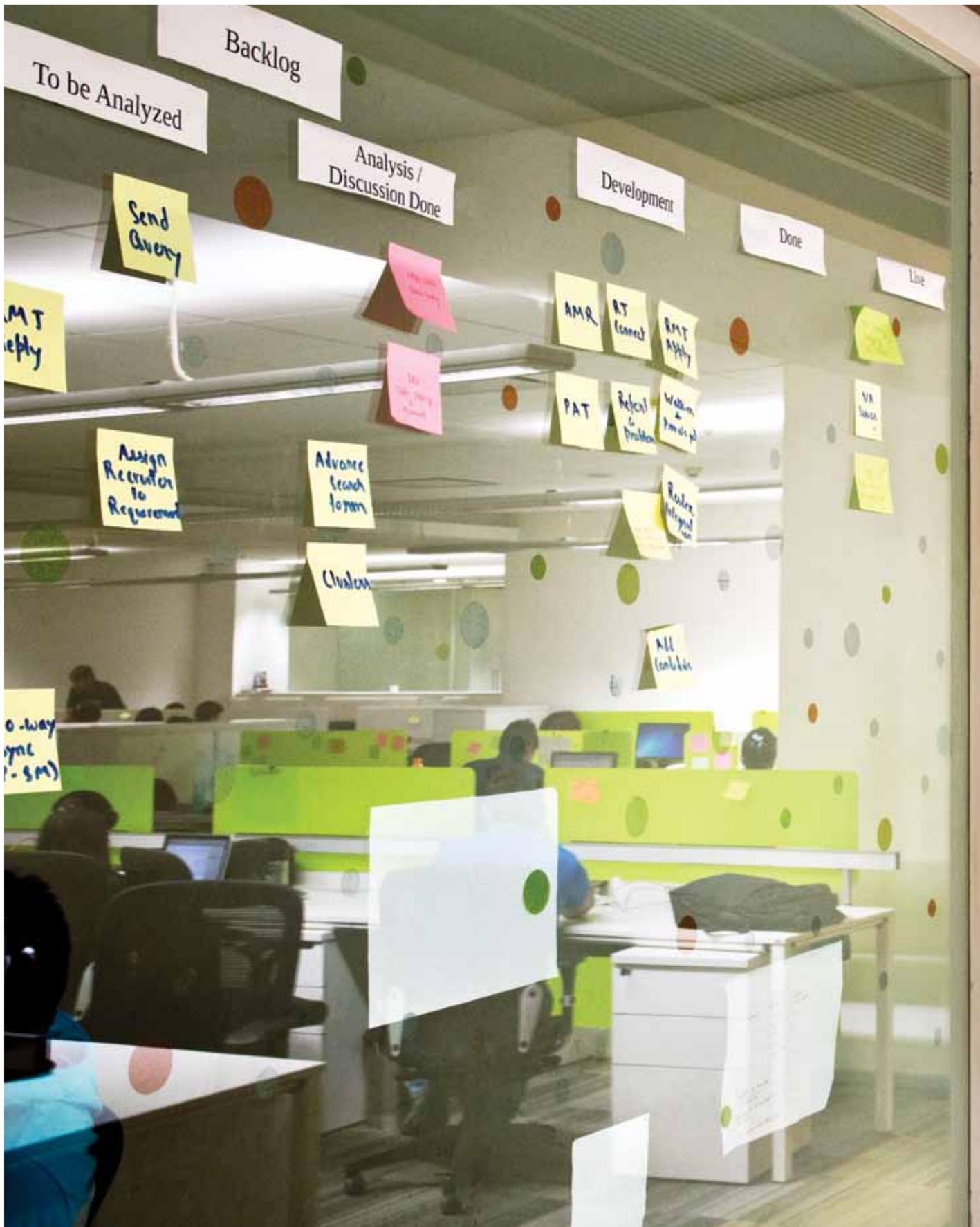




**POISED TO
TAKE OFF**



To be Analyzed

Backlog

Analysis / Discussion Done

Development

Done

Live

Send Query

AMT Reply

Assign Recruiter to Requirement

Advance Search form

Custom

2-way sync (S-M)

AMR

RT Connect

RMT Apply

PAT

Rechn & Problem

Walk-in & Personal

Reduce Integration

VA Search

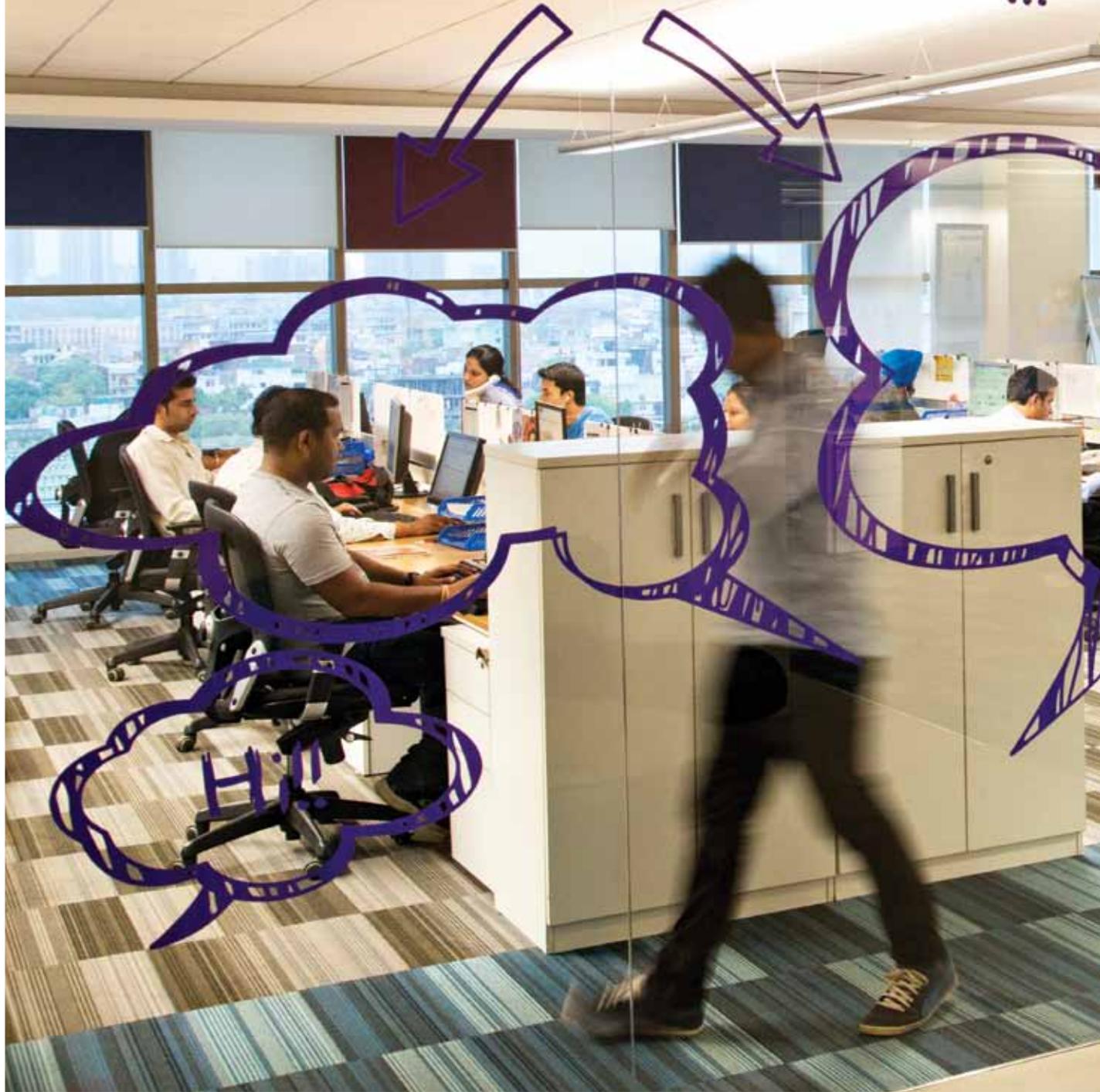
All Candidates



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write something here!!
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BOARD OF DIRECTORS

Mr. Kapil Kapoor	Non-Executive Chairman
Mr. Arun Duggal	Independent Director
Mr. Saurabh Srivastava	Independent Director
Ms. Bala Deshpande	Independent Director
Mr. Ashish Gupta	Independent Director
Mr. Naresh Gupta	Independent Director
Mr. Sanjeev Bikhchandani	Founder & Executive Vice-Chairman
Mr. Hitesh Oberoi	Managing Director & Chief Executive Officer
Mr. Ambarish Raghuvanshi	Director & Chief Financial Officer *

CHIEF FINANCIAL OFFICER

Mr. Chintan Thakkar (w.e.f. 1st June 2014)

COMPANY SECRETARY

Mr. Murlee Manohar Jain

AUDITORS

Price Waterhouse & Co., Bangalore, Chartered Accountants

BANKERS

ICICI Bank Limited • HDFC Bank Limited • State Bank of India • Punjab National Bank
HSBC Bank • Bank of Baroda • Oriental Bank of Commerce • Bank of India
State Bank of Hyderabad

REGISTERED OFFICE

GF-12A, 94, Meghdoot Building,
Nehru Place, New Delhi-110 019 India

CORPORATE OFFICE

B-8, Sector-132, Noida – 201 304
Uttar Pradesh, India

* Till 31st May 2014

“Not only has the Company displayed high levels of energy in achieving several important milestones but also developed an organisational DNA that is characterised by strengths in innovation, creativity and a strong culture of entrepreneurship”



CEO'S MESSAGE

Dear Shareholder,

In FY2015, Info Edge will enter its 20th year of operations. In its relatively short but eventful journey over two decades, not only has the Company displayed high levels of energy in achieving several important milestones but also developed an organisational DNA that is characterised by strengths in innovation, creativity and a strong culture of entrepreneurship. In the process, a start-up in a 'new age' industry has evolved into a leader and trendsetter in the electronically networked business space– an industry that is starting to come of age. From a business perspective, we have learnt to focus on creating more sustainable business strategies with the inherent experience of dealing with crests and troughs of economic cycles.

