

M/S.PRIME WEB SERVICES PRIVATE LIMITED

PLOT NO. D1, SURVEY NO. 408/1, IT PARK HILL NO. 2
RUSHIKONDA, VISAKHAPATNAM-530003

**INCOME TAX FILINGS AND AUDIT REPORT FOR THE
ASSESSMENT YEAR: 2024-25**

AUDITORS

M/S.KRISHNA REDDY & CO.,

**6-3-634, GREEN CHANNEL APTS.,
KHAIRATHABAD, HYDERABAD-4
PHONES: 040-65590260, 9848426584**

NAME : **M/S. PRIME WEB SERVICES PRIVATE LIMITED**
ADDRESS : **Plot No. D1, Survey No. 408/1, IT Park, Hill No. 2, Rushikonda
Visakhapatnam, Andhra Pradesh 530003**
STATUS : **DOMESTIC COMPANY(08.07.2015)**
PAN : **AAICP2291H**
ASST.YEAR : **2024-25**
PRE.YEAR ENDED : **3/31/2024**

STATEMENT OF ASSESSABLE INCOME

INCOME FROM BUSINESS :

Net profit as per Profit & Loss Account	20,86,273
Interest on Income Tax debited to P&L Account	46,308
Add : Depreciation Considered seperately	6,42,468
	<hr/> 27,75,049
Less : Depreciation as per Income Tax Rules	3,01,845

NET TAXABLE INCOME **24,73,204**

COMPUTATION OF BOOK PROFIT U/S 115JB OF I.T.ACT.

Book profit as per Profit & Loss account	20,86,273
Add : Additions	NIL
	<hr/> 20,86,273
Less : Deductions	NIL
	<hr/> BOOK PROFIT U/S 115 JB 20,86,273

Tax Due as Normal Provisions	6,18,301
Tax Due as per 115JB	3,12,941
	<hr/>

Higher of the above (Tax as Per Normal Provisions)	6,18,301
Add: Surcharge	61,830
	<hr/> 6,80,131

Add : Education Cess	27,205
	<hr/> 7,07,336

Less:Prepaid Taxes		
Advance Tax & Self assesment	7,70,990	
TDSTCS	-	7,70,990
		<hr/> (63,654)

Interest U/s.234B	-	
Interest U/s.234C	-	-
Total Tax payable including interest		<hr/> (63,654)

PRIME WEB SERVICES PRIVATE LIMITED
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

PARTICULARS	Notes	3/31/2024	3/31/2023
I. Revenue From Operations	14	1,85,21,122	1,70,75,988
II. Other income		2,75,090	1,97,266
TOTAL(I + II)		1,87,96,212	1,72,73,254
<u>IV:EXPENDITURE</u>			
Employee Benefit Expenses	15	98,45,621	1,15,76,806
Financial Costs		4,50,000	2,57,533
Depreciation and Amortisation expenditure	9	6,42,468	8,05,660
Other Expenses	16	57,71,850	31,30,121
TOTAL		1,67,09,939	1,57,70,120
Profit/(Loss) during the Year (A-B)		20,86,273	15,03,135
Tax Expense:			
Current Tax		7,07,336	5,19,304
Income Tax of Earlier Years		27,568	
Deferred Tax		(85,728)	1,14,035
Net Profit after Provision for Taxation		14,37,097	8,69,796
Profit /(loss) of Previous years		28,76,664	20,06,868
Profit C/fd to Balance Sheet		43,13,761	28,76,664
Earning/(loss) per equity share (EPES):			
Basic	17	144	86.98
Diluted	17	144	86.98

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Krishna Reddy & Co.,

Chartered Accountants



R. Sreenivasulu

Partner

Place : Hyderabad

Date : 01-08-2024

UDIN: 24210611BKGDOV1278

for and on behalf of the Board of Directors of

Prime Web Services Private Limited.,

Handwritten signature of Anil Reddy Yerramreddy and Varalakshmi Yallanti. A blue circular stamp for Prime Web Services Private Limited. is visible behind the signatures.

Anil Reddy Yerramreddy

Director

DIN: 02309602

Varalakshmi Yallanti

Director

DIN: 07753817

PRIME WEB SERVICES PRIVATE LIMITED
BALANCE SHEET AS ON 31.03.2024

PARTICULARS	Notes	3/31/2024	3/31/2023
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	1,00,000	1,00,000
(b) Reserves and Surplus	4	43,13,761	28,76,664
		44,13,761	29,76,664
(3) Non-Current Liabilities			
(a) Long term borrowings		-	
(b) Deferred tax liabilities (Net)		15,826	1,01,554
		15,826	1,01,554
(4) Current Liabilities			
(a) Short-term borrowings	5	91,36,777	87,31,777
(b) Trade Payables			
Dues to micro and small enterprises		-	-
Dues to other than micro and small enterprises	6	46,10,059	2,21,001
(c) Other current liabilities	7	23,82,869	41,75,161
(d) Short-term provisions	8	7,07,336	5,19,304
		1,68,37,041	1,36,47,243
TOTAL : I		2,12,66,628	1,67,25,461
II ASSESTS			
(1) Non-current assests			
(a) Fixed assests			
(i) Tangible assets	9	16,06,699	22,49,167
(ii) Intangible assets	9	-	-
		16,06,699	22,49,167
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances:		-	-
		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Trade receivables	10	27,25,015	51,06,350
(c) Cash and cash equivalents	11	1,10,19,080	18,96,704
(d) Short-term loans and advances	12	30,66,293	37,97,217
(e) Other Current Assets	13	28,49,542	36,76,023
		1,96,59,929	1,44,76,294
TOTAL:II		2,12,66,628	1,67,25,461

