

**By Order of the Board of Directors**  
**WEB ELEMENT SOLUTIONS LIMITED**  
**Sd/- Sd/-**  
**Shailesh B. Patel Y.S Kanwar**  
**(Director) ( Director)**  
**DIN: 02150718 DIN:02150704**

## ANNEXURE-II TO THE DIRECTORS' REPORT

### "NOMINATION & REMUNERATION POLICY"

#### **1. OBJECTIVE:**

The Nomination, Remuneration and Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 42 under the Model Listing Agreement (as amended from time to time) The Key Objectives of the Committee would be:

- 1.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6 To devise a policy on Board diversity
- 1.7 To develop a succession plan for the Board and to regularly review the plan;
- 1.8 To formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock - in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto.

#### **2. DEFINITIONS:**

- 2.1. Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- 2.2. Board means Board of Directors of the Company.
- 2.3. Directors mean Directors of the Company.
- 2.4. Key Managerial Personnel means
  - 2.4.1. Managing Director;
  - 2.4.2. Whole-time director;
  - 2.4.3. Chief Financial Officer;
  - 2.4.4. Company Secretary; and
  - 2.4.5. Such other officer as may be prescribed.
- 2.5. Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### **3. ROLE OF COMMITTEE:**

The Committee shall:

##### **3.1 Terms of reference**

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment Remuneration and removal of Director, KMP and Senior Management Personnel.
- 3.1.4 formulate detailed ESOS Plan and the terms and conditions thereof including but not limited to determination of the Exercise Price, Exercise Period, Lock - in period, consequence of failure to exercise option, method of valuation, accounting policies, disclosures, etc and matters related thereto.

## **3.2 Policy for appointment and removal of Director, KMP and Senior Management**

### **3.2.1. Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### **3.2.2. Term / Tenure**

- a) Managing Director/Whole-time Director:  
The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director:
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
  - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### 3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### 3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 3.3. Policy relating to the Remuneration for the Managing Director or Whole- time Director, KMP and Senior Management Personnel

### 3.3.1. General

- a) The remuneration / compensation / commission etc. to the Managing Director or Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act and in line with the Company's policy.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director or Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Managing Director or Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### 3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

#### a) Fixed pay:

The Managing Director or Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person



authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### **b) Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### **c) Provisions for excess remuneration**

If any Managing Director or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### **3.3.3. Remuneration to Non- Executive / Independent Director**

#### **a) Remuneration / Commission**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and/or the Act.

#### **b) Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### **c) Commission**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### **d) Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

## **4. MEMBERSHIP**

4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

## 5. CHAIRPERSON

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## 6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

## 7. COMMITTEE MEMBERS' INTERESTS

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

## 9. VOTING

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## 10. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.6 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.7 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

- 10.8 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.9 Recommend any necessary changes to the Board; and
- 10.10 Considering any other matters, as may be requested by the Board.

## **11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

## **12. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be recorded in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**ANNEXURE-III  
TO THE DIRECTORS' REPORT**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

**For the financial year ended 31st March 2020**

**[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

To,  
The Members,  
**Web Element Solutions Limited**  
**CIN: L72200MH2008PLC182320**  
301, Corporate Arena Off Aarey Piralal X Road  
Behind Mahindra Gardens Goregaon West Mumbai -400062

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Web Element Solutions Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
- (c) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

(vi) As represented by the Management and having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the following laws are also applicable on company;

- Sale of Goods Act, 1930
- Maharashtra state Tax on Professions, Trades, Callings and Employments Act 1975;
- The Equal Remuneration Act, 1976;
- Bombay Shops and Establishments Act, 1948;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings are generally complied with.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are generally complied with.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except the following observation

- a. The company has delayed filing to the BSE Ltd. (Stock Exchange) the Shareholding Pattern for quarter ended 30<sup>th</sup> June, 2019.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the applicable Acts and Regulations.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

Sd/-  
**Hansa Gaggar,**  
**Practicing Company Secretary**

**Membership no: A40615**  
**CoP no.: 21614**  
**UDIN: A040615B000659783**

**Date:3<sup>rd</sup> September, 2020**  
**Place : Virar**

**Note:** This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

## ANNEXURE I

To,  
The Members,  
**Web Element Solutions Limited**  
CIN: L72200MH2008PLC182320  
301, Corporate Arena Off Aarey Piralal X Road  
Behind Mahindra Gardens Goregaon West Mumbai -400062

### MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### AUDITOR'S RESPONSIBILITY

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for my opinion.  
The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
5. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### DISCLAIMER

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
7. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Sd/-  
Hansa Gaggar,  
Practicing Company Secretary

Membership no: A40615  
CoP no.: 21614

**ANNEXURE-IV**  
**TO THE DIRECTORS' REPORT**

DISCLOSURES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE AS UNDER:

Sr. No	Disclosure Requirement	Disclosure Details		
		Director	Designation	Ratio
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20	Yadvendersingh S Kanwar*	Director	11.7
		Shailesh B Patel*	Director	3.34
		Nayan J Shah	Director	-
		Sunil Sharma	Independent Director	-
		Kirankumar N Shukla	Independent Director	-
		Shrena K Shah	Executive Director	2.67
*Directors were Whole-time Director till 30 <sup>th</sup> September, 2019				
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors and other Key Managerial Personnel</b>	<b>Designation</b>	<b>% increase in remuneration</b>
		Yadvendersingh S Kanwar	Director	0%
		Shailesh B Patel	Director	0%
		Nayan J Shah	Director	0%
		Sunil Sharma	Independent Director	0%
		Kirankumar N Shukla	Independent Director	0%
		Shrena K Shah	Executive Director & CFO	0%
		Vishal Mittal	Company Secretary	296.053%
3	The percentage increase in the median remuneration of employees in the financial year	(9.25)%		
4	The number of permanent employees on the rolls of Company	20		
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial Remuneration	No Change		
We affirm that the Remuneration paid to the Managerial and Non-Managerial Personnel is as per the Nomination and Remuneration Policy of the Company.				