AS YOU ARE AWARE, OUR COMPANY CAN BE DISSECTED INTO THREE BROAD GROUPS OF BUSINESSES. First, there is the core recruitment business. The Company has achieved clear leadership in this segment in India and much of the cash generation is from here. Second, there is an internal portfolio of businesses dealing with online platforms for real estate, education and matrimony. These are still in the growth phase and yet to attain levels of self-sustenance. The performance of these businesses together is reflected in the stand alone financial results of the Company. The highlights of the results in FY2014 are:

- Revenues increased by 15.7% to ₹5,059 million
- Profit after tax increased by 26% to ₹1,285 million

These are creditable numbers at a time when the Indian economy grew by a paltry 4.9%. In fact, for the last 8 quarters beginning with Q1, FY2013, India has now grown by less than 5%. Naturally, this has affected both our recruitment and real estate businesses. However, we have managed to grow both the business over this period in terms of quarterly revenues. This is a reflection of our ability to garner greater shares of the classified market because of a general shift to more online activity and the greater acceptability of our offerings in the online space.

While the economic slowdown was a dampener, the growth in internet usage during the calendar year CY2013 was bright development. In fact, the internet user base grew 42% from 150 million at the end of 2012 to 213 million by the end of 2013. There has indeed been a rapid acceleration in internet usage. If one recalls, it had taken almost a decade to reach the first hundred million customers, while the second hundred million user base has been added in only 3 years. It is also very important to note that no longer does accessing the internet mean locating the nearest computer to do so. Much of the rapid growth in internet is attributable to the wide spread usage of tablets and mobile internet. Of the total user base, mobile internet users accounted for 130 million in CY2013, a growth of about 92% from 68 million in CY2012.

It is widely believed that CY2014 will be an inflection point for mobile internet usage in the country. Estimates suggest that by June 2014, there are already around 185 million mobile internet users and around 430 million internet capable handsets with Indian consumers. This growth is being driven primarily by improved regulation, increasing investments by operators in data, increasing consumer adoption and businesses embracing 'mobile' as a central piece of their strategy to engage customers.

While the opportunities are increasing for online companies, there is also a much larger challenge of creating products that are medium agnostic. In essence, this means that services have to meet customer expectations whether online access is through a 15 inch monitor and a large keypad or a small 4 inch mobile screen with small buttons of a phone. Thus, a lot of attention has to be paid to understand customer behaviour across mediums and deliver satisfaction through different products.

The investor community has also started taking note of the large value creation possible in this industry by incubating and developing ideas and businesses from scratch. In CY2013, US\$1.6 billion was invested into start-ups through 297 deals. Of these 297 deals, around 48 were related to the consumer web and around 44 were to do with e-commerce. Apart from these start up investments, there have been several deals for growth finance to existing businesses. Thus, the sector has now achieved a good standing with providers of organised finance. As a result, competition, too, is getting intense.

“In FY2014, revenue from recruitments grew by 9.8% and EBITDA margin was at 50.5% compared to 49% in FY2013”

With fast changing customer expectations and intense competition, internet based companies like Info Edge have to continuously invest to upgrade their existing offerings and develop new ones. This warrants a constant stream of internal investments. In the internet

business space the investments are not capital intensive but high on fixed costs that go into creating new products, having the right people to continuously innovate and in marketing and sales expenses to promote businesses and establish brands. These are now not only needed for growth but also to maintain one's competitive advantage. In my letter to you last year, I had already alluded to this development. In FY2014, we have had to strategically incur such expenses. Consequently, operating profit margins (EBITDA/Total Income) reduced from 40.1% in FY2013 to 37.8% in FY2014 for the stand-alone entity. Going forward, value will be created in this business space through higher growth and there will be some lag before achieving better operating leverage, however, operating margins will start to get squeezed. This is a common trend as industries start to attain a degree of maturity.

The developments in the independent businesses in our stand-alone portfolio are in line with our strategic intent.

The recruitment business recovered well in the second half of FY2014 and once the economy starts to look up, we are hopeful that Naukri will do even better next year. In FY2014, revenue from recruitments grew by 9.8% and EBITDA margin was at 50.5% compared to 49% in FY2013. On the operating side, we added an average of 11,000 fresh CVs in Naukri every day and the Naukri database grew to over 37 million CVs. The Naukri JobSpeak index was at 1,475 in March 2014 versus 1304 in March 2013. Through FY2014, we serviced 51,000 customers against 48,000 in FY2013. Traffic from the mobile platform increased substantially particularly in the second half, averaging around 25% for the last quarter. We expect this to continue to grow month-on-month.

THE ANDROID APP, WHICH WAS LAUNCHED IN OCTOBER 2013 HAS BEEN DOING WELL AND THE NUMBER OF DOWNLOADS CONTINUE TO INCREASE DAILY. The user engagement on the app is also healthy. A career site manager tool has been launched during FY2014 and received well in the market.

99Acres performed well in FY2014. Revenues increased by 47% to ₹760 million in FY2014. However, there was loss of ₹48 million at the EBITDA level. This loss is on account of continued investments in sales expansion, customer service, product, technology and brand, which are all accounted as revenue expenditure. The opportunities in terms of market size in the real estate segment are even more as the quantum of advertisements in real estate is several times larger than that in recruitments. We will continue to invest for the next few years in 99acres to maintain and improve our leadership position.

With revenues hitting ₹220 million, Shiksha is starting to get considerable traction and has created a large user base. It has successfully created a niche space for itself as a one stop solution for getting information on post school academic and career pursuits. We are working on creating products that can start monetising this effective service offering.

While revenues from Jeevansathi increased by 11% to ₹360 million in FY2014, in the market place it still remains number three. We have been adopting an analytics based approach to improve our strike rates of converting customers to paid ones and grow the business. This has delivered results but to move closer to the leaders, there is more that needs to be done and we are working on developing this product even further. The revised offerings should come on stream soon.

Across all our businesses, we are aware that our size and services need to be device and platform agnostic and accordingly we continue to invest aggressively in the mobile platform.

There is a third group of businesses, where Info Edge is an investor and plays a supervisory and supporting role to the existing set of entrepreneurs who manage the day to day operations. All the businesses are in a very early stage of development and offer good growth potential. These investee companies continue to witness solid growth – operating revenues increased by 76% to ₹1,907.43 million on FY2014. However, operating EBITDA losses have increased to ₹1,160.62 million in FY2014. These companies are in an incubation phase and this kind of Financial Performance is on expected lines as significant expenditures are incurred to develop the businesses and to achieve scale.

DURING THE YEAR, WE INVESTED A TOTAL OF ₹899 MILLION INTO THE EXISTING PORTFOLIO INVESTEE COMPANIES TAKING THE TOTAL INVESTMENTS TO ₹3,404 MILLION. Additional funding for investee companies would be required from time-to-time and we will evaluate each one on its own merit. PolicyBazaar (Etechaces) has raised ₹119 crore (around \$20 million) in funding from external sources in May 2014. Info Edge did not participate in this funding and its share has diluted to 23%. Mydala is also currently evaluating options and negotiating to raise funds. We continue to evaluate other growth oriented investment opportunities, mainly in the Indian internet market.

“The challenge is simple – one needs to know what the consumer prefers and deliver an online experience that satisfies this need”

Consequently, at the consolidated level, while net sales increased by 20% to ₹5,672 million in FY2014, PAT (after minority interest and share of associates) reduced by 2.1% to ₹897 million.

FY2014 has shown how India is becoming more and more online. We have always expected it but now the numbers are adding up. Info Edge has the advantage of being a relative old timer in this space with a certain amount of market leadership. We are going to leverage our experience and positioning to penetrate the market further. In some sense the challenge is simple – one needs to know what the consumer prefers and deliver an online experience that satisfies this need. While this sounds easy, it requires extensive efforts on continuously staying abreast with customer demand and upgrading products to service them. Much of our core business will focus on efficiently and effectively doing this.

From the external front, one expects a gradual recovery in the Indian economy, especially after a government with a comfortable majority has taken charge of central administration. With this pick up and the fast proliferation of the internet, we expect healthy growth in FY2015.

As you may be aware, Ambarish Raghuvanshi, who has been with us for the last 14 years, is stepping down as CFO to look for new career opportunities. I would like to wish him the very best for the future. We have already inducted Chinthan Thakkar to take over his functions.

Finally, I would like to take this opportunity to thank you for your continued support. Our business is well positioned for big-ticket growth. With the dedication of our employees and your encouragement, Info Edge is confident of delivering sustained value.