Summary of significant accounting policies


2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Krishna Reddy & Co.,

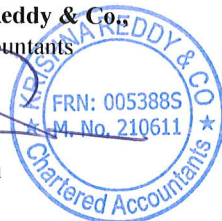
Chartered Accountants


R. Sreenivasulu
Partner

Place : Hyderabad

Date : 01-08-2024

UDIN: 24210611BKGDOV1278



for and on behalf of the Board of Directors of

Prime Web Services Private Limited.,



Anil Reddy Yerramreddy

Director

DIN: 02309602





Varalakshmi Yallanti

Director

DIN: 07753817

M/S. PRIME WEB SERVICES PRIVATE LIMITED
STATEMENT OF DEPRECIATION AS PER INCOME TAX RULES FOR THE YEAR ENDED : 31-03-2024

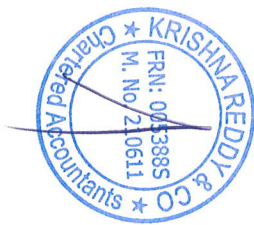
S.No.	Assets	WDV as on 01-04-2023	ADDITIONS		Deletion in the year	Total as on 3/31/2024	Rate of Dep. %	Depreciation	WDV as on 3/31/2024
			Before 30th Sep.	After 30 th Sep					
1	Laptops	77,318	-	-	-	77,318	40	30,927	46,391
2	Software	-	-	-	-	-	40	-	-
3	Furniture & Fixtures	-	-	-	-	-	10	-	-
4	Leasehold Improvements	27,09,184	-	-	-	27,09,184	10	2,70,918	24,38,266
	TOTAL	27,86,502	-	-	-	27,86,502		3,01,845	24,84,657



STATEMENT OF DEPRECIATION AND NET BLOCK FOR THE YEAR ENDED 31.03.2024

9 Tangible assets

S.No.	Description of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK					
		As on 31.03.2021	Additions	Deletions	Total As on 31.03.2022	As on 31.03.2022	Additions	Deletions	Total As on 31.03.2023	As on 31.03.2023	Additions	Deletions	Total As on 31.03.2024		
1	Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Laptops	4,96,290	-	-	4,96,290	63.16%	3,12,164	76,503	28,184	4,79,851	10,383	4,90,234	44,623	16,439	6,085
3	Leasehold Improvements	-	-	-	-	28.31%	30,10,204	7,77,476	7,77,476	14,09,581	6,32,085	14,09,581	22,32,728	22,32,728	16,00,453
	Total Tangible Assets	4,96,290	-	-	4,96,290		3,72,164	76,503	8,08,660	12,87,327	6,42,468	18,99,795	44,623	22,49,167	16,06,699
Intangible assets															
1	SOFTWARE	-	-	-	-	63.16%	-	-	-	-	-	-	-	-	-
	Total Intangible Assets	-	-	-	-		-	-	-	-	-	-	-	-	-
	Total Assets	4,96,290	-	-	4,96,290		3,72,164	76,503	8,08,660	12,87,327	6,42,468	18,99,795	44,623	22,49,167	16,06,699



Prime Web Services Private Limited
NOTES TO BALANCE SHEET

Notes	Description	As at	
		31 March 2024	31 March 2023
3	Share Capital : Authorised Share Capital (1,00,000 Equity Shares of Rs.10/- each, March 31, 2023: 1,00,000 Equity Shares)	10,00,000	10,00,000
	Issued, Subscribed & Paid up : (10,000 Equity Shares of Rs.10/- each, March 31, 2023: 10,000 Equity Shares of Rs.10/- each)	1,00,000	1,00,000
		1,00,000	1,00,000

Note:

During the period of five years immediately preceding the date as at which the Balance Sheet is prepared, the company has not

- (i) allotted any fully paidup equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) bought back any equity shares

a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting year

Equity Shares

	31-Mar-24		31-Mar-23	
	No	Amount	No	Amount
At the beginning of the year	10,000	1,00,000	10,000.00	1,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the Year	10,000	1,00,000	10,000.00	1,00,000

b) Terms/right attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	March 31, 2024		March 31, 2023	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Anil Reddy YERRAMREDDY	5,000	50.00%	5,000.00	50.00%
Sujai PATURU	5,000	50.00%	5,000.00	50.00%

Notes	Description	As at	
		31 March 2024	31 March 2023

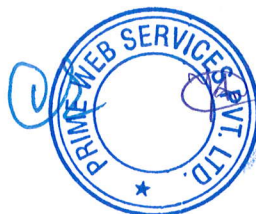
4 **Reserves and Surplus**
Profit & Loss A/c:



Opening Balance	28,76,664	20,06,868
Add: Profit during the year	14,37,097	8,69,796
	43,13,761	28,76,664