Date: 05/09/2020  
Place: Mumbai

**By Order of the Board of Directors**  
**WEB ELEMENT SOLUTIONS LIMITED**  
Sd/- Sd/-  
Shailesh B. Patel Y.S KANWAR  
(Director) (Director)  
DIN: 02150718 DIN:02150704



## Annexure V

### A. General Shareholder Information:

a.	<b>AGM: Day, Date, Time and Venue</b>	<b>Wednesday, 30<sup>th</sup> September at 3.00 pm through VC/OAVM</b>
b.	<b>Financial Year</b>	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020
c.	<b>Date of Book Closure</b>	Thursday, 24 <sup>th</sup> September, 2020 to Wednesday, 30 <sup>th</sup> September, 2020
d.	<b>Listing on Stock Exchanges</b>	The Shares of the Company are listed on The Bombay Stock Exchange Ltd (SME Segment)  <b>BSE Limited</b>  25 <sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 4000 01
e.	<b>Scrip Code</b>	780016
f.	<b>Scrip ID</b>	WEBSL
g.	<b>ISIN</b>	INE562Q01017
h.	<b>Payment of Listing Fee</b>	The Company confirms that it has paid Annual listing fees due to the stock exchange for the financial year 2019-2020
i.	<b>Market Price Data (High, Low during each month in last financial year 2019-20)</b>	Not available on Exchange Web Site
j.	<b>Registrar and share transfer agents</b>	Purva Shareregistry (India) Pvt. Ltd. 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East) ,Mumbai-400011

### B. Other Information

#### **i. Quarterly and Half-yearly financial results**

The Half yearly and Annual Results of the Company are available on the website of the Company [www.webelementinc.com](http://www.webelementinc.com) The Half-Year Results and Annual Results of the Company are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and are published in a English and vernacular daily newspaper.

The 'Investors' section on the Company's website keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports etc. Members also have the facility of raising queries/making complaints on share related matters through a facility provided on the Company's website.

The Company has a dedicated help desk with email ID: [compliance@webelementinc.com](mailto:compliance@webelementinc.com) in the Secretarial Department for providing necessary information to the investors.

#### **(ii) Official News Releases**

Official news releases are made whenever it is considered necessary. The Financial Results and other Communications of the Company were normally published to the stock Exchange immediately.

(iii) The presentation made to institutional investors or to the analysts

There were no specific presentation made to the investors or analysts during the year

(iv) Dividend payment date: Not Applicable

(v) Stock Market Data:

During the year the trading of the shares of the Company continues shares of the Company is regularly trading in ITP Platform.

**Stock Code:** 780016

**ISIN:** INE562Q01017

**Pattern of Shareholding as on 31<sup>st</sup> March, 2020: The shareholding pattern as on 31<sup>st</sup> March, 2020 is part of Annual return i.e MGT-9 attached to this Report**

#### **Dematerialization of Shares as on 31<sup>st</sup> March, 2020**

The Equity Shares of the Company are compulsorily traded in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company has arrangement with National Securities Depository Ltd. (NSDL) as well as Central Depository Services (India) Limited (CDSL) for demat facility.

100% of the Share Capital of the Company is in Dematerialization form.

### GLOBAL OVERVIEW

The fiscal year 2019-20 has been a challenging one for the global economy due to several macro-economic factors including the demand challenges across several industries, the US-China trade war, Brexit uncertainty and more recently the outbreak of the COVID-19 pandemic. This has significantly impacted the Global growth outlook. As per International Monetary Fund's (IMF) World Economic Outlook of April 2020, the global economy grew by 2.9% in 2019 and is expected to shrink sharply to (-)3.0% in 2020 (a downward revision to 3.3% growth forecast prior to COVID-19 hit). In the best-case scenario, as per IMF, the global economy is projected to grow at 5.8% in CY2021 which is a partial recovery with an assumption that pandemic fades in the second half of FY2020, as the restrictions imposed to contain pandemic are lifted across markets thus allowing normal businesses to resume. The United States economy grew at 2.3% in 2019 and is now estimated to shrink at (-)5.9% in 2020 and the United Kingdom is projected to contract at (-)6.5% in 2020 from a growth of 1.4% in 2019. The Euro area grew at 1.2% in 2019 and is predicted to contract to (-)7.5% in 2020. Given the level of uncertainty in the current environment, actual outcomes could easily be well outside of this range, either on the upside or the downside.

### INDUSTRY OVERVIEW:

Web Element Solutions Ltd. is an emerging leader in providing end to end web solutions and custom software development and is based out of Mumbai also. Our range of servicing capabilities is wide spread and includes Business process enhancement services to augment existing business processes effectively, Customize web application services to drive customer centric solutions, App development to deliver efficient app solutions, Enterprise mail hosting services for enabling targeted messages for the customers.

Web Element believes in adapting fast to the ever changing technological landscape to continue delighting customers with solutions backed by the latest tools and technologies. We strive to keep our development team experienced on the most relevant technology so that our solutions are future-ready.

We continue to see the trend of global businesses turning to offshore technology service providers to meet their needs and to increase their efficiency through differentiated solutions. Over the past two decades, India has risen to become leading destination for global sourcing of IT, ITes, and research and development activities.

The world has learnt its lessons from recession and is actively taking steps to sustain India's advantage and make India's IT industry more resilient to global economic conditions. This optimism is being reflected in all parts of the world. The cloud as a delivery model is also here to stay, and Indian IT service providers will need to adapt themselves in this new world order. From a growth perspective, the future is still bright and has been impacted by the after effects of recession, witnessed by everyone. The US and Europe remain the biggest markets for outsourcing software related activities. Majority of the works from this market is being outsourced to destinations in the Asia Pacific region and East Europe.

In the national level, IT service is the fastest growing segment in the Indian domestic market, growing year-to-year, driven by increasing focus by service providers. A significant proportion of all Indian businesses fall under the small and medium enterprise segment. So, a broad-based, sustainable growth in the Indian economy can emerge only if the country's SMEs record a healthy growth as they attempt to improve productivity, adopt best practices and bring innovative products to market.

Outlook for the Indian information technology (IT) sector is 'cautiously positive' in 2019 as challenges remain amidst prospects of greater IT spending with global and US economies improving, industry body

Nasscom said. On the industry working towards more digital influence, and subsequent revenues, Nasscom has been consistently saying that there are only three things India needs to focus on, "skilling, skilling and skilling."