Regards
Hitesh Oberoi

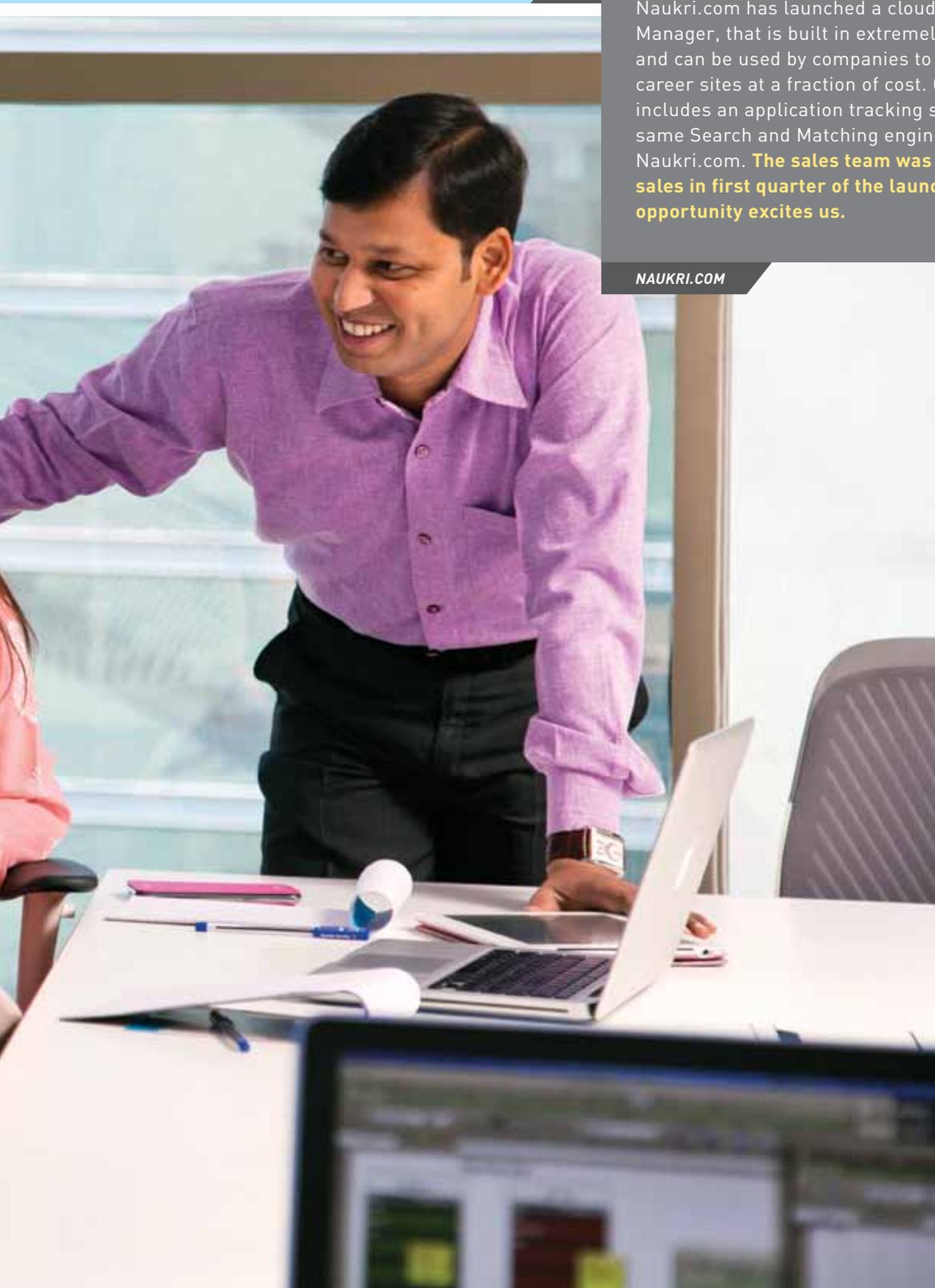
“Career Site Manager, that is built in extremely scalable fashion and can be used by companies to launch mobile ready career sites at a fraction of cost”



CAREER SITE MANAGER

Naukri.com has launched a cloud offering, Career Site Manager, that is built in extremely scalable fashion and can be used by companies to launch mobile ready career sites at a fraction of cost. Career Site Manager includes an application tracking system powered by same Search and Matching engine that runs Naukri.com. **The sales team was able to reach record sales in first quarter of the launch and size of the opportunity excites us.**

NAUKRI.COM



HIGHLIGHTS

FIVE YEAR PERFORMANCE: STAND ALONE

₹ Million

	FY2010	FY2011	FY2012	FY2013	FY2014	CAGR
NET SALES	2322	2936	3756	4349	5051	21.4 %
TOTAL INCOME	2642	3219	4165	4838	5491	20.0%
OPERATING EBITDA	666	981	1423	1474	1644	25.3%
OPERATING EBITDA MARGIN	28.7%	33.4%	37.9%	33.9%	32.5%	-
EBITDA	986	1260	1818	1939	2077	20.4%
EBITDA MARGIN	37.3%	39.1%	43.6%	40.1%	37.8%	-
PBT	887	1240	1737	1551	1876	20.5%
PAT	569	840	1226	1022*	1285	22.5%
EPS (₹)**	20.86	15.38	22.46	9.36	11.77	-
CASH & EQUIVALENTS (FD IN BANKS, INVESTMENT IN DEBT MF & FMP)	3746	4546	4818	4252	4782	6.2%
NET WORTH	3820	4630	5744	6654	7621	18.8%
HEAD COUNT (AT YEAR END)	1452	1768	2150	2464	3016	20.0%

* After exceptional item

** Bonus issue in ratio of 1:1 made in FY2011 and FY2013 respectively

FIVE YEAR PERFORMANCE: BUSINESS SEGMENTS

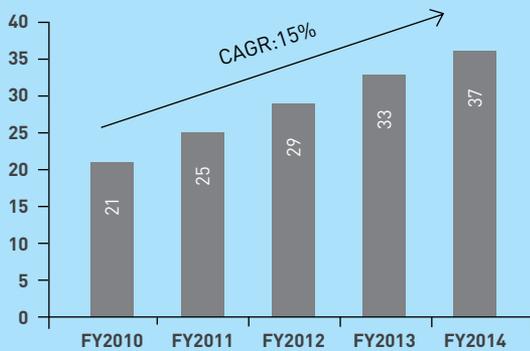
₹ Million

	FY2010	FY2011	FY2012	FY2013	FY2014	CAGR
NET SALES						
RECRUITMENT	1,954	2,425	3,042	3368	3713	17.4%
MATRIMONIAL	199	221	254	323	360	15.9%
REAL ESTATE	133	228	347	516	758	54.5%
VERTICAL PROFITS						
RECRUITMENT	803	1,098	1,550	1,658	1879	23.6%
MATRIMONIAL	(1)	(41)	(49)	(75)	(67)	NA
REAL ESTATE	(38)	4	1	(8)	(48)	NA

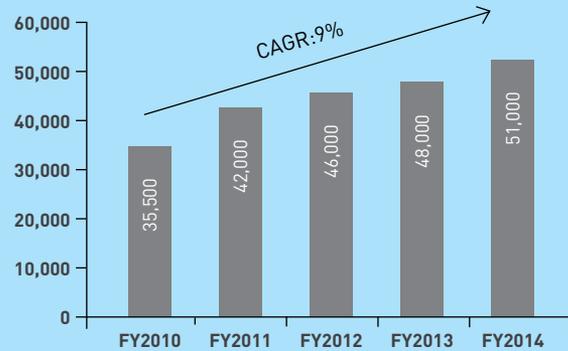
NAUKRI.COM

Naukri.com continues to get increased customer traffic and service utilisation

RESUMES (Nearest Mn)



NO. OF UNIQUE CUSTOMERS



99ACRE.COM

Poised to break out in usage and paid services

NO. OF LISTINGS



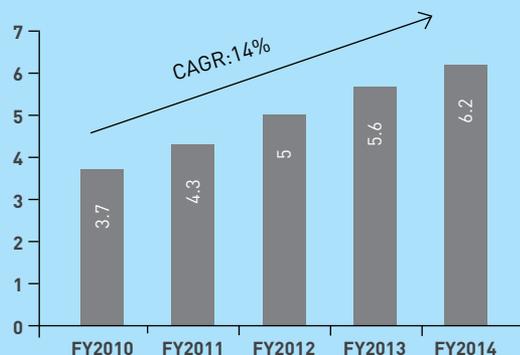
NO. OF PAID LISTINGS



JEEVANSATHI.COM

Focus on more targeted offering with greater per unit revenues

PROFILES EVER LOADED (mn)



AVERAGE AMOUNT REALISED PER CUSTOMER (₹)