Current Liabilities

		As at	
		31 March 2024	31 March 2023
5	Short-term Borrowings:		
	Loan from related parties, unsecured	91,36,777	87,31,777
		91,36,777	87,31,777
		As at	
		31 March 2024	31 March 2023
6	Trade Payables:		
	Sundry Creditors	45,65,059	1,76,001
	Audit fee Payable	45,000	45,000
		46,10,059	2,21,001
		As at	
		31 March 2024	31 March 2023
7	Other Current Liabilities:		
	Statutory dues	5,61,646	81,777
	Other Payables	18,21,223	40,93,384
		23,82,869	41,75,161
		As at	
		31 March 2024	31 March 2023
	Short-term Provisions:		
8	Provision for Income Tax	7,07,336	5,19,304
		7,07,336	5,19,304
		As at	
		31 March 2024	31 March 2023
10	Trade Receivables		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Other receivables, unsecured considered good	27,25,015	51,06,350
	TOTAL	27,25,015	51,06,350



The amounts dues by:

Directors	-	-
Other officers of the company or any of them either severally or jointly with any other person	-	-
Firms or private companies respectively in which any director is a partner or a director or a member	27,25,015	51,06,350

		As at	
		31 March 2024	31 March 2023
11	Cash and Cash Equivalents		
	Balances with banks in current accounts	1,09,92,383	18,55,071
	Cash in Hand	26,697	41,633
	TOTAL	1,10,19,080	18,96,704

		As at	
		31 March 2024	31 March 2023
12	Short Term Loans and Advances		
	Loans & advances to related parties, unsecured considered good	29,02,534	26,77,534
	Loans & advances to others, unsecured considered good	-	10,64,308
	Loans to employees	1,08,384	-
	Security Deposits, secured considered good	55,375	55,375
	TOTAL	30,66,293.00	37,97,217

		As at	
		31 March 2024	31 March 2023
13	Other Current Assets		
	Advance Tax	7,70,990	6,92,894
	TDS	25,000	27,568
	Unbilled Revenue	3,71,975	25,75,196
	Dues from Tax Authorities	16,81,577	3,80,365
	TOTAL	28,49,542	36,76,023

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PRIME WEB SERVICES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2024 (continued)

18 Contingent Liabilities not acknowledged as debt

Particulars	As at 31 March 2024	As at 31 March 2023
Contingent Liabilities	NIL	NIL

19 Capital commitments and contingent liabilities*(to the extent not provided for)*

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-

20 CIF value of imports

Particulars	As at 31 March 2024	As at 31 March 2023
Capital goods	-	-

21 Expenditure in foreign currency

Particulars	As at 31 March 2024	As at 31 March 2023
Travel and tour expenses	-	-
Purchase of software	-	-

22 Earnings in foreign currency

Particulars	As at 31 March 2024	As at 31 March 2023
Income from export of: - - Software Consultancy Services & IT related Services	2,31,20,428	2,41,29,684
Total	2,31,20,428	2,41,29,684

23 Dues to Micro, Small and Medium Enterprise

The identification of micro, small and medium enterprise supplier as defined under the provisions of "Micro, Small and Medium Enterprises Development Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31st March 2024.



PRIME WEB SERVICES PRIVATE LIMITED

Notes to Financial Statements for the year ended 31 March 2024 (continued)

Dues to Micro, Small and Medium Enterprise (continued)

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

24 Balances of unsecured loans, creditors and loans & advances are subject to confirmation by the parties concerned.

25 Related Party Transactions**a) List of parties where control exists**

Subsidiaries: NIL

b) Other related parties

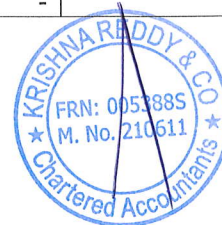
Anil Reddy Yerramreddy	-	Director
Varalakshmi Yallanti	-	Director
Mouri Tech Private Limited	-	Common Directors
Loukya Media Solutions Private Limited	-	Common Directors
APTLORE Technologies Private Limited	-	Common Directors
MOURI Tech LLC	-	Common Shareholders
SPSIN INFRA PROJECTS LLP	-	Relative of Director
Tadha Techno Services Private Limited	-	Relative of Director

Transactions with related parties

Name of the related party	Nature of Transaction	For the year ended 31 March 2024	For the year ended 31 March 2023
Loukya Media Solutions Private	Loan given	-	35,00,000



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PRIME WEB SERVICES PRIVATE LIMITED**Notes to Financial Statements for the year ended 31 March 2024 (continued)**



Limited			
APTLORE Technologies Private Limited	Loan taken	-	45,00,000
Varalakshmi Yallanti	Loan taken		15,00,000
MOURI Tech LLC	Sale of Services	1,85,21,122	1,70,75,988
SPSIN Infra Projects LLP	Loan taken	-	25,00,000
Loukya Media Solutions Private Limited	Interest Income	2,50,000	1,97,266
APTLORE Technologies Private Limited	Interest Expense	4,50,000	2,57,533
Tadha Techno Services Private Limited	Consulting Expenses	9,85,470	-
Tadha Techno Services Private Limited	Loan given	-	10,64,308
Loukya Media Solutions Private Limited	Consulting Expenses	41,76,906	-

Balances receivable/(payable)

Name of the related party	Nature	As at 31 March 2024	As at 31 March 2023
APTLORE Technologies Private Limited	Loan Payable	(51,36,777)	(47,31,777)
Varalakshmi Yallanti	Loan Payable	(15,00,000)	(15,00,000)
Loukya Media Solutions Private Limited	Loan Receivable	29,02,534	26,77,534
MOURI Tech LLC	Trade Receivables	27,25,015	51,06,350
Unbilled Revenue: MOURI Tech LLC	Unbilled Revenue	3,71,975	25,75,196
SPSIN Infra Projects LLP	Loan Payable	(25,00,000)	(25,00,000)
Loukya Media Solutions Private Limited	Trade Payables	(45,11,058)	-
Tadha Techno Services Private Limited	Loan receivable	-	10,64,308