## **BUSINESS OUTLOOK**

Digital Transformation has been on the agenda of organisations for years. It is now a crucial time for leaders to plan for and implement it across industries. Amongst various organisations, there is a widespread recognition that the role of digital technology is shifting - from driving marginal efficiency to being a catalyst of innovation and disruption. A recent study shows that approximately 85% of key decision makers feel they have only 2 years to get to grips with Digital Transformation. True Digital Transformation will require de-layering of decision making and work processes. Assets have to be digitalised and enhanced so depreciation is better managed. Capex must give way to Opex more than before.

Digital Transformation of business processes will offer improved efficiencies, more cost-effective ways to use technology, better customer engagement, and can even offer employees better working conditions. Change is never easy and Digital Transformation brings with it both risk and reward. Managing those risks will be a part of the Digital Transformation process as much as bringing on-board new technologies themselves.

India is identified by the world as good place for commencing the new business considering availability of manpower at low cost and other available resources in India. Further, Indian Government opens the market for FDI and FII for developing the infrastructures facilities in India. The future of the Indian Software Industry looks very positive and we expect excellent opportunities in this field.

Our Company has, in the past, majorly catered to the organizations in the Manufacturing and Trading in SME sector. The development services provided to these companies were web / cloud based office automation systems, inventory systems, CRM, Order processing systems, payroll management systems, export documentation management, billing & accounting modules etc. We have provided cloud computing and enterprise email services.

## **RISKS, CONCERNS & OPPORTUNITIES**

### **Challenges**

There is bound to be disruption and uncertainty in business due to COVID-19 pandemic. The economic slowdown caused by COVID-19 is expected to delay planned initiatives which will adversely impact our business. While businesses continue to explore alternate methods of functioning, the key will be to adapt and rethink quickly. While a few sectors like Travel & Hospitality have shown sluggish growth, the overall economic activity has dropped in many markets. However, forward looking businesses are seizing this opportunity to affect the change that they have been contemplating. We are helping such organisations in their Digital Transformation journey, thus enabling a new line of business opportunity.

Business disruption, whether caused by the COVID-19 pandemic or more general societal, economic, political and environmental pressures, often determines the need to adjust course. Digital Transformation introduces a continuous cycle of change that affects organisations, processes, people and culture. Many leaders today, realise that digital transformation requires a more fundamental transformation, with the whole organisation participating. Digital business is introducing continuous and disruptive changes that go beyond project implementations.

## Market Size/Opportunity

The global enterprise application market size is estimated to be worth USD 259.51 Billion by 2022, according to a study by Grand View Research, Inc., registering a 7.8% CAGR during the forecast period. Increasing need among organisations for single data access point is anticipated to drive industry growth over the forecast period.

Impact of COVID-19 on projects - Some projects may become significantly more urgent, with more critical business needs requiring faster delivery-or they may become less important to the business and therefore potentially abandoned. Given that remote working will become the norm, focus is on adapting an agile implementation methodology to ensure quicker project go-lives.

As economic recovery progresses, enterprises operating with pared down workforces are likely to increase outsourcing to build scale in operations to meet rising demand. Spending on growth and transformation initiatives is also expected to start picking up from that point on.

## Key Financial Ratios:

The key financial ratios for Financials are as per the below table:

Particulars	2019-20	2018-19
Interest Coverage Ratio	11.06	16.57
Debt Equity Ratio (%)	2.15	2.79
Operation Profit Margin Ratio (%)	6.65	12.75
Net Profit Margin ratio(%)	4.63	1.53
Return on Networkth	1.03	0.03

Formulae used for computation of key financial ratios:

Particulars	Formulae
Interest Coverage Ratio	PBT/Finance Cost
Debt Equity Ratio (%)	Debt/Equity
Operation Profit Margin Ratio (%)	PBIT/ Net Sales
Net Profit Margin ratio(%)	PAT/ Net Sales
Return on Networkth	PAT/ Avg. of Total Equity

## SCARCITY OF HUMAN CAPITAL

This is an inherent problem with this industry. The skill required here has to be combination of creativity and synergizing of technology to bring the best results. There are very few training centers providing training which cater to the needs of the Industry. Also there is a lack of any organized channel of education and awareness as relating to the potential of this industry.

## TECHNOLOGY OBSOLESCE

The methods and software used in this field are dynamically changing and the advent of new technology, techniques and upgrades seem to be very fast. It poses a continuing challenge to the players in this Industry to adapt to newer technologies and also for the personnel to get trained and use these effectively.

## **HUMAN RESOURCES AND RELATIONS**

The Company makes efforts to ensure that employees are provided with a congenial work atmosphere. Facilities are equipped with state-of-the-art hardware, software and communication equipment apart from periodic recreational facilities to motivate the team. Continuously improving the quality of people through training in skill development as well as personality development. Management places great emphasis on continuously improving the work environment and ambience to nurture innovation and creativity.

**By Order of the Board of Directors  
WEB ELEMENT SOLUTIONS LIMITED**

**Date: 5<sup>th</sup> September, 2020  
Place: Mumbai**

**Sd/-  
Shailesh B. Patel  
(Director)  
DIN: 02150718**

**Sd/-  
Y.S Kanwar  
(Director)  
DIN:02150704**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Member,  
M/s WEB ELEMENT SOLUTIONS LIMITED  
Mumbai

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **WEB ELEMENT SOLUTIONS LIMITED** having CIN L72200MH2008PLC182320 and having registered office at **301 Corporate Arena Off Aarey Piramal X Road Behind Mahindra Gardens Goregaon West Mumbai - 400062**. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), BSE as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTORS	DIN	Date of Appointment
1	SUNIL SATYANARAYAN SHARMA	01568825	02/09/2014
2	KIRANKUMAR NAVINCHANDRA SHUKLA	01568997	02/09/2014
3	YADVENDER SINGH KANWAR	02150704	16/05/2008
4	SHAILESH BECHARBHAI PATEL	02150718	16/05/2008
6	NAYAN JASWANTKUMAR SHAH	06857389	31/03/2014
7	SHRENA SHAH KALPESH	07176766	05/05/2015

I further hereby inform that, ensuring the eligibility for the appointment / continuity of Director on the Board is the responsibility of the Company. My responsibility is to issue this certificate based on verification of documents and information available in the public domain. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-  
Hansa Gaggar  
Practicing Company Secretary  
CoP no.:- 21614