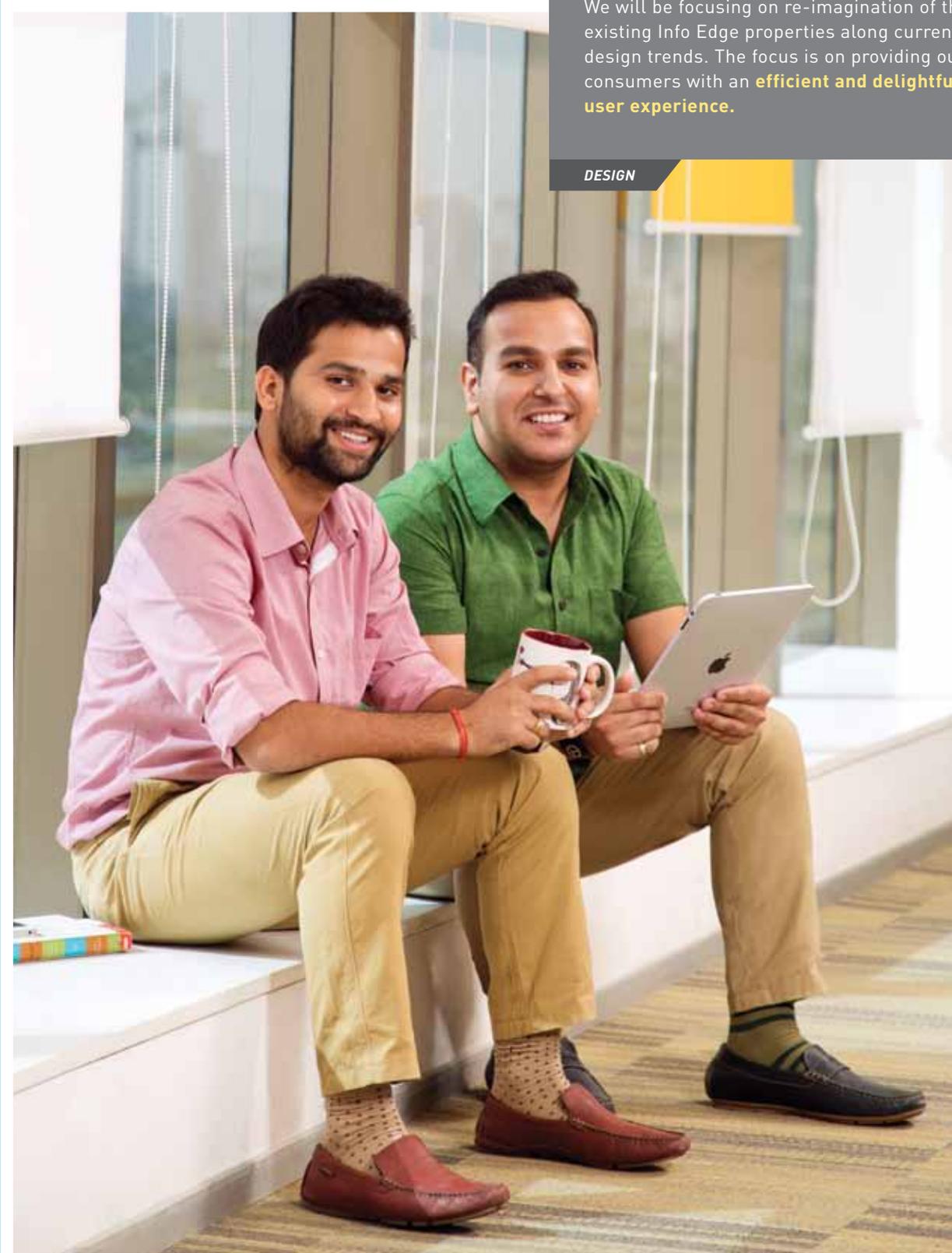


“The focus is on providing our consumers with an efficient and delightful user experience”

RE-IMAGINATION OF WEBSITES

We will be focusing on re-imagining of the existing Info Edge properties along current design trends. The focus is on providing our consumers with an **efficient and delightful user experience**.

DESIGN



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

INFO EDGE (ALSO REFERRED TO AS 'THE COMPANY') IS INDIA'S LEADING ONLINE CLASSIFIEDS COMPANY. As more and more people start to use the world-wide-web or the internet, the businesses based on this medium continue to get more complex and competitive. However, the key to success in this space remains the ability to attract as many people as possible to a particular website by developing online platforms that evolve into becoming the backbone of specific need based communities and operate on a "network effect".

With the advent of newer technologies and widespread penetration of communication channels like smartphones and tablet PCs in India, businesses in this space have to continuously reinvent themselves to provide the best user experience and continue to be the 'platform of choice' for certain online communities to interact and transact.

Starting with its core business in the recruitment space in India, Info Edge today has evolved into a Company with a bouquet of offerings including online real estate, matrimony and education. In addition it has also invested into subsidiaries and associate companies that provide a much wider gamut of services. Apart from their internal ability to generate revenues, all these businesses are affected by the general prevailing socio-economic condition and the state of internet in country.

BUSINESS ENVIRONMENT

The Indian Economy

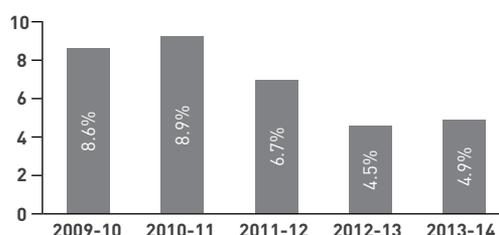
FY2014 highlights the uniqueness of the positioning of new-age businesses like Info Edge in India. While the macro-economic conditions were not too favourable, there were several positive developments in the digital space that will define the course of business for companies in this space in the coming years.

India had entered FY2014 with a weak economy suffering from various structural weaknesses. As was expected, the recovery is taking time and economic conditions remained subdued in FY2014. Real GDP growth is estimated at 4.9% (see **CHART A**) for FY2014, with industrial growth slipping to a paltry 0.7% and manufacturing actually contracting by 0.2%.

The services sector, which was the principal driver of growth in India with growth rates over 9% before FY2012 remained at relatively lower levels of 6.9% in FY2014.

Even the structure of growth was worrisome. Incremental Gross Fixed Capital Formation (GFCF) at market price, which is an indicator for real capital investments in fixed assets that augment

CHART A REAL GDP GROWTH, INDIA



Source: MOSPI, Government of India

the productive capacity of any economy for future growth, has also reduced to a mere 0.2% in FY2014. From a growth perspective, the only silver lining has been the strong 4.6% growth in agriculture.

While negative sentiments prevailed for most of FY2014, there were some positive signals in the last quarter. For one, headline producer price inflation in terms of the Wholesale Price Index (WPI) moderated to 5.9% in March 2014. For another, driven mainly by a reduction in imports, India's trade deficit reduced by 29% to US\$180 billion in April 2013-February 2014 compared to the corresponding period in the previous year. Consequently, the current account deficit as a ratio to GDP has narrowed significantly. In addition, since September 2013 there has been a surge in foreign capital inflows into India, and India's foreign exchange reserves reached US\$ 298.6 billion by the end of March 2014, which was an accretion of US\$ 23.1 billion over end-August 2013.

These developments, along with the likelihood of a new central government with a decisive mandate coming to power in India, there are high expectations of an economic turnaround in FY2015. While the sentiment and signals are in the right directions, it is probably too early to make a call as to whether the nation is definitely getting back to a higher growth path

The Digital Space

According to a report released by the Internet and Mobile Association of India (IAMAI) and IMRB International, the number of internet users in the country increased from 137 million in June 2012 and crossed the 200 million mark, reaching 205 million claimed users in October 2013. **CHART B** plots the growth in internet users in India.

Today, India remains the third largest Internet user-base in the world and is fast catching up

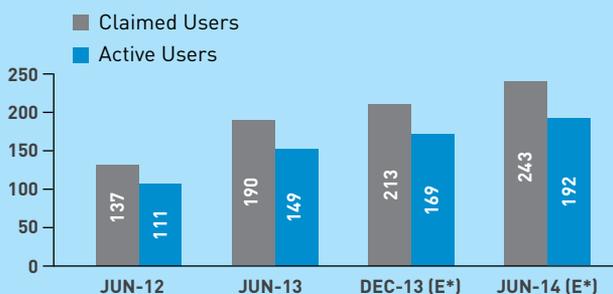
with second placed US. China remains at the helm with 300 million users. If the present growth trend continues, India will become the second largest by the end of 2014.

“Half of the mobile users in India are younger than 25 years whose propensity to use new technology is much higher”

It is important to note that in the last few years, there has been a very strong growth in mobile based internet usage. According to the IAMAI and IMRB report, there were 110 million mobile Internet users in October 2013, of whom 25 million were from rural areas. The total number of mobile Internet users was estimated to have reached 130 million by the end of December 2013, with rural users hitting 27 million. A report by AC Nielsen suggests that around 81% of India's population today uses mobile phones while 10% use smartphones and 9% multimedia phones. Thus, the potential for growth in this segment is immense. Add to this, the fact that almost half of the mobile users in India are younger than 25 years whose propensity to use new technology is much higher. **CHART C** shows the progress in mobile internet in India.

The other related development that will impact the way internet based companies design their products is the growing use of more sophisticated hand held devices. Tablet sales, for example, have grown from 0.36 million to 1.9 million in the last 3 years and by December 2013, around 3% of India's population owned a tablet. And, this number is expected to rise. People who use tablets are also more extensive users of the digital medium. Estimates suggest that 51% of tablet owners use their devices for more than 2 hours a day. Consequently, the type of experience they require is very different from pure PC users or mobile internet users.

CHART B INTERNET USERS IN INDIA



Source: IAMAI & IMRB International, E is estimate

CHART C MOBILE INTERNET USERS IN INDIA



Source: IAMAI & IMRB International, E is estimate

“The new and updated apps for Naukri, 99acres and Jeevansathi help customers stay on track with their search and discovery processes”

MOBILE ENGINEERING

The new and updated apps for Naukri, 99acres and Jeevansathi help customers stay on track with their search and discovery processes. The backend APIs and services infrastructure has been re-architected and most of the main components have been simplified and built to support the velocity of **launching new features for diverse devices and platforms.**

TECHNOLOGY



“We have made significant progress in understanding the textual content of jobs and resumes”

ANALYTICS

Jobseekers expect us to show relevant jobs and recruiters expect us to show relevant resumes. We have made significant progress in understanding the textual content of jobs and resumes. We acquired Makesense technologies last year which has **helped us both in search and recommendations we provide to jobseekers.**



These developments suggest that the scope in the digital space is expanding rapidly with more and more Indians getting online. Importantly, the online experience is also now divided amongst PC laptop users, mobile users and tablet users – each with their own specific requirements in terms of user experience given the nature of their connectivity and screen sizes.

This growing trend in the digital media has caught the attention of advertisers as well. Although print and television (TV) advertising continues to remain dominant with 43.8% and 38.5% shares respectively of total advertisement spent in FY2014, it is the advertisement spends on digital media that is growing at the fastest pace in the last few years. In fact, between FY2011 and FY2014, the compounded annual growth rate (CAGR) in advertisement spends in the digital space was 31.4%, compared to total advertisement spends growing in the same period at a CAGR of 13.7% (see [TABLE 1](#)).

These trends suggest that even in a sluggish economic environment, the digital space has flourished in India. It is a new medium that is fast gathering a certain scale of customer base

that can propel to exponential growth. While the opportunities for businesses to prosper in this business segment are immense, it is important to emphasise a caveat. Like any rapidly growing segment, the digital space in India is attracting large investments. Hence, competition is becoming more and more intense. And, companies in this field have to deal with fast changing technologies and the continuous expectation of customers for a better experience. Gathering and maintaining a critical mass of customers regularly is the only way to survive and grow. This means that even leaders like Info Edge have to continuously work on understanding customer requirements and

TABLE 1 ADVERTISEMENT REVENUES IN INDIA (₹ Billion)

	2011	2011	2013	2014	CAGR
Print	139	139	172	193	11.6%
TV	116	116	148	170	13.6%
Out of Home	18	18	22	24	10.1%
Digital	15	15	26	34	31.4%
Radio	12	12	16	20	18.6%
TOTAL	300	300	384	441	13.7%

modifying offerings to provide 'best in class' experiences and stay ahead of the curve in terms of competition. While this certainly requires focus, it also requires regular investments in innovation, technology, people and marketing. Thus, while the industry is expected to grow in a healthy manner in the next phase, the margins in terms of profitability is expected to be lower than the initial phase.