26 Figures are rounded off to the nearest rupee.

As per our report of even date
For Krishna Reddy & Co.,
Chartered Accountants

R. Sreenivasulu
Partner
UDIN: 24210611BKGDOV1278
Place : Hyderabad
Date : 01/08/2024

for and on behalf of the Board of Directors of
Prime Web Services Private Limited.,




Anil Reddy Yerramreddy
Director
DIN:02309602
Varalakshmi Yallanti
Director
DIN: 07753817

INDEPENDENT AUDITORS' REPORT

To
The Members of Prime Web Services Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Prime Web Services Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the



Krishna Reddy & Co.,
Chartered Accountants

accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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.

The 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Krishna Reddy & Co.,
Chartered Accountants

- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The provisions of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company since

- (a) It is not a subsidiary or holding company of a public company;
- (b) Its paid-up capital and reserves and surplus are not more than Rs.1 Crores as at the balance sheet date;
- (c) Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and
- (d) Its turnover for the year is not more than Rs.10 Crores during the year.



Krishna Reddy & Co.,
Chartered Accountants

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014, as amended from time to time;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;
- (g) The Company being a private limited company, the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For Krishna Reddy & Co

Chartered Accountants

Firm Registration No.05388S


R. Sreenivasulu

Partner

Membership No. 210611

UDIN : 24210611BKGDOU2116

Place: Hyderabad

Date: 01/08/2024



FORM No . 3CA

(Vide rule 6G (1)(a) of Income-tax Rules, 1962)

AUDIT REPORT UNDER SECTION 44AB OF THE INCOME-TAX ACT,1961, IN A CASE WHERE THE ACCOUNTS OF THE BUSINESS OR PROFESSION OF A PERSON HAVE BEEN AUDITED UNDER ANY OTHER LAW

We report that the statutory audit of

(Mention name and of the assessee with permanent account number)

M/S.PRIME WEB SERVICES PRIVATE LIMITED
PLOT NO. D1, SURVEY NO. 408/1, IT PARK, HILL NO. 2, RUSHIKONDA
VISA KHAPATNAM, ANDHRA PRADESH 530003
Permanent Account Number: AAICP2291H

was conducted by us M/s KRISHNA REDDDY & Co, Chartered Accountants in pursuance of the provisions of the Income Tax Act and we annex here to a copy of along with a copy each of

- (a) the audited profit and loss account /income and expenditure account for the year ended on 31-03-2024.
 - (b) the audited balance sheet as at 31st March,2024; and
 - (c) documents declared by the said Act to be part of be part of, or annexed to, the profit and loss account
2. The statement of particulars required to be furnished under section 44AB is annexed here with in Form NO.3CD.
3. In our opinion and to the best of our information and according to explanations given to us, the particulars given in the said Form No. 3CD are true and correct.

**For KRISHNA REDDY & CO.,
Chartered Accountants
Firm Regn. No. 005388S**

**(R. SREENIVASULU)
Practising No. 210611**

Place: Hyderabad
Date : 01.08.2024

Name : KRISHNA REDDY & Co.,
Address: 6-3-634, GREEN CHANNEL APTS.,
KHAIRATHABAD, HYDERABAD,
PIN : 500004.

FORM NO : 3CD

(Vide Rule 6G(2) of
Income Tax Rules, 1962)

Statement of Particulars required to
be furnished under section 44 AB
of the Income tax Act, 1961

PART A

1. Name of the assessee : M/S.PRIME WEB SERVICES
PRIVATE LIMITED
2. Address : PLOT NO. D1, SURVEY NO. 408/1, IT PARK,
HILL NO. 2, RUSHIKONDA, VISAKHAPATNAM,
530003
3. Permanent Account Number : AAICP2291H
4. Whether assessee liable to pay Indirect Tax? If yes then details of registration with such authorities : Yes, Registered with GST
Registration No: 37AAICP2291H1Z7
5. Status : PVT COMPANY
6. Previous year ended : 31ST MARCH, 2024
7. Assessment year : 2024-25
8. Relevant Clause u/s 44AB under which audit has been conducted. : U/s 44AB (a)

PART B

9. (a) If firm or association of persons, indicate names of partners/members and their profit-sharing ratios : NA
- (b) If there is any change in the partners/members or their profit-sharing ratios since the last date of the preceding year the particulars of such Change. : NA
- 10 (a) Nature of business or profession : SOFTWARE DEVELOPERS
- (b) If there is any change in the nature of business or profession, the particulars of such change : No Change



11. (a) Whether books of account are prescribed under section 44AA, if yes , list of books so prescribed : YES
- (b) List of Books of account maintained and address at which books of accounts are kept. (in case books of account are maintained in a computer system , mention the books of account generated by such computer system, If books of accounts are not kept at one location, Please furnish the addresses of locations along with the details of books accounts maintained at each location) Cash Book, Bank book, Journal and Ledger
- © List of books of account and nature of relevant documents examined. : - do -
12. Whether the profit and loss account includes any profits and gains assessable on presumptive basis , if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB, Chapter XII-G, First Schedule or any other relevant section) : NIL
13. (a) Method of accounting employed in the previous year . Mercantile
- (b) Whether there had been any change in the method of accounting employed vis-à-vis the method employed in the immediately preceding previous year. No Change
- © If answer to (b) above is in the affirmative, give details of such change , and the effect thereof on the profit or loss. N.A.
- (d) Details of deviation if any in the method of Accounting employed in the previous year From accounting standards under section 145 And the effect there of on the profit or loss No Deviation
- 14(a) Method of valuation of closing stock employed in the previous year . N.A.
- (b) Details of deviation, if any from the method of valuation prescribed under section 145A, and the effect there of on the profit or loss. No Deviation