Place: Mumbai  
Date: 03/09/2020



## INDEPENDENT AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT

#### **To the Members of Web Element Solutions Limited Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **WEB ELEMENT SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "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 (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 (financial position) of the Company as at March 31, 2020, its profit, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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 preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibility of Management for the Financial Statements**

The Company's Board of Directors is 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. *As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.*
2. *As required by section 143(3) of the Act, we report that:*
  - a) *we have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;*
  - b) *in our opinion, proper books of account as required by law have been kept by the Company so far as 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 relevant rules issued thereunder;*
  - e) *on the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;*
  - f) *With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B"; and*
  - 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 does not have any pending litigations which would impact its financial position.*
    - II. *the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and*

III. *there were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Company.*

*For SDG & Co  
Chartered Accountants  
Firm Registration No.: 137864W*

*Tarun Prakash Dhandh  
Partnez  
Membership No.: 131057  
UDIN: 20131057AAAABH2991*

*Place: Mumbai  
Date: 26<sup>th</sup> June 2020*

## Annexure - A to the Independent Auditor's Report

**(Referred to in paragraph-1 on Other Legal and Regulatory Requirements of our Report of even date to the members of Web Element Solutions Limited on the Financial Statements of the Company for the year ended March 31, 2020.**

- i. a) *The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.*
- b) *As explained to us, fixed assets have been physically verified by the management at regular intervals, and as informed to us no material discrepancies were noticed on such verification.*
- c) *According to the information and explanations given to us, and on the basis of our examination of the records, the Company does not own any immovable property.*
- ii. *As explained to us and in our opinion, the inventories held by the Company comprises of stock of residential flats and construction materials. The inventories were physically verified during the year by the management at reasonable intervals and no discrepancies were noticed on physical verification of inventories as compared to books of accounts.*
- iii. *According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, Clause 3 (iii) (a),(b) and (c) of the Order are not applicable.*
- iv. *In our opinion and according to the information and explanations given to us in respect of loans given, investments made, guarantees and security the provision of section 185 and 186 of the Companies Act, 2013 has been complied with.*
- v. *According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified.*
- vi. *According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Sub section 1 of Section 148 of the Act, for any of the activities carried on by the Company. Accordingly, clause 3(vi) of the Order is not applicable.*
- vii. a) *According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed applicable statutory dues including provident fund, employees' state insurance, income tax, sales tax, duty of custom, goods and services tax, cess and any other statutory dues to the appropriate authorities and there are no undisputed dues outstanding as on March 31, 2020 for a period of more than six months from the date they become payable except advance tax and service tax as follows:*

Sr. No.	Nature of Dues	Amount (Rs.)
1	Service Tax	8,611

- b) According to the information and explanations given to us, there are no dues outstanding on account of any disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loan from financial institutions and banks. The Company has not issued any debentures. Accordingly, clause 3(viii) of the Order is not applicable.
- ix. According to the information and explanations given to us and on an overall examination of the records, we report that the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us and on the basis of our examination of books and records, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the books and records of the Company, we report that the transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and the details in respect of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **SDG & CO**  
Chartered Accountants  
Firm Registration No.: 137864W  
**Tarun Prakash Dhandh**  
Partner  
Membership No.: 131057  
UDIN: 20131057AAAABH2991

Place: Mumbai  
Date: 26<sup>th</sup> June 2020



## ***Annexure - B to the Independent Auditor's Report***

(Referred to in paragraph 2(f) on Other Legal and Regulatory Requirements of our Report of even date to the members of Web Element Solutions Limited on the Financial Statements for the year ended March 31, 2020)

### ***Report on the Internal Financial Controls 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 Web Element Solutions Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### ***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 deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For SDG & Co*  
*Chartered Accountants*  
*Firm Registration No.: 137864W*

***Tarun Prakash Dhandh***  
*Partner*  
*Membership No.: 131057*  
*UDIN: 20131057AAAABH2991*

*Place: Mumbai*  
*Date: 26<sup>th</sup> June 2020*

**Web Element Solutions Limited**

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piramal X Road , Goregaon West, Mumbai - 400 062

**Balance Sheet as at 31st March, 2020**

		(Amount in Rs.)	(Amount in Rs.)
	Notes	As at 31st March, 2020	As at 31st March, 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2	6,77,51,000	6,77,51,000
(b) Reserves and Surplus	3	(58,53,688)	(65,48,798)
<b>2 Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)			
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings	4	14,57,810	18,94,813
(b) Trade Payables	5	17,94,391	5,39,661
(c) Other Current Liabilities	6	14,73,077	24,03,036
(d) Short Term Provisions		-	-
<b>TOTAL</b>		<b>6,66,22,590</b>	<b>6,60,39,712</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
- Tangible Assets	7	7,70,475	1,76,232
(b) Non Current Investments			
(c) Deferred Tax Assets (Net)		5,94,138	8,48,138
(e) Long Term Loans and Advances	8	3,96,10,680	4,10,00,000
(d) Other Non-Current Assets			
<b>2 Current Assets</b>			
(a) Current Investments	9	2,26,892	2,18,039
(b) Inventories		-	-
(c) Trade Receivables	10	22,87,681	26,92,146
(d) Cash and Cash Equivalents	11	28,60,710	25,43,908
(e) Short Term Loans and Advances	12	2,02,72,015	1,85,61,249
(f) Other Current Assets		-	-
<b>TOTAL</b>		<b>6,66,22,590</b>	<b>6,60,39,712</b>

**Significant Accounting Policies**

The accompanying notes are an integral part of the Financial Statements

1-18

As per our report of even date

For SDG &amp; CO

Chartered Accountants

Firm Registration No.: 137864W

For and on behalf of the Board

( Y S Kanwar )

( Shailesh Patel )

Director

DIN: 02150704

Director

DIN: 02150718

(Tarun Prakash Dhandh )

Partner

Membership No.: 131057

Place: Mumbai

Date: 26th June, 2020

( Shrena K Shah )

Exe. Director and

CFO DIN :

07176766

## Web Element Solutions Limited

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piramal X Road , Goregaon West, Mumbai - 400 062