FINANCIAL REVIEW

The financial performance of the Company reflects its position in the industry. Being an industry leader with its core business of recruitments, the Company has grown its revenues contributing to higher profits. However, the operating margins have reduced as there have been investments to continuously maintain the quality of its offerings. This is reflected in higher people costs and other costs as a ratio to sales. It must be noted that this reduction in margin is by strategic design and the continuous internal investments are the need of the hour.

TABLE 2 gives the abridged profit and loss statement for Info Edge for FY2014.

The revenues sources for the stand-alone business are detailed below:

■ **RECRUITMENT SOLUTIONS** through its career web site- naukri.com, naukrigulf.com and firstnaukri.com. Revenue is generated in the form of subscription fees, which is largely recognised pro-rata over the subscription or advertising agreement, usually ranging between one to twelve months.

■ **THE MATRIMONIAL WEBSITE, JEEVANSATHI.COM, AND REAL ESTATE WEBSITE, 99ACRES.COM.** Revenue is received in the form of subscription fees, which is primarily recognised over the period of subscription, usually ranging between one to twelve months.

■ **THE PLACEMENT SEARCH DIVISION, Quadrangle.** Revenue is received in the form of fees, for placements at various levels in a client's organisation. Revenue is recognised on the successful completion of the search and selection activity.

TABLE 2 ABRIDGED PROFIT AND LOSS STATEMENT (₹ MILLION)

PARTICULARS	STANDALONE		CONSOLIDATED	
	FY2014	FY2013	FY2014	FY2013
1. Net Sales	5051.35	4349.00	5662.62	4699.52
2A. Other Operating Income	7.39	23.58	9.62	23.69
2B. Other Income	432.45	464.94	501.89	475.27
3. Total Income	5491.19	4,837.52	6174.13	5,198.48
a) Network and other charges	160.22	139.4	210.47	163.96
b) Employees Cost	1965.5	1661.86	2653.38	1,983.32
c) Advertising and Promotion Cost	662.48	576.5	861.3	750.34
d) Depreciation/Amortization	173.7	94.46	211.59	117.8
e) Other Expenditure	626.40	520.58	1009.53	642.47
4. Total Expenditure	3588.30	2992.80	4946.27	3657.89
5. EBITDA(3-4+d)	2076.59	1939.18	1439.45	1658.39
6. Interest	1.00	0.95	1.00	0.95
7. Profit from Ordinary Activities before tax and exceptional items (3-4-6)	1901.89	1,843.77	1226.86	1,539.64
8. Exceptional Item	26.01	292.87	26.01	236.92
9. Net Profit from Ordinary Activities before tax	1875.88	1,550.90	1200.85	1,302.72
10. Tax Expense	590.94	528.44	591.00	528.51
11. Net Profit from Ordinary Activities after tax	1284.94	1,022.46	609.85	774.21
12. Extraordinary Item (net of tax expense)	-	-	-	-
13. Net Profit after tax	1284.94	1,022.46	609.85	774.21
14. Share in loss of Associate Companies	-	-	-5.03	-15.12
15. Share of Minority Interest in the losses of Subsidiaries	-	-	291.83	152.52
16. Reversal of Associate into subsidiary	-	-	-	4.33
17. Net Profit for the year	1284.94	1022.46	896.65	915.94

BOX 1 PERFORMANCE HIGHLIGHTS (STANDALONE)

- **NET OPERATING INCOME INCREASED** by 16.1% from ₹4,349 million in FY2013 to ₹5,051.35 million in FY2014
- **TOTAL INCOME INCREASED** by 13.5% to ₹5,491.19 million in FY2014.
- **EARNINGS BEFORE DEPRECIATION, INTEREST, TAX AND AMORTISATION (EBITDA) INCREASED** by 7% from ₹1,939.18 million in FY2013 to 2,076.59 million in FY2014.
- **PROFIT BEFORE TAX (PBT) FROM ORDINARY ACTIVITIES INCREASED** by 21% to ₹1,875.88 million in FY2014. There were lower exceptional items compared to last year accounting for much of the increase.
- **PROFIT AFTER TAX (PAT) INCREASED** by 25.7% to ₹1,284.94 million in FY2014.
- **BASIC (AND DILUTED) EARNINGS PER SHARE (EPS) INCREASED** from ₹9.36 in FY2013 to ₹11.77 in FY2014

BOX 2 PERFORMANCE HIGHLIGHTS (CONSOLIDATED)

- **NET SALES INCREASED** by 20.5% from ₹4,699.52 million in FY2013 to ₹5,662.62 million in FY2014.
- **TOTAL INCOME INCREASED** by 18.8% to ₹6,174.13 in FY2014.
- **EARNINGS BEFORE DEPRECIATION, INTEREST, TAX AND AMORTISATION (EBITDA) reduced** by 13.2% from ₹1,658.39 million in FY2013 to ₹1,439.45 million in FY2014.
- **PROFIT BEFORE TAX (PBT) ITEMS DECREASED** by 7.8% to ₹1,200.85 million in FY2014.
- **NET PROFIT AFTER TAX (PAT, AFTER MINORITY INTEREST AND SHARE OF ASSOCIATES) DECREASED** by 2.1% to ₹896.65 million in FY2014.
- **BASIC (AND DILUTED EARNINGS) PER SHARE (EPS), was** ₹8.21 in FY2014.

For these businesses, the unaccrued amounts are substantially not recognised as revenue till all the obligations are fulfilled. In the interregnum, these are reflected as deferred sales revenue in the balance sheet. The deferred sales revenue increased from ₹1,212.19 million as on 31st March 2013 to ₹1,395.03 million as on 31st March 2014, reflecting healthier revenue growth in the subsequent years.

In addition revenues are generated from the following sources:

- **REAL ESTATE BROKING DIVISION.** Commission income on property bookings placed with builders or developers is accrued once the related services have been rendered by the Company/ payments have been made by the buyer to the builder.
- **RÉSUMÉ SALES SERVICE.** The revenues is earned in the form of fees, and recognised on completion of the related service.

BOX 1 lists the performance highlights of Info Edge, the stand-alone entity.

The Company continued to generate healthy cash returns. Cash flow from operations increased by 36.4% from ₹1,002.94 million in FY2013 to ₹1,368.27 million in FY2014. Some of this is accumulated in the Company's cash reserves under current

TABLE 3 FINANCIAL PERFORMANCE OF INVESTEE COMPANIES

Investee Company Financials

As of march 31,2014

INVESTEE COMPANY	WEBSITE
Partly owned subsidiary	
Zomato Media Pvt. Ltd.	www.zomato.com
Applect Learning Systrms Pvt. Ltd.	www.meritnation.com
Associate	
Etachaces Marketing and Consulting Pvt Ltd.	www.policybazaar.com
Kinobeo Software Pvt Ltd.	www.mydala.com
Canvera Digital Technologies Pvt Ltd.	www.canvera.com
Happily Unmarried Marketing Pvt Ltd	www.happilyunmarried.com
TOTAL	
Wholly owned subsidiary	
Allcheckdeals India Pvt. Ltd.	www.allcheckdeals.com

investments and cash and bank balances. These reserves are essentially Info Edge's war chest to take on any adverse condition. It increased by 20.95% from ₹4002.99 million in FY2013 to ₹4,841.77 million in FY2014. Another portion is invested into subsidiaries and associate companies that are developing a specific line of business. These businesses have their unique positioning and value proposition. These are usually conceived and developed by a group of entrepreneurial individuals who have the passion and vision for making the enterprises a success. Essentially, Info Edge focuses on supporting these teams with capital infusion and allowing them to grow the business while playing a supporting supervisory role. Non-current investments, a major part of which is into these investee companies increased by 22.59% to ₹3,621.29 million in FY2014.

“Info Edge had declared an interim dividend of Re.1 per share and has followed it up with a final dividend of ₹1.50 per share”

On consolidation, while the revenues and costs of the associates get accounted for added in proportion to shareholding, the ones of the subsidiaries are fully accounted for. The performance highlights on a consolidated basis are given in [BOX 2](#).

At the consolidated level, the main impact is from Zomato, Applet and Allcheckdeals. The aggregate revenues of the six investee companies increased from ₹1,080 million in FY2013 to ₹1,907.43 million in FY2014 – a growth of 76% while the aggregate EBITDA level loss in these six investee companies was at ₹1,160.62 million in FY2014 versus ₹805.10 million in FY2013- a de-growth of 44%. These companies are in the development phase and have also raised money from other financial investors for executing their expansion plans. They continue to pursue forward looking high growth strategies where at this stage there is major expenditure on people, product and brand building, which is not in line with the revenue generation today. Consequently, the losses have increased. However, much of this is by strategic design. Also, it must be recognized that investment in internet related business is not capex-centric but is opex-heavy.

The performance of the investee companies is given in [TABLE 3](#).

Info Edge had declared an interim dividend of Re.1 per share and has followed it up with a final dividend of ₹1.50 per share during FY2014, subject to confirmation by its shareholders in the ensuing Annual General Meeting of the company.