15. Give the following particulars of the capital assets converted into stock in trade:

- (a) Description of Capital Asset
- (b) Date of Acquisition
- (c) Cost of Acquisition
- (d) Amount at which asset is converted into stock in trade. N.A

16. Amounts not credited to the profit and loss account, being ,--

- (a) the items falling within the scope of section 28; NIL

- (b) the proforma credits, drawbacks, refunds of duty of customs or excise, or refunds of sales tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned; NIL

- © escalation claims accepted during the previous year ; NIL

- (d) any other item of income ; NIL

- (e) capital receipt, if any. NIL

17. Where any Land or building or both is transferred during the previous year for consideration less than value adopted or assessed or assessable by any authority of a State Government referred to in section 43CA or 50C, Please furnish: N.A

18. Particulars of depreciation allowable as per the income-tax Act,1961 in respect of each asset or block of assets, as the case may be, in the following form: -

- (a) Description of asset /block of assets.

- (b) Rate of depreciation.

- © Actual cost or written down value, as the case may be.

- (d) Additions/deduction during the year with

STATEMENT ENCLOSED
Annexure - I



dates; in the case of any addition of an asset, date put to use ; including adjustments on account of ---

- (i) Central Value Added Tax credit claimed and allowed under the central Excise Rules,1944, in respect of assets acquired on or after 1st March,1994,
- (ii) change in rate of exchange of currency, and
- (iii) subsidy or grant or reimbursement, by whatever name called.

(e) Depreciation allowable . : Rs. 3,01,845/-

(f) written down value at the end of the year . : Rs. 24,84,657/-

19. Amounts admissible under sections 33AB, 33ABA, 33AC, 35, 35ABB, 35AC, 35 CCA, 35CCB, 35D, 35DD, 35DDA, 35E:--

20(a). Any sum paid to an employee as bonus or commission for services rendered , where such sum was otherwise payable to him as profits or dividend .(section 36(I)(ii)) N.A.

(b) Details of Contributions received from employees for various funds as referred to in Section 36(1)(va)

21 (A). Please furnish the details of Amounts debited to the profit and loss account,being in the nature of capital ,personal, advertisement expenditure etc,

- (a) expenditure of capital nature ; NIL
- (b) expenditure of personal nature ; NIL
- © expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party ; NIL
- (d) expenditure incurred at clubs being entrance fee And subscriptions . NIL
- (e) expenditure incurred at clubs being cost for club Services and facilities used
- (f) expenditure by way of penalty or fine for violation of any law for the time being in



force ;	NIL
(g) Expenditure by way of any other penalty or fine not covered above	NIL
(h) Expenditure incurred for any purpose which is an offence or which is prohibited by law;	NIL
(B) Amounts inadmissible under section 40(a);	NIL
(i) As payment to Non-resident referred to in sub-clause (i)	
(a) Details of payment on which tax is not deducted:	
(i) Date of Payment	
(ii) Amount of Payment	NIL
(iii) Nature of payment	
(iv) Name & address of the payee	
(b) Details of payment on which tax has been deducted but has not been paid during the previous year or in the subsequent year before the expiry of time prescribed under section 200(1)	
(i) Date of Payment	
(ii) Amount of Payment	NIL
(iii) Nature of payment	
(iv) Name & address of the payee	
(v) Amount of Tax Deducted	
(ii) As payment referred to in sub-clause (ia)	
(a) Details of payment on which tax is not deducted :	NIL
(i) Date of Payment	
(ii) Amount of Payment	
(iii) Nature of payment	
(iv) Name & address of the payee	
(b) Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub-section (1) of section 139.	NIL
(i) Date of Payment	
(ii) Amount of Payment	
(iii) Nature of payment	
(iv) Name & address of the payee	
(v) Amount of tax deducted	
(vi) Amount out of (v) deposited, if any	
(III) Under sub-clause(ic)	NIL
(IV) Under sub-clause (iia)	NIL
(V) Under sub-clause(iib)	NIL
(VI) Under sub-clause(iii)	NIL
(i) Date of Payment	
(ii) Amount of Payment	



(iii) Name & address of the payee	
(VII) Under sub-clause(iv)	NIL
(VIII) Under sub-clause(v)	NIL
(C) Amounts debited to profit and loss account being, interest, salary, bonus , commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;	NIL
(D) Disallowance/deemed income under section 40A(3):	
(i) On the basis of the examination of books of accounts and other relevant documents/evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, Please furnish the details:	NIL
(ii) On the basis of the examination of books of account and other relevant documents/evidence, whether the payment referred to in section 40A(3A) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not Please furnish the details:	NIL
(E) Provision for payment of gratuity not allowable under section 40A(7);	NIL
(F) Any sum paid by the assessee as an employer not allowable under section 40A(9);	NIL
(G) Particulars of any liability of a contingent nature.	NIL
(H) Amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income;	NIL
(I) Amount inadmissible under the proviso to sec.36(1)(iii)	
22. Amount of interest inadmissible under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	
23. Particulars of payments made to persons specified under section 40A(2)(b):	NIL



24. Amounts deemed to be profits and gains under section 33AC or 33AB or 33ABA or 33AC : NIL

25. Any amount of profit chargeable to tax under section 41 and computation thereof:

26. In respect of any sum referred to in clause (a),(b), ©,(d),(e) or (f) of section 43B, the liability for which ,

(A) Pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was

(a) paid during the previous year ;

(b) not paid during the previous year ;

(B) Was incurred in the previous year and was

(a) paid on or before the due date for furnishing the return of income of the previous year under section 139(1);

(b) not paid on or before the aforesaid date.