### Statement of Profit and Loss for the year ended 31st March, 2020

		(Amount in Rs.)	(Amount in Rs.)
	Notes	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>I Income</b>			
Revenue from Operations	13	1,50,10,197	1,41,43,336
Other Income	14	12,07,377	12,10,776
<b>Total Revenue</b>		<b>1,62,17,574</b>	<b>1,53,54,112</b>
<b>II Expenses</b>			
Purchases of Stock in Trade			
Changes in Inventories of Stock in Trade			
Employee Benefits Expense	15	71,80,950	77,60,829
Finance Costs	16	85,771	1,06,353
Depreciation	7	48,622	39,823
Other Expenses	17	79,53,122	56,84,348
<b>Total Expenses</b>		<b>1,52,68,465</b>	<b>1,35,91,353</b>
<b>III Profit/ (Loss) before tax (I - II)</b>		<b>9,49,110</b>	<b>17,62,759</b>
<b>IV Tax Expense</b>			
- Current Tax		1,49,933	3,39,154
- Deferred Tax		2,54,000	15,44,570
- Mat Credit Entitlement		(1,49,933)	(3,39,154)
- Adjustment of MAT of earlier year			
<b>V Profit/ (Loss) for the year (III - IV)</b>		<b>6,95,110</b>	<b>2,18,190</b>
<b>VI Earnings per Equity Share (of Rs. 10/- each) [Refer Note 23 (v)]</b>			
(1) Basic		<b>0.103</b>	<b>0.032</b>
(2) Diluted		<b>0.103</b>	<b>0.032</b>

Significant Accounting Policies 1-18

The accompanying notes are an integral part of the Financial Statements

As per our report of even date  
For SDG & CO  
Chartered Accountants  
Firm Registration No.: 137864W

For and on behalf of the Board

( Y S Kanwar ) (Shailesh Patel )

*Director* *Director*  
DIN: 02150704 DIN: 02150718

(Tarun Prakash Dhandh )  
Partner  
Membership No.: 131057

( Shrena K Shah)  
*Exe. Director and*  
*CFO* DIN : 07176766

Place: Mumbai  
Date: 26th June, 2020

**Statement of Cash Flows for the year ended 31st March, 2020**

	(Amount in Rs.)	
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Taxation	6,95,110	2,18,190
<b>Adjustments for:</b>		
+Depreciation	48,622	39,823
-Preliminary Expenses written off	-	-
-Sundry Balances written off/(back)		
-Loss on Sale of Investments		
-Investments written off		
-Interest Expense		
-Interest Income & Dividend	(12,06,486)	(12,10,776)
+Provision for Deferred Tax	2,54,000	15,44,570
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(9,03,864)</b>	<b>(2,08,754)</b>
		<b>3,73,616</b>
		<b>5,91,806</b>
<b>Adjustments for:</b>		
-Trade Receivables	4,04,465	8,47,037
-Inventories	-	-
- Short Term Loans and Advances	(17,10,766)	(15,71,444)
-Other Current & non-current assets	13,89,320	30,000
-Trade Payables & Other current liabilities	3,24,771	6,12,598
- Short Term Provisions	-	-
Short term Borrowings	(4,37,003)	33,284
<b>Cash generated/(used) in Operating Activities</b>	<b>(2,37,967)</b>	<b>5,43,282</b>
<b>Less:</b>		
-Income Tax paid	-	-
<b>Net Cash generated/(used) in Operating Activities</b>	<b>(2,37,967)</b>	<b>5,43,282</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
-Purchase of Fixed Assets		
-Sale of Investment		
-Earmarked Fixed Deposits against Overdraft Facility	(51,568)	(48,650)
Current Investment	(8,853)	(10,269)
Income from Current Investment		
Purchase of Fixed Assets	(6,42,865)	(14,143)
-Interest & Dividend Received	12,06,486	12,10,776
<b>Net Cash generated from Investing Activities</b>	<b>5,03,200</b>	<b>11,37,714</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
-Issue of Share Capital		
-Repayment of Loan		
-Proceeds from issue of Shares	-	-
-Proceeds from Securities Premium on issue of Shares	-	-
<b>Net Cash generated from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>2,65,233</b>	<b>16,80,996</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>17,76,133</b>	<b>95,137</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>20,41,366</b>	<b>17,76,133</b>

**Notes:**

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement notified by the Companies (Accounting Standard) Rules, 2006.

	2020	2019
2 Cash and Cash Equivalents include:		
- Cash in Hand	21,028	1,625
- With Schedule Banks:		
In Current Accounts	73,311	4,74,810
In Fixed Deposits Accounts (with maturity less than 12 months)	19,47,028	12,99,698
<b>Total Cash and Cash Equivalents</b>	<b>20,41,366</b>	<b>17,76,133</b>

3 Previous year's figures have been regrouped and/or rearranged wherever found necessary.  
This is the Cash Flow Statement referred to our report of even date

**As per our report of even date**  
**For SDG & CO**  
Chartered Accountants  
Firm Registration No.: 137864W

**For and on behalf of the Board**

( Y S Kanwar ) Director DIN: 02150704	(Shailesh Patel ) Director DIN: 02150718
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(Tarun Prakash Dhandh )  
Partner  
Membership No.: 131057

( Shrena K Shah )  
Exe. Director & CFO  
DIN : 07176766

Place: Mumbai  
Date: 26th June, 2020

## Web Element Solutions Limited

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piramal X Road , Goregaon West, Mumbai - 400 062

### Notes Forming Part of the Financial Statements for the year ended 31st March, 2020

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#### Note 1 : SIGNIFICANT ACCOUNTING POLICIES

##### a) Corporate Information:

The Company was incorporated as a private company in the state of Maharashtra on 16th May 2008 and was later converted into a Public company having CIN U72200MH2008PLC182320. It is a widely held public company. The company is listed on the SME-ITP platform of the BSE. The Company is having its registered & corporate office at 301, 3rd Floor, Corporate Arena, Aarey Piramal Cross Road, Goregaon , Mumbai-400062. The Company is basically engaged in consultancy and software except for the fact that during the year under reference the Company has not entered into any turnkey projects involving supply of hardware.

##### b) Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared on accrual basis and under historical cost convention method and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

As per MCA notification dated 16th February 2015, the companies whose shares are listed on BSE SME Platform as referred to in Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 are exempted from the compulsory requirements of adoption of IND-AS. As the Company is covered under exempted category from the compulsory adoption of IND AS, it has not adopted IND AS for preparation of financial statements.