₹ Million

TOTAL AMOUNT INVESTED	APPROX. DILUTED AND CONVERTED SHAREHOLDINGS%	OPERATIVE REVENUE			OPERATING EBITDA		
		FY 11-12	FY 12-13	FY 13-14	FY 11-12	FY 12-13	FY 13-14
1441	50%	20.4	113.8	306.0	(72.2)	(100.3)	(413.9)
718	56%	40.7	98.2	202.8	(54.4)	(214.3)	(285.3)
325	32%	537.0	868.04	1398.6	(287.6)	(490.5)	(461.4)
270	47%						
571	32%						
54	27%						
3378		598.1	1080.8	1907.4	(414.2)	(805.1)	(1160.6)
		107.4	141.8	107.5	(37.0)	(7.2)	(7.8)

BRANDS: KEY DEVELOPMENTS

The Company today has a portfolio of businesses that cater to specific, primarily online communities. Each of these businesses is positioned under different and distinct brands. While strewn together with the common objective of being a provider of 'online classifieds' services, each of the different online platforms have their own challenges and nuances. Also, they are in different stages of the developmental cycle and consequently have very different risk-return profiles. Broadly, the businesses can be classified under core matured, other growing and investee companies and the details are given in **BOX 3**.

Recruitment solutions continue to be the dominant brand with 73.5% of total stand-alone revenue of Info Edge contributed by it. However, the other verticals comprising *99acres.com*, *jeevansathi.com* and *shiksha.com* continue to be on healthy growth trajectory. In fact revenues from the 'other verticals' increased by 36% from ₹985 million in FY2013 to ₹1,339.55 million in FY2014.

Info Edge has put in place a strong sales force on the ground to support its online platforms. On this front, Info Edge has clear leadership over its competition.

Today, 72% of the Company's entire workforce comprising around 2,176 people front end for the Company on the grounds as its sales and service team. There is a nationwide sales network through 72 company branches in 44 cities across India. The large sales force supports the respective brands with physical last mile connect.

In addition to this, the Company is continuously investing in efforts to better understand customers and improve products to meet their expectations. New products are also being introduced to stay ahead of competition. These initiatives involve complex analytics and research on customer behaviour and strengths of competing products. There are also efforts to build the brand and create customer recall. The industry has become very dynamic and first movers continue to gather more traffic share and business. It is imperative for businesses like Info Edge to set trends instead of following them. This translates into continuous internal investments, particularly in human capital.

BOX 3 INFO EDGE'S BUSINESS PORTFOLIO

CORE BUSINESS

- **THE ONLINE RECRUITMENT BUSINESS** — *naukri.com*. The recruitment portfolio is supported by the offline executive search business, Quadrangle, and its associated portal, *www.quadranglesearch.com*. There is also the web portal, *www.naukrigulf.com* that caters to the Middle-East job markets; and the fresher hiring site, *www.firstnaukri.com*.

OTHER BUSINESSES

- **THE ONLINE REAL ESTATE CLASSIFIED BUSINESS**, which operates through the portal *www.99acres.com*. It is complemented by the brokerage business, *www.allcheckdeals.com*, now operated through a wholly owned subsidiary.
- **THE ONLINE MATRIMONIAL CLASSIFIED BUSINESS**, which operates through the portal *www.jeevansathi.com*.
- **THE ONLINE EDUCATIONAL CLASSIFIEDS BUSINESS**, which operates through the portal *www.shiksha.com*; and the networking site, *www.brijj.com*.

INVESTEES COMPANIES – THE COMPANY HAS A STAKE IN THE FOLLOWING:

- **ZOMATO MEDIA PVT. LTD.** which runs a website, *www.zomato.com*, which is a website that provides information on restaurants menus and reviews of food and dining options.
- **APPLECT LEARNING SYSTEMS PVT. LIMITED**, which operates the kindergarten to Class 12 (K-12) assessment based learning portal, *www.meritnation.com*.
- **ETECHACES CONSULTING AND MARKETING PVT. LIMITED**, which operates in the financial product (like online insurance and loan aggregator) comparison domain, *www.policybazaar.com*.
- **KINOBEQ SOFTWARE PVT. LTD.** owning *MYDALA.COM*, which is a site that provides discount offers and deals.
- **CANVERA DIGITAL TECHNOLOGIES PVT. LTD.** which operates *www.canvera.com*, a digital photograph storage and printing business
- **HAPPILY UNMARRIED MARKETING PVT. LTD.** which runs *www.happilyunmarried.com*, engaged in the business of sale of fun quirky creative products.

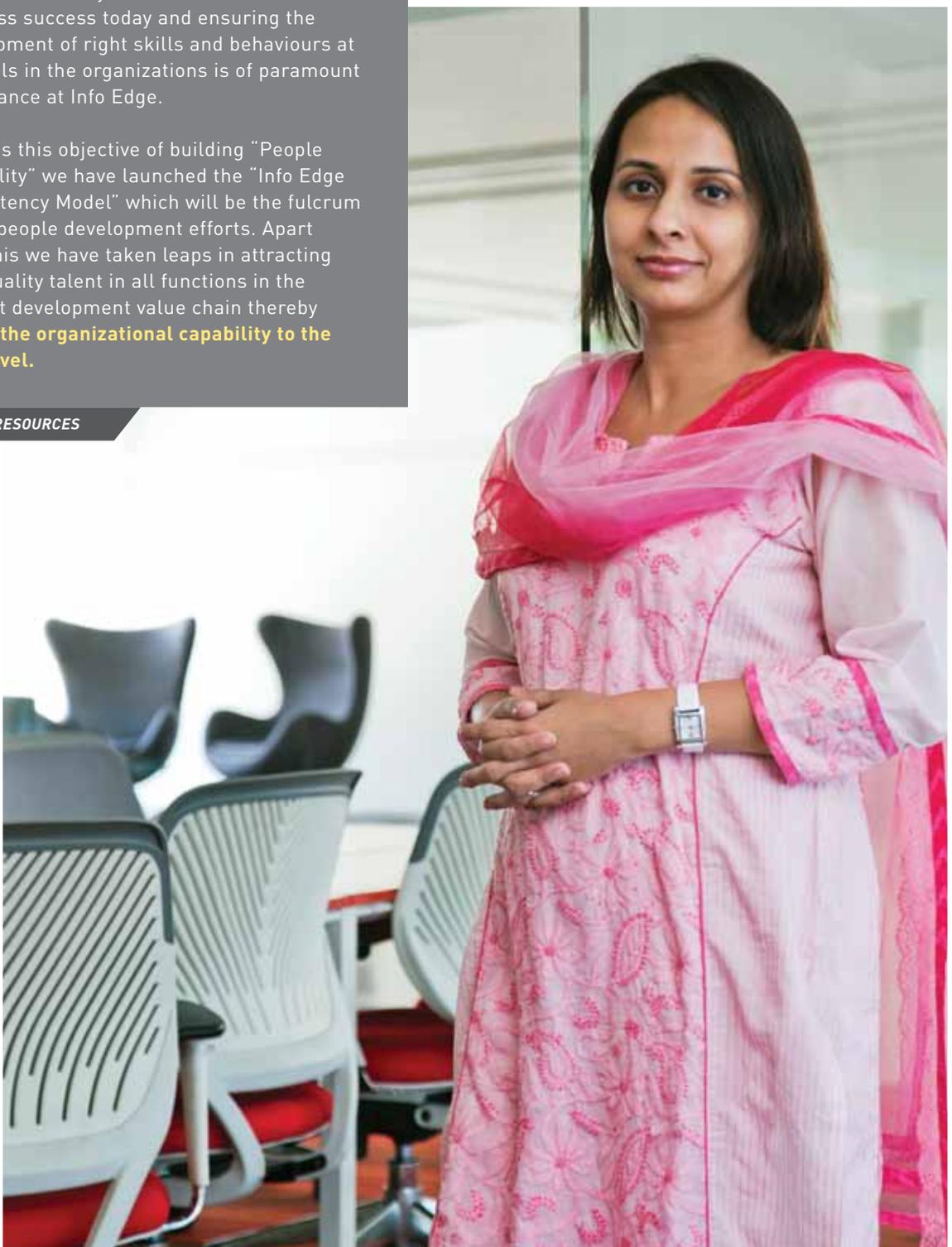
“We have taken leaps in attracting high quality talent in all functions in the product development value chain”