NIL

*state whether sales tax ,good&service tax, customs duty , excise duty or any other indirect tax, levy, cess, impost .etc., is passed through the profit and loss account.

27. (a) Amount of Central Value Added Tax/ Input Tax Credit(ITC) availed of or utilized during the previous year and its treatment in the profit and loss account and treatment of outstanding Central Value Added Tax/Input Tax Credit(ITC) in Accounts.

NIL

(b) particulars of income or expenditure of prior period credited or debited to the profit and loss account .

NIL

28. Whether during the previous year the assessee has received any property, being share of a company not being a company in which the public are substantially interested without consideration or for inadequate consideration as referred to in section 56(2)(viiia).

If yes, please furnish the details of the same.

NIL



29. Whether during the previous year the assessee received any consideration for issue of shares which exceed fair market value of the shares as referred to in section 56(2)(viib).
If yes, please furnish the details of the same. NIL
- 29 A(a). Whether any Amount included as Income chargeable under the head 'Income from other sources' as referred to in clause (ix) of sub-section (2) of section 56
If yes please furnish the following Details NO
(i). Nature of Income
(ii). amount thereof
- 29 B(a). Whether any amount included as income Chargeable under the Head 'Income from other Sources' as referred to in clause (x) of sub-section (2) of section 56
If yes please furnish the following Details NO
30. Details of amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque.(section 69D) NIL
- 30 A(a). Whether primary adjustment to Transfer Price, as referred to in sub-section (1) of section 92CE, has been made during the previous year.
If Yes please furnish the following Details NO
- 30 B(a). Whether the assessee has incurred expenditure during the previous year by way of interest or of similar nature exceeding one crore rupees as referred to in sub-section (1) of section 94B
If Yes, Please furnish the following details: NO
- 30 C(a) Whether the assessee has entered into an impermissible Avoidance arrangement, as referred to in section 96, during the previous year. (This clause is applicable from 1st April,2019)
If yes, please furnish the following details: NO
31. (a)* particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year: - NIL



- (I) Name, address and permanent account number (if available with the assessee) of the lender or depositor;
- (ii) amount of loan or deposit taken or accepted;
- (iii) whether the loan or deposit was Squared up during the previous year;
- (iv) maximum amount outstanding in the account at any time during the previous year;
- (v) whether the loan or deposit was taken or accepted by a cheque or a bank draft or use of electronic clearing system through a bank account
- (vi) In case the loan or deposit was taken or accepted by cheque or a bank draft whether the same was taken are accepted by an account payee cheque or an account payee bank draft

31(b) Particulars of each specified sum in an amount exceeding the limit specified in sec 269SS taken or accepted during the previous year

NIL

- (i) Name of the person from whom specified Sum is received
- (ii) Address of the person from whom specified Sum is received
- (iii) Permanent account number
- (iv) Amount of specified sum taken or accepted
- (v) Whether Specified sum was taken or accepted By cheque or bank draft or use of electronic clearing System through a bank account

* Particulars at (a) & (b) need not be given in the case of a government company, a banking company or a corporation established by a Central, State or provincial Act.)

31 b (a) Particulars of each receipt in an amount exceeding the limit specified in section 269ST, aggregate from



a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion from a person, during the previous year, Where such receipt is otherwise than by a cheque Bank draft or use of electronic clearing system through a Bank account

- (i) Name of the payer
- (ii) Address of the payer
- (iii) Permanent Account Number
- (iv) Nature of transaction
- (v) Amount of receipt
- (vi) Date of receipt

31 b(b) Particulars of each receipt in an amount exceeding the limit specified in section 269ST, aggregate from a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion from a person, received by a cheque or a bank draft, not being an account payee cheque or an account payee bank draft, during the previous year

- (i) Name of the payer
- (ii) Address of the payer
- (iii) Permanent Account Number
- (iv) Amount of receipt

31 b (c) Particulars of each payment made in an amount exceeding the limit specified in section 269ST, in aggregate to a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion to a person, otherwise than by a cheque or bank draft or use of electronic clearing system through a bank account during the previous year

- (i) Name of the payee
- (ii) Address of the payee
- (iii) Permanent Account Number
- (iv) Nature of transaction
- (v) Amount of payment
- (vi) Date of payment

31b(d) Particulars of each payment in an amount exceeding the limit specified in section 269ST, in aggregate to a person in a day or in respect of a single transaction or in respect of transactions relating to one event or occasion to a person, made by cheque or bank draft, not



being an account payee cheque or an account payee bank draft,during the previous year

- (i) Name of the payee
- (ii) Address of the payee
- (iii) Permanent Account Number
- (iv) Amount of payment