##### c) Use of Estimate:

The preparation of financial statements require management to make estimates and assumptions that affects the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and reported amount of revenue and expenses during the year. Actual results could differ from those estimates. Any revision in the accounting estimate are recognised prospectively in the current and future periods.

##### d) Fixed Assets:

Fixed assets are recorded and stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises of the purchase price and other costs directly attributable to bringing the assets to its working condition for its intended use.

##### e) Depreciation:

Depreciation on Fixed Assets has been provided on Written Down Value method over the useful life of asset as specified in Schedule II of the Companies Act, 2013. Depreciation on addition / deduction is computed on pro-rata basis.

##### f) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value at interest rate specific to the asset and in case where the specific rate is not available at the weighted average cost of capital which is adjusted for country risk/currency risk.

#### Note 1: SIGNIFICANT ACCOUNTING POLICIES: (Contd.)

##### g) Investments:

Investments have been classified as long-term investments in accordance with the Accounting Standard 13, as notified by the Companies (Accounting Standards) Rules, 2006 (as amended). Long term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. Dividends are accounted for when the right to receive the payment is established.



## Web Element Solutions Limited

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piralal X Road , Goregaon West, Mumbai - 400 062

### Notes Forming Part of the Financial Statements for the year ended 31st March, 2020

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#### **h) Inventories:**

Inventories are carried at cost or net realizable value whichever is lower. Cost of inventories is generally ascertained on FIFO (First-In-First-Out) basis. The cost comprises of cost of purchase and other costs incurred in bringing the inventory to its present location and condition.

#### **i) Revenue Recognition:**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of services is recognised when a reasonable certainty as to its realisation exists.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head "Other Income" in the Statement of Profit and Loss.

#### **j) Taxes on Income:**

Tax expense comprises Current and Deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with Income-tax Act, 1961.

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 only to the extent that there is reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

#### **k) Earnings Per Share:**

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, 'Earnings Per Share'. Basic earnings per equity share is computed by dividing net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by adjusting net profit or loss and using the weighted average number of equity shares outstanding during the year for dilution.

#### **l) Employee Benefits:**

The amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

Post-employment benefits such as gratuity have not been provided for.

#### **Note 1: SIGNIFICANT ACCOUNTING POLICIES: (Contd.)**

#### **m) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are 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 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 recognised only when there is a possible obligation arising from past events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources of, or where reliable estimate cannot be made. Obligations are assessed on going concern basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities, if any, are not provided for in the financial statements but are separately shown by way of note. Contingent assets are neither recognised nor disclosed in the financial statements.

## Web Element Solutions Limited

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piramal X Road , Goregaon West, Mumbai - 400 062

### Notes Forming Part of the Financial Statements for the year ended 31st March, 2020

**Note 2**  
**SHARE CAPITAL**

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
<b>a) Authorised</b>		
1,00,00,000 (Previous year 1,00,00,000) Equity Shares of Rs. 10 each	10,00,00,000	10,00,00,000
	<b>10,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed &amp; Paid - up</b>		
67,75,100 (Previous year 67,75,100) Equity Shares of Rs. 10 each fully paid up in cash	6,77,51,000	6,77,51,000
	<b>6,77,51,000</b>	<b>6,77,51,000</b>

**b) Reconciliation of the Equity Shares**

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount (in Rs.)	Number	Amount (in Rs.)
At the beginning of the year	67,75,100	6,77,51,000	67,75,100	6,77,51,000
At the end of the year	67,75,100	6,77,51,000	67,75,100	6,77,51,000

- c) The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share.
- d) The shareholders have the right to declare and approve dividends, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than is recommended by the Board of Directors.
- e) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

**f) Details of Shareholders holding more than 5 % of the total shares issued by the Company**

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Nayan J. Shah	14,50,000	21.4	14,50,000	21.4
Vishal Vijay Shah	6,04,190	8.9	6,04,190	8.9
Next Orbit Venture Fund	5,00,000	7.38	5,00,000	7.38

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## Web Element Solutions Limited

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piramal X Road , Goregaon West, Mumbai - 400 062

### Notes Forming Part of the Financial Statements for the year ended 31st March, 2020

	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
<b>Note 3</b>			
<b>RESERVES &amp; SURPLUS</b>			
<b>Securities Premium Account</b>			
As per last Financial Statements	-	-	-
Add: Premium on Equity Shares issued during the year	-	-	-
<b>Surplus/ (Deficit) in the Statement of Profit and Loss</b>			
As per last Financial Statements	(65,48,798)	(67,66,988)	(64,69,781)
Add: Net Profit/(Loss) for the year as per Statement of Profit and Loss	6,95,110	2,18,190	(2,97,207)
	<b>(58,53,688)</b>	<b>(65,48,798)</b>	<b>(67,66,988)</b>
<b>Note 4</b>			
<b>Short Term Borrowings</b>			
<b>(Secured; Repayable on demand)</b>			
Overdraft facility from Bank of India (Secured against TDR of Rs 7,00,000/-)	6,06,260	6,10,863	5,66,529
<b>(Unsecured; Repayable on demand)</b>			
From Director	8,51,550	12,83,950	12,95,000
	<b>14,57,810</b>	<b>18,94,813</b>	<b>18,61,529</b>
<b>Note 5</b>			
<b>TRADE PAYABLES</b>			
Outstanding Dues to MSMEs	11,80,616	-	-
Outstanding Dues to Others	6,13,775	5,39,661	2,50,100
	<b>17,94,391</b>	<b>5,39,661</b>	<b>2,50,100</b>
<b>Note 6</b>			
<b>OTHER CURRENT LIABILITIES</b>			
<b>Other Payables</b>			
a) Statutory Dues	2,82,639	9,34,022	7,24,504
b) Advance from customer	1,66,762	1,78,159	1,35,750
c) Liabilities for Expenses	10,23,676	12,90,855	12,19,746
	<b>14,73,077</b>	<b>24,03,036</b>	<b>20,80,000</b>
<b>NOTE 8</b>			
<b>Long Term Loans &amp; Advances</b>			
Capital Advances	3,30,00,000	3,30,00,000	3,30,00,000
Security Deposits	66,10,680	80,00,000	80,30,000
	<b>3,96,10,680</b>	<b>4,10,00,000</b>	<b>4,10,30,000</b>

**Web Element Solutions Limited**

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piramal X Road , Goregaon West, Mumbai - 400 062