PEOPLE CAPABILITY

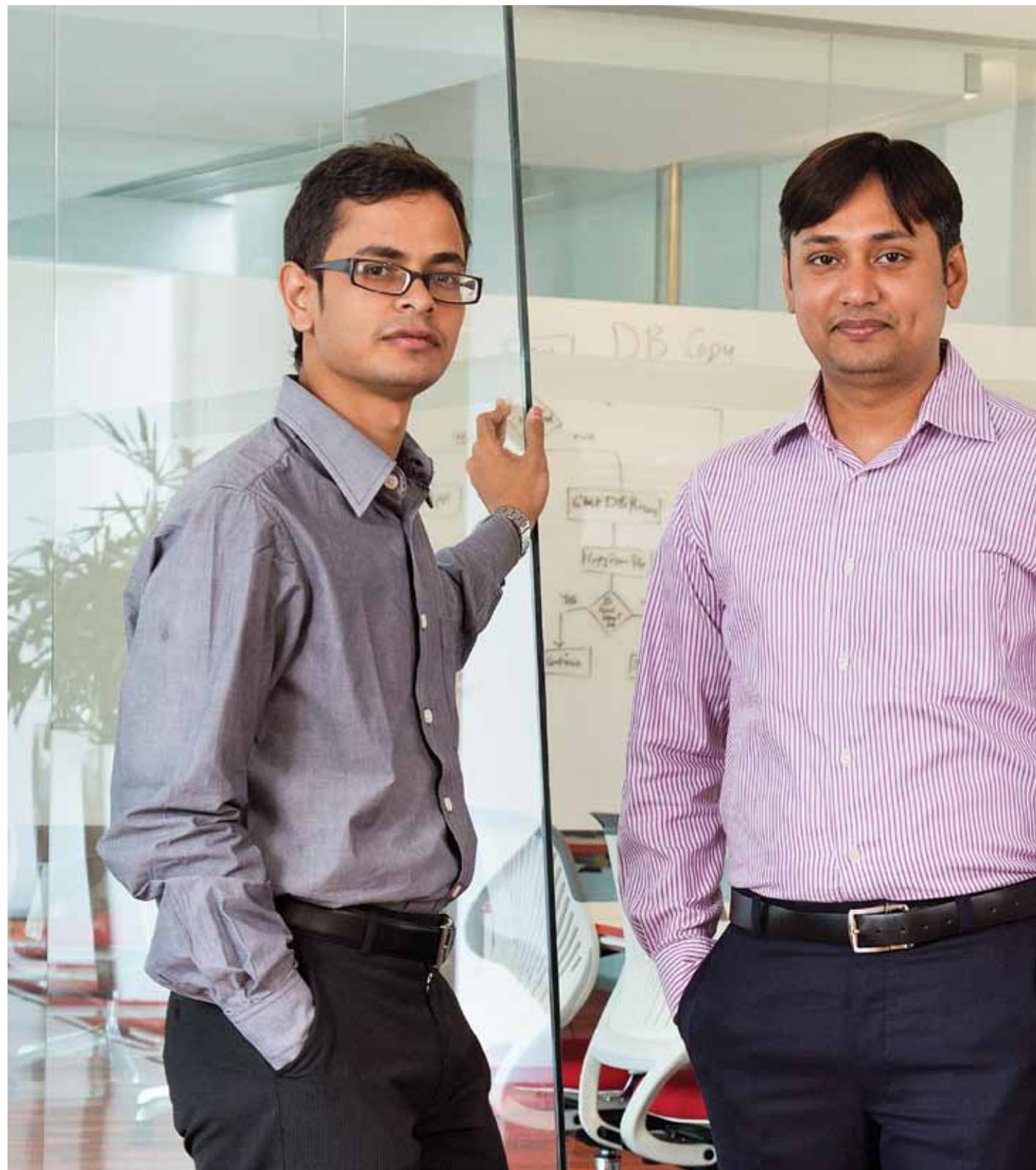
People are the key differentiators for business success today and ensuring the development of right skills and behaviours at all levels in the organizations is of paramount importance at Info Edge.

Towards this objective of building “People Capability” we have launched the “Info Edge Competency Model” which will be the fulcrum for all people development efforts. Apart from this we have taken leaps in attracting high quality talent in all functions in the product development value chain thereby **taking the organizational capability to the next level.**

HUMAN RESOURCES



“Exceeding customer expectations is the motto of the Naukri product team. We continue to enhance our understanding of the customer and focus on delivering the best experience”



NAUKRI PRODUCT

Exceeding customer expectations is the motto of the Naukri product team. We continue to enhance our understanding of the customer and focus on delivering the best experience. **We expect better customer understanding to lead to better products and eventually higher marker share.**

NAUKRI.COM





“We started with a mobile site and then released an android application and both have been very well appreciated by jobseekers”

MOBILE PLATFORMS

The growth of Naukri.com on mobile has been significant. We started with a mobile site and then released an android application and both have been very well appreciated by jobseekers.

A strong focus was made across platforms to engage existing users when they are away from their desktops and now users on mobile access naukri.com multiple times a day leading to, **more engaged jobseekers and satisfied customers.**

NAUKRI.COM

The progress in each of the brands is given below:

Recruitments

The recruitment services business comprises the following portals:

- **naukri.com:** This is the Company's flagship brand and India's largest online jobsite
- **quadrangle.com:** This is primarily an off-line headhunting business that derives revenues from successfully positioning a person with a company
- **naukrigulf.com:** This is a jobsite that focuses on the middle-eastern market
- **Firstnaukri.com:** Launched in January 2009, this site focuses on entry-level jobs.

Recruitment solutions business will always be sensitive to prevailing economic condition. Clearly, the economic slowdown in the last couple of years has had an adverse impact on the job markets and growth has been affected. In FY2014, however, there have been some signs of a revival. The basic stimulus has come from the IT industry, which is buoyed by the improved economic conditions in USA. One expects other industries to pick up once the new stable central government in India commences work and economic conditions improve.

Operations Review

BOX 4 gives the financial highlights of the recruitment vertical.

"Info Edge has expended considerable energy in updating and improving the services through naukri.com"

Naukri.com is the major revenue generator in this business vertical. It has two major sources of revenue: (i) job listings and employer branding or visibility advertisements, and (ii) résumé database access. The supporting revenue sources include job seeker services, while candidate services are free for job seekers, there are optional products available for value-added features, comprising resume writing, highlighting etc. In addition, there are Google Ad sense, mobile revenues, and other additional sources of revenue.

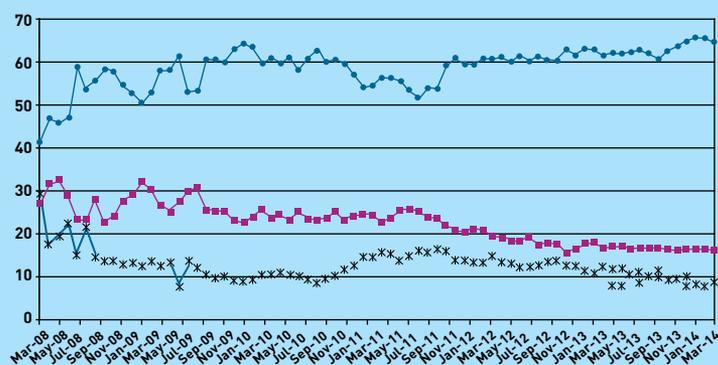
The key usage parameters suggest continued growth:

- Number of résumés in naukri.com's database increased by 12.1% — from around 33 million at the end of FY2013 to around 37 million at the end of FY2014.
- Average number of résumés modified daily increased by 12.9% — from 116,000 at the end of

BOX 4 RECRUITMENT VERTICAL — PERFORMANCE HIGHLIGHTS

- **NET SALES FROM RECRUITMENT** INCREASED by 9.8% — from ₹3,387 million in FY2013 to ₹3,720 million in FY2014.
- **OPERATING EBITDA GREW** by 13.3% — from ₹1,658 million in FY2013 to ₹1,879 million in FY2014.

CHART C RELATIVE TRAFFIC SHARE: NAUKRI.COM



Source: Comscore.com

FY2013 to 131,000 at the end of FY2014.

- Number of unique customers grew by 6.25% — from 48,000 at the end of FY2013 to 51,000 at the end of FY2014.

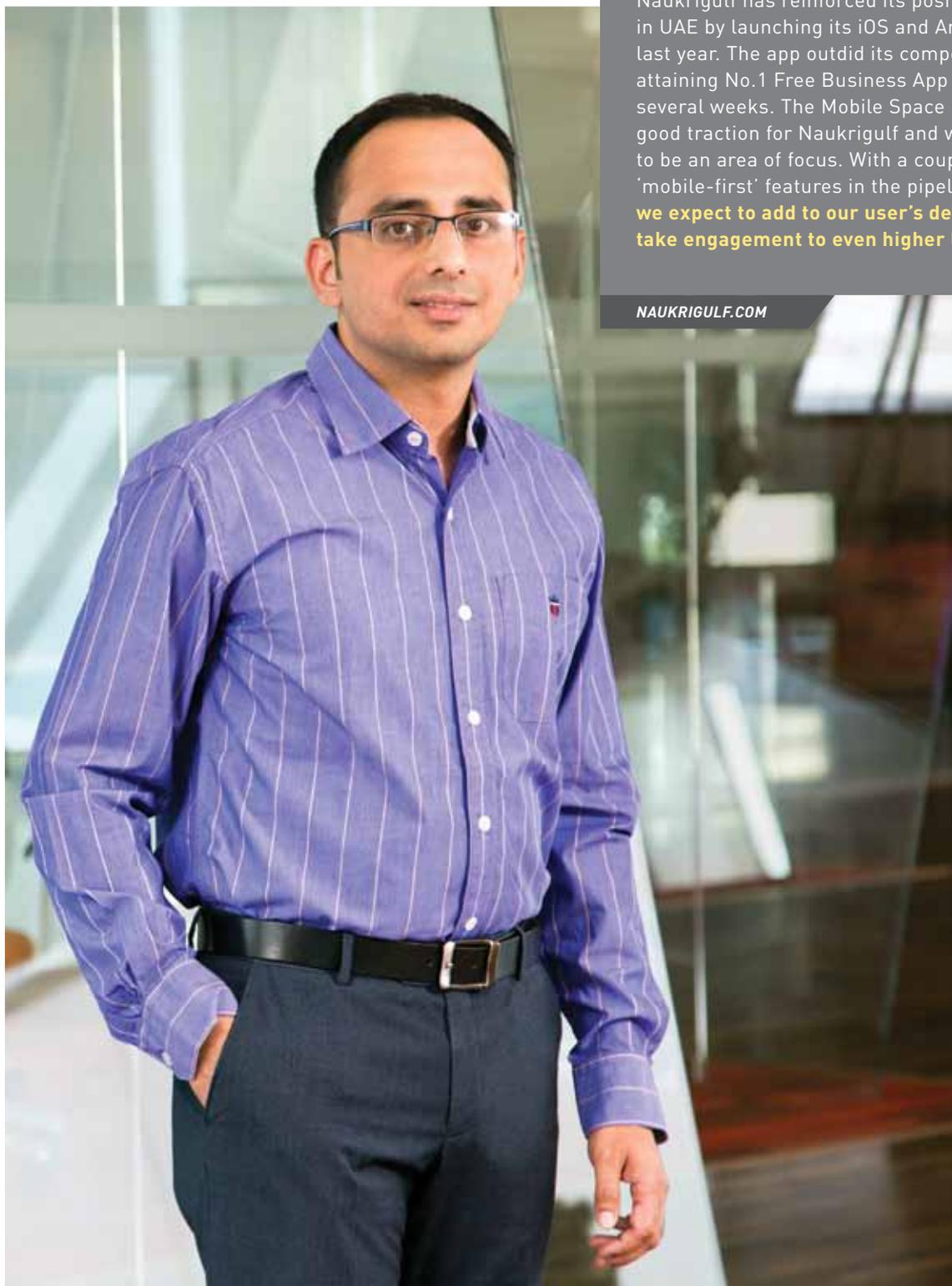
Info Edge has expended considerable energy in updating and improving the services through *naukri.com*. The online platform has been supplemented by a mobile application that is based on both iOS and android platforms. The mobile medium has started getting good traction and contributed to around 23% of naukri.com's total traffic. The Company also launched a SAS based career site manager, which helps manage process flow of applications for recruiters. This product has been well accepted in the market. Support has also been provided for better response management from companies or recruiters. The semantic search mechanism from makesense has been integrated to significantly improve the job search function of the site and make it more effective for users. The Company is continuously working on product