*Particulars at (ba),(bb),(bc) and(bd) need not be given

In the case of receipt by or payment to a Government company, A banking company, a post office savings bank, a cooperative bank or in the case of transactions referred to in section 269SS or in the case of persons referred to in section Notification No. S.O.2065(E) dated 3rd July,2017

31.(C)Particulars of each repayment of loan or deposit

Or any specified advance in an amount exceeding the limit specified in section 269T made during the previous year:

- (i) Name of the payee
- (ii) Address of the payee
- (iii) Permanent Account Number
- (iv) Amount of repayment

31.(D)Particulars of repayment of loan or deposit or any

Specified advance in an amount exceeding the limit Limit specified 269T received otherwise than by A cheque or bank draft or use of electronic clearing system Through a bank account during the previous year:

- (i) Name of the payer
- (ii) Address of the payer
- (iii) Permanent Account Number
- (iv) Amount of repayment of loan or deposit or any specified Advance received otherwise than by a cheque or bank Draft or use of electronic clearing system through a bank Account during the previous year.

31.(E) Particulars of repayment of loan or deposit or any

Specified advance in an amount exceeding the limit Limit specified 269T received by a cheque or bank draft Which is not an account payee cheque or account payee Bank draft during the previous year:

- (i) Name of the payer
- (ii) Address of the payer
- (iii) Permanent Account Number
- (iv) Amount of repayment of loan or deposit or any specified Advance received otherwise than by a cheque or bank Draft or use of electronic clearing system through a bank Account during the previous year.



*Particulars at (c),(d) &(e) need not be given in the case of a
 Repayment of any loan or deposit or specified advance taken
 Or accepted from government, government company,
 Banking company or a corporation established by a central,
 State or provincial act .

32(a). Details of brought forward loss or depreciation allowance, in the following manner to the extent available:

Sl. No	Assesment Year	Nature of loss/ allowance	Amount as returned (in rupees)	Amount as assessed (give reference to relevant order) (in rupees)	Remarks
N I L					

(b) Whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section-79.”

NIL

(c) Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year,
 If yes, please furnish the details of the same.

NIL

(d) Whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year,
 If yes please furnish details of the same.

NIL

(e) In case of company, please state that whether the company is deemed to be carrying on a speculation business as referred in explanation to section 73.
 If yes, please furnish the details of speculation loss if incurred during the previous year.

NIL

33. Section-wise details of deductions, if any, admissible under chapter VI-A, or Chapter III (Section 10A, Section 10AA)

NO

34. (a) Whether the assessee has complied with the provisions of Chapter XVII-B regarding deduction of tax at source and



- regarding the payment thereof to credit of central government.[Yes/No] N.A
- (b) Whether the assessee has furnished the statement of tax deducted or tax collected within prescribed time.
If not, Please furnish the details: N.A
- © Whether the assessee is liable to pay interest under section 201(1A) or section 206C(7)?
If yes, please furnish: N.A
35. (a) In the case of trading concern, give quantitative details of principal items of goods traded :
- (I) Opening stock ;
(ii) Purchases during the previous year ,
(iii) Sales during the previous year , N.A.
(iv) Closing stock ;
(v) shortage /excess, if any.
- (b) In the case of a manufacturing concern ,give quantitative details of the principal items of raw materials, finished products and by-products : N.A.
- A. Raw materials ;
(i) Opening stock ;
(ii) Purchases during the previous year ,
(iii) consumption during the previous year ;
(iv) Sales during the previous year ,
(v) Closing stock ;
(vi) *yield of finished products ;
(vii) *percentage of yield ;
(viii) shortage /excess, if any.
- B. Finished products /By-products :
- (I) Opening stock ;
(ii) Purchases during the previous year , N.A.
(iii) quantity manufactures during the previous year ;
(iv) Sales during the previous year ,
(v) Closing stock ;
(vi) shortage /excess, if any.
36. In the case of a domestic company,



details of tax on distributed profits under section 115-o in the following form :--

N.A.

- (a) total amount of distributed profits ;
- (b) amount of reduction as referred to in section 115-o(1A)(i);
- © amount of reduction as referred to in section 115-o(1A)(ii)
- (d) Total tax paid thereon ;
- (e) Dates of payment with amounts.

36 A(a). whether the assessee has received any amount
In the nature of dividend has referred to in (e)
Of clause (22) of section 2.

NO

- (b). If yes , Please furnish the following details.
 - (i) Amount received
 - (ii) Date of receipt

37. Whether any cost audit was carried out,
If yes, give the details ,if any, of disqualification
or disagreement on any matter/item/value/quantity
as may be reported/identified by the cost auditor.

N.A

38. Whether any audit was conducted under the
Central Excise Act, 1944, if yes, give the details,
if any, of disqualification or disagreement on any
matter/item/value/quantity as may be
reported/identified by the auditor.

N.A

39. Whether any audit was conducted under section
72A of the Finance Act.1994 in relation to valuation
of taxable services has may be reported or identified
by the auditor?
if yes, give the details of any disqualification or
disagreement on any matter/item/value/quantity as
may be reported/identified by the auditor.

N.A

40. Details regarding turnover, Gross profit, etc., for the previous year and preceding previous year:

Sr. No.	Particulars	Previous year	Preceding prev. year
1.	Total Turnover of the assessee	1,87,96,212.00	1,72,73,254.00
2.	Gross profit/turnover		
3.	Net profit/turnover	11.10%	8.70%
4.	Stock in trade/turnover		
5.	Material Consumed/finished goods produced.		