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2020**

	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
<b>Note 9</b>			
<b>CURRENT INVESTMENTS</b>			
In UTI Liquid Funds	2,26,892	2,18,039	2,07,770
	<b>2,26,892</b>	<b>2,18,039</b>	<b>2,07,770</b>
<b>Note 10</b>			
<b>TRADE RECEIVABLE</b>			
(Unsecured; Considered good)			
Debts Outstanding for a Period Exceeding six months	5,78,276	32,217	20,63,655
Other Debts	17,09,405	26,59,929	14,75,528
	<b>22,87,681</b>	<b>26,92,146</b>	<b>35,39,183</b>
<b>Note 11</b>			
<b>CASH &amp; CASH EQUIVALENTS</b>			
Balance with Banks in Current Accounts	73,311	12,19,481	7,99,282
Cash on Hand (As per books & as certified )	21,028	1,625	7,011
Fixed Deposits with Bank	27,66,371	13,22,802	7,969
	<b>28,60,710</b>	<b>25,43,908</b>	<b>8,14,262</b>
<b>Note 12</b>			
<b>SHORT -TERM LOANS &amp; ADVANCES</b>			
Demand Loans(Unsecured;Including interest)	1,75,01,300	1,62,41,600	1,45,94,052
GST Receivable	1,94,476	-	-
Advance Income Tax & TDS ( net of provisions)	18,59,733	19,06,302	23,25,082
MAT Credit Entitelemt	4,89,087	3,39,154	-
Other Advances	2,27,419	74,194	69,671
	<b>2,02,72,015</b>	<b>1,85,61,249</b>	<b>1,69,89,805</b>

**Web Element Solutions Limited**

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piramal X Road , Goregaon West, Mumbai - 400 062

**Notes Forming Part of the Financial Statements for the year ended 31st March, 2020**

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Note 13</b>		
<b>REVENUE FROM OPERATIONS (Gross)</b>		
Services Sales	1,50,10,197	1,41,43,336
	<b>1,50,10,197</b>	<b>1,41,43,336</b>
<b>Note 14</b>		
<b>OTHER INCOME</b>		
Dividend	8,853	10,269
Interest Received	11,97,388	12,00,507
Discount from Customers	1,136	-
	<b>12,07,377</b>	<b>12,10,776</b>
<b>Note 15</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salary & Wages	57,59,282	63,46,024
Remuneration to Directors	12,72,000	12,72,000
Contribution to Statutory Funds	1,49,668	1,42,805
	<b>71,80,950</b>	<b>77,60,829</b>
<b>Note 16</b>		
<b>Finance Cost</b>		
Interest on Bank OD	45,213	44,216
Interest Paid on Unsecured Loan	-	62,137
Interest on Service Tax Liability	40,558	-
	<b>85,771</b>	<b>1,06,353</b>
<b>Note 17</b>		
<b>OTHER EXPENSES</b>		
<b>Direct Expenses</b>		
Hosting & Registration Charges	35,77,490	28,27,810
Server Rent	-	-
	<b>35,77,490</b>	<b>28,27,810</b>
<b>Administrative &amp; Other Expenses</b>		
Statutory Audit Fees	1,00,000	75,000
Telephone and Internet Expenses	74,069	59,270
Travelling and Conveyance Expenses	48,405	45,740
Bank Charges	20,749	44,555
Power & Fuel	1,09,610	1,27,190
Professional Fees	23,36,350	12,81,138
Repair & Maintaince	33,809	54,820
Penalty & Interest on Statutory dues	-	56,867
Discount & Rebates	-	4,729
Office Rent	2,70,000	60,000
Rates & Taxes	5,000	4,050
MCA Filling Fees	10,200	15,000
Prior Year Items	-	-
Sundry Balances W/off	10,96,398	1,19,558
Director Sitting Fees	6,000	6,000
Comission Expenses	-	2,40,000
Service Tax	-	5,57,074
FOREX Difference	9,383	-
Other Interest	-	-
Miscellaneous Expenses	2,55,658	1,05,547
	<b>43,75,632</b>	<b>28,56,537</b>

## Web Element Solutions Limited

CIN : L72200MH2008PLC182320

Regd. Office: 301 Corporate Arena Off Aarey Piramal X Road , Goregaon West, Mumbai - 400 062

### Notes Forming Part of the Financial Statements for the year ended 31st March, 2020

**Note 7**  
**FIXED ASSETS**

Particulars	Gross Block (at Cost)			Accumulated Depreciation			Net Block	
	Cost as at 1st April, 2019	Additions during the Year	Total Cost as at 31st March, 2020	Up to 1st April, 2019	For the year	Up to 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
<b>Tangible Assets</b>								
Water Dispencer	7,760		7,760	7,372	-	7,372	388	388
Air Conditioner	1,79,366		1,79,366	1,62,136	4,461	1,66,597	12,769	17,230
Computer & Printer	26,62,105	1,87,200	28,49,305	25,67,372	17,561	25,84,933	2,64,372	94,733
Furniture & Fixtures	3,97,711	4,55,665	8,53,376	3,44,161	21,944	3,66,105	4,87,271	53,550
Office Equipments	89,621		89,621	79,289	4,656	83,945	5,675	10,331
<b>Total</b>	<b>33,36,563</b>	<b>6,42,865</b>	<b>39,79,428</b>	<b>31,60,331</b>	<b>48,622</b>	<b>32,08,953</b>	<b>7,70,475</b>	<b>1,76,232</b>
<b>Previous year</b>	<b>33,22,420</b>	<b>-</b>	<b>33,36,564</b>	<b>31,20,508</b>	<b>39,823</b>	<b>31,60,331</b>	<b>1,76,232</b>	<b>2,01,913</b>

## Web Element Solutions Limited

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### Notes Forming Part of the Financial Statements for the year ended 31st March, 2020

#### Note 18 : OTHER NOTES

##### i) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT, 2006)

In accordance with the Notification No GST 719 dated 16th November 2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small & Medium Enterprises as defined under the said Act. Based on the information/ documents available with the Company, disclosures required are as under:

Amount in Rs.