(The details required to be furnished for principal items of goods traded or manufactured or services rendered)



41. Please furnish the details of demand raised or refund issued during the previous year under any tax laws other than Income tax Act, 1961 and Wealth tax Act, 1957 along with details of relevant proceedings.

42. (a) Whether the assessee is required to furnish statement in Form No.61 or Form No.61A or Form 61B?

NO

(b) If yes, please furnish:

43. (a) Whether the assessee or its parent entity or alternate reporting entity is liable to furnish the report as referred to in sub-section (2) of section 286?

NO

(b) If yes, please furnish:

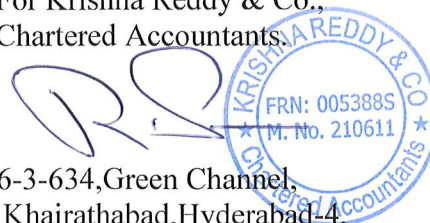
(c) If not due please enter Expected date of furnishing the report

44. Break-up of total expenditure of entities registered or not registered under the GST:

Sl. No.	Total amount of Expenditure incurred during the year	Expenditure in respect of entities registered under GST			Expenditure relating to entities not registered under GST	
		Relating to goods or services exempt from GST	Relating to entities falling under composition scheme	Relating to other registered entities	Total payment to registered entities	
(1)	(2)	(3)	(4)	(5)	(6)	(7)

NA

For Krishna Reddy & Co.,
Chartered Accountants.



Place : Hyderabad
Date : 01/08/2024

Address : 6-3-634, Green Channel,
Khairathabad, Hyderabad-4.

UDIN: 24210611BKGDOV1278

PRIME WEB SERVICES PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2024

1. Corporate Overview

Prime Web Services Private Limited (“the Company”) was incorporated on 08 July 2015 as a private limited company. The Company is primarily engaged in the business of providing software consultancy services.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Companies Act 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules 2014, other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Companies Act 2013 and other accounting principles generally accepted in India (GAAP) to the extent applicable. The financial statements are presented in Indian Rupees.

Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expense for the year. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.2 Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the company’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.



PRIME WEB SERVICES PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2024 (continued)

2. Significant accounting policies (continued)

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.3 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of fixed assets comprises the purchase price, taxes, duties, freight (net of rebates and discounts) and any other directly attributable costs of bringing the assets to their working condition for their intended use. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciation and amortization on fixed assets is provided using the written down value method over the useful lives of assets estimated by the management. The rates of depreciation and amortization prescribed in Schedule II to the Companies Act, 2013 are considered as minimum rates. If the management's estimate of the useful life of a tangible fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review, is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on tangible fixed assets has been provided at the rates based on the following useful lives of fixed assets as estimated by management

	<u>Years</u>
Computer equipment	3
Servers and Networks	6
Furniture and fixtures	10
Electrical fittings	10
Office equipment	5
Office Building	30
Motor Vehicles - 2 Wheelers	10
Motor Vehicles - 4 Wheelers	8
Plant & Machinery	15

Depreciation is calculated on a pro-rata basis from / up to the month the assets are purchased / sold. Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase. Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss. Fixed Assets at Leased Premises is depreciated on straight-line basis over the period of the lease or over the useful life as prescribed by Schedule II to the Companies Act, 2013 whichever is lower.

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PRIME WEB SERVICES PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2024 (continued)

2. Significant accounting policies (continued)

Intangible fixed assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at cost less accumulated depreciation and any accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific assets to which it relates.

Intangible assets are amortized in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable Accounting Standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life. The useful life of the intangibles (Computer software) has been estimated at 3 years.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

2.4 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any assets forming part of its cash generating units may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the reassessed recoverable amount subject to a maximum of depreciated historical cost.

2.5 Revenue recognition

Revenue from software development and Professional services is recognized when the amount of revenue and related cost can be reliably measured and it is probable that the collectability of the related receivables is reasonably assured

2.6 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions or average rate. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the year-end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss.



PRIME WEB SERVICES PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2024 (continued)

2. Significant accounting policies (continued)

2.7 Income taxes

Income tax expense comprises current tax and deferred tax.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or benefit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the year but reverse after the tax holiday period. The deferred tax charge or benefit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain to be realised.

The break-up of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) Credit entitlement

Minimum Alternate Tax (MAT) credit entitlement represents amounts paid in a year under Section 115 JAA of the Income Tax Act 1961 ('IT Act'), in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off against future tax payments for ten succeeding years in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT Credit Receivable", under "Long term loan and advances" in balance sheet with a corresponding credit to the Statement of Profit and Loss, as a separate line item. Such assets are reviewed as at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

2.8 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year and dilutive common equivalent shares outstanding during the period, except where the results would be anti-dilutive.

2.9 Provisions

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.



PRIME WEB SERVICES PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2024 (continued)

2. Significant accounting policies (continued)

Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Onerous contracts

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of a past event, based on a reliable estimate of such obligation.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines penalties, etc are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

2.10 Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

2.11 Leases

Assets taken on lease where the company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease.

For operating leases, lease payments (excluding cost for services and maintenance) are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. The lease term is the non- cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

2.12 Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible into cash with original maturities of three months or less. Cash and cash equivalents consist principally of cash and deposits with banks.