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	11,80,616	-
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
<b>Total (a) &amp; (b)</b>	<b>11,80,616</b>	<b>-</b>
c) The amount of interest paid along with the amounts of the payments made to the supplier beyond the appointed day	-	-
d) Amount of interest due and payable for the year	-	-
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

iv) Balances of trade receivables, payables and loans and advances are subject to reconciliation and confirmation from the parties. These balances are therefore, subject to adjustments, if any, as may be required on settlement of these balances with the parties.

##### v) Earnings Per Share

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit as per the Statement of Profit & Loss (in Rupees)	6,95,110	2,18,190
Weighted average number of shares having face value of Rs. 10 each	67,75,100	67,75,100
Basic and diluted earnings per share (in Rupees)	0.103	0.032

##### vi) Related Party Disclosure\*

###### Key Management Personnel and Relatives

Mr. Shailesh B Patel	- Director & KMP
Mr. Yadvendersingh Kanwar	- Director & KMP
Mr. Nayan J Shah	- Director & KMP
Mrs. Shrena K Shah	- Director & KMP
Mr. Aarti K Shah	Relative of KMP
M/s. Kirti R Shah & Stock Brokers Pvt Ltd	Company in Control of Relative of KMP
Mr. Sunil S Sharma	Independent Director
Mr. Kirankumar N Shukla	Independent Director
Mr. Samir Gajjar	Independent Director resigned w.e.f. 01st August, 2019
Mr. Vishal Mittal	Company Secretary

**Web Element Solutions Limited**

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**Notes Forming Part of the Financial Statements for the year ended 31st March, 2020**

**Note 18 : OTHER NOTES**

**Enterprise over which key management personnel are able to exercise significant influence**

M/s Kirti R Shah & Stock Brokers Pvt Ltd

Nature and volume of transactions during the year with the above related parties are as follows:

**Key Management Personnel and Relatives**

Particulars	Nature of Transactions	Volume of Transaction 2019-20	Outstanding as on 31st March, 2020	Volume of Transaction 2018-19	Outstanding as on 31st March, 2019
Shailesh B. Patel	Loan Outstanding at beginning	-	2,45,000	-	2,45,000
	Loan Outstanding at year end	-	2,95,000	-	2,45,000
	Director's Remuneration	2,40,000	32,500	2,40,000	55,000
Yadvendersingh Kanwar	Loan Outstanding at beginning	1,50,000		1,50,000	
	Loan Received during the year	1,50,000		85,000	
	Loan Refunded during the year	-		85,000	
	Loan Outstanding at year end	3,00,000	3,00,000		1,50,000
	Director's Remuneration	8,40,000	79,141	8,40,000	-
Nayan J Shah	Loan Outstanding at beginning	5,00,000		5,00,000	-
	Loan Received during the year	-		3,80,000	
	Loan Refunded during the year	5,00,000		3,80,000	
	Loan Outstanding at year end		-		5,00,000
	Re-imbursment of expenses			-	
	Outstanding at year end		5,858		5,858
Shrena K Shah	Loan Outstanding at beginning	3,88,950		4,00,000	-
	Loan Received during the year	7,17,770		6,28,950	
	Loan Refunded during the year	8,50,170		6,40,000	
	Loan Outstanding at year end		2,56,550		3,88,950
	Director's Remuneration	1,92,000		1,92,000	
	Outstanding at year end		24,500		43,000
Aarti K Shah	Amount of Rent Deposit at beginning	80,00,000		80,00,000	
	Amount of Rent Deposit at year end	66,10,680		80,00,000	
	Loan Outstanding at beginning	-			
	Loan Received during the year	-		15,62,137	
	Loan Refunded during the year	-		15,62,137	
	Loan Outstanding at year end		-		
	Office Rent Paid	2,43,000	1,52,000	60,000	
	Outstanding at year end		-		60,000
Mr. Sunil S Sharma	Director Sitting Fees	2,500	4,050	2,000	1,800
Mr. Kirankumar N Shukla	Director Sitting Fees	2,500	4,050	2,000	1,800
Mr. Samir Gajjar	Director Sitting Fees	1,000	2,700	2,000	1,800
Mr. Vishall Mittal	Salary	1,80,000	28,900	60,800	14,900
Kirti R. Shah & Stock Brokers Pvt. Ltd (Company in control of Relative of KMP)	Sales of Services	53,395	28,792	1,25,434	

\* As certified by the management and relied upon by auditors

vii) The Company operates in one segment and hence no separate disclosure of segment wise information has been made as per Accounting Standards (AS-17) Segment Reporting Issued by the Institute of Chartered Accountants of India.

viii) **Deferred Tax Asset (Net) Consists of :**

Particulars			Amount in Rs
Business Losses			3,55,149
Unabsorbed Depreciation			2,41,866
<b>Total</b>			<b>5,97,015</b>

	F Y 2018-19	F Y 2017-18
ix) Expenditure in Foreign Currency	5,40,795	8,38,385
x) Earnings in Foreign Currency	19,91,616	16,93,973
xi) Contingent Liability not acknowledged as debts	-	-



**Web Element Solutions Limited**

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**Notes Forming Part of the Financial Statements for the year ended 31st March, 2020**

<b>xii) Auditors Remuneration</b>		
As Statutory Audit Fees	90,000	75,000
Other Matters	50,000	

**xiii)** Balances of trade receivables, payables and loans and advances are subject to reconciliation and confirmation from the parties. These balances are therefore, subject to adjustments, if any, as may be required on settlement of these balances with the parties.

**xiv)** During the fag end of the year, outbreak of COVID-19 virus has led to a significant decline in the economic activities around the globe as well as in India. On 11 March 2020, COVID-19 outbreak was declared as a global pandemic by the World Health Organisation. The Company has evaluated impact of this pandemic on its business operations. Based on its review and nature of income of the Company, the management envisages no significant impact on operations of the Company.

**xv)** Previous year's figures have been rearranged and regrouped wherever considered necessary.

**The accompanying notes are an integral part of the Financial Statements**

As per our report of even date  
For SDG & CO  
Chartered Accountants  
Firm Registration No.: 137864W

For and on behalf of the Board

( Y S Kanwar )

(Shailesh Patel )

*Director*  
DIN: 02150704

*Director*  
DIN: 02150718

(Tarun Prakash Dhandh )  
Partner  
Membership No.: 131057

Place: Mumbai  
Date: 26th June, 2020

( Shrena K Shah )  
*Exe. Director and*  
*CFO* DIN :  
07176766