“The app outdid its competitors by attaining No.1 Free Business App slot for several weeks. The Mobile Space is gaining good traction for Naukrigulf and will continue to be an area of focus”

NAUKRIGULF GOES MOBILE

Naukrigulf has reinforced its position further in UAE by launching its iOS and Android Apps last year. The app outdid its competitors by attaining No.1 Free Business App slot for several weeks. The Mobile Space is gaining good traction for Naukrigulf and will continue to be an area of focus. With a couple of 'mobile-first' features in the pipeline **we expect to add to our user's delight and take engagement to even higher levels!**

NAUKRIGULF.COM



“We are now focusing on repositioning Naukri as a complete recruitment partner”

NAUKRI HIRING SUITE

At Naukri, We have brought out several innovative and effective products in the last 18 months. When used together, all these products can help recruiters add great reach, accuracy and efficiency to every step of their recruitment cycle. We are now focusing on repositioning Naukri as a complete recruitment partner by consolidating all these products under a **Naukri Hiring Suite that caters to all recruitment needs.**

MARKETING



development in this market and improve user experiences through provision of internet tools and better site response. This process will continue and is imperative to maintain the leadership position of naukri.

“Info Edge continues to grow naukri.com by investing in the brand, hiring and retaining quality talent, providing superior sales and service execution”

In the relatively subdued environment in the recruitment space in India, naukri.com has continued to gain market share in terms of user traffic. It has created a significant lead over its nearest competitor. **CHART C** shows that naukri.com has gained significantly in terms of traffic share. In terms of traffic flow, data from comscore.com suggests that naukri.com has maintained over 60% traffic share for 8 quarters in a row and in a steady manner the gap is increasing against the nearest competitor.

Info Edge continues to grow naukri.com by investing in the brand, hiring and retaining quality talent, providing superior sales and service execution and continuous innovation on product and technology.

NAUKRI.COM is supported primarily by offerings that complete the Company's full service suite in the recruitment space: Quadrangle, FirstNaukri.com, and Naukrigulf.com

QUADRANGLE, offers off-line placement services to middle and senior management, with revenues based on a success fee model. It complements the online recruitment business.

FIRSTNAUKRI.COM targets hiring fresh students from campuses. Today, much of this hiring is done offline, and the focus on this business is to convert the existing offline activities to online and build on the potential of online campus hiring

NAUKRIGULF.COM is working on transferring a large addressable market in the middle east for recruitments that still use the print media. While the initial focus was on the Indian diaspora, today, people from several nationalities use the site.

“We have witnessed excellent adoption of the mobile apps of 99acres by the users thereby expediting the process of buying and selling”

CONSUMER ENGAGEMENT

We have witnessed excellent adoption of the mobile apps of 99acres by the users thereby expediting the process of buying and selling. With the mobile Internet gaining penetration, **99acres will see greater consumer engagement in future.**

99ACRES.COM



Real Estate

Within the real estate space, Info Edge has two portals. These are (i) 99acres.com, the property based online classified business, and (ii) allcheckdeals.com: the property broking business with a success based revenue model.

While the two portals are parts of the real estate vertical, allcheckdeals.com was hived off as a separate subsidiary during Q3, FY2010 —to create specific business focus. Thus, the financials of the two businesses are separate.

“The number of players in this space has increased with participation even from wider vertical product selling sites”

While the real estate segment remains subdued in India, the online real estate classifieds space including 99acres.com continue to gain major traction. The addressable market size for real estate classifieds is much larger than recruitment classifieds and the nature of the business is different. Most importantly the interaction through the portal is often of actual owners and buyers and not professional managers. The resultant nuances of the interface have to be worked on by all players. The number of players in this space has increased with participation even from wider vertical product selling sites. The key is to maintain product differentiation and create a loyal customer base. Given the intensity of competition and the potential of this market, one expects to see a phase of investments from all players in the immediate future till a few establish clear leadership and dictate the market, leading to consolidation. Info Edge is making necessary investments to ensure that 99acres emerges the clear leader.

Operations Review

Catering primarily to real estate developers, builders and brokers, the source of revenue for 99acres.com is from property listings, builders’ and brokers’ branding and visibility through micro-sites, home page links and banners. **BOX 5** gives the financial performance highlights of 99acres.com.

The usage parameters highlight major traction in revenue generating traffic.

- Number of listings in 99acres.com’s database

increased by 34% — from around 1,906,000 at the end of FY2013 to some 2,554,000 at the end of FY2014.

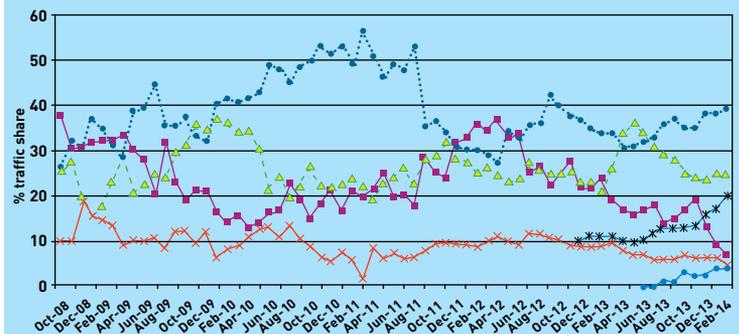
- Number of paid listings grew by 30% — from 1,590,000 at the end of FY2013 to 2,067,000 at the end of FY2014.
- Number of paid transactions (invoices issued to customers) increased by 25.4%— from 48,800 in FY2013 to 61,200 in FY2014

In 99acres, Info Edge continued to invest aggressively in the mobile platform and mobile traffic is 25% on the total traffic and is growing month-on-month. Both the Android and iOS apps are doing well in the market place. The Company also launched a verification service in 99acres in the second half of FY2014 to improve the quality of listings. These are being done in both Delhi and Mumbai markets to start with and will be expanded in FY2015. A map-based search for Delhi was also launched in the last quarter of FY2014. This will be rolled out for the other cities in the next few months.

BOX 5 99ACRES.COM— PERFORMANCE HIGHLIGHTS

- **NET SALES FROM 99ACRES.COM INCREASED** by 47.2% from ₹516 million FY2013 to ₹759 million in FY2014.
- **OPERATING EBITDA WAS IN THE RED,** at ₹48 million in FY2014.

CHART D RELATIVE TRAFFIC SHARE - 99ACRES.COM



Source: Comscore.com

“Agile software development methodology helps us with time to market, flexibility in what to build and deliver, predictability, and high quality software through a highly motivated team”

BUILDING WITH AGILITY

We build software with great agility. Following agile software development methodology helps us with time to market, flexibility in what to build and deliver, predictability, and high quality software through a highly motivated team, **happy to deliver something new to our end users.**

AGILE SOFTWARE DEVELOPMENT



In terms of traffic share there continues to be stiff competition with the nearest competitor. There are also certain localised players who have a special presence in their respective zones. However, as seen in **CHART D**, for most of the year 99acres.com maintained its leading position.

allcheckdeals.com is the Company's direct online property broking business. It has a commission based revenue model that is determined on the value of transaction. The focus is on the residential

markets of larger cities and their suburbs where it can service a growing middle class who want ease of transactions in property deals. The business has extended its coverage to 12 cities in India.

The business, which is a subsidiary now, witnessed a slowdown in a sluggish market with total operating revenues reducing by (19.9%) to ₹113.8 million during FY2014 .



“We have managed to crack a scalable and cost effective model in providing our consumers the ability to see through our real estate inventory at any point of time”

VERIFIED LISTINGS

Through the launch of verified listings, we have managed to crack a scalable and cost effective model in providing our consumers the ability to see through our real estate inventory at any point of time, and that too from convenience of their desktop or mobile. Through this offering **our consumer has become more empowered to take more informed and reliable decisions in property matters.**

99ACRES.COM

“With new product features and mobile app launch our sales reach has grown manifold”

SALES PENETRATION

99acres business has expanded with presence in many more cities with plans to grow the presence in many more cities in near future. With new product features and mobile app launch our sales reach has grown manifold. **The consumer response is promising and the plan is to exceed the market expectations.**

99ACRES.COM



Matrimonial

Demographic factors and social factors are the primary determinants for the growth of the online matrimonial space. In the widely diversified social landscape of India, this translates into a highly fragmented market. Understanding behavioural peculiarities and social nuances is critical for success. The large opportunity in this space in India is still restricted largely to arranged marriages with parental consent.

Given the market challenges, Info Edge has focused on evolving niche markets for its offering. It is actively promoting jeevansathi.com among north and select west Indian communities and establishing strong leadership position in this market segment. While focusing on gaining market share, there is stress on maximising the flow of paid customers to its social network.

The website has a revenue model, which is free to list, search and express interest, but pay to get contact information. There were some innovations introduced in FY2013 by making a large part free for a given time. The highlights of the portal's performance are given in **BOX 6**.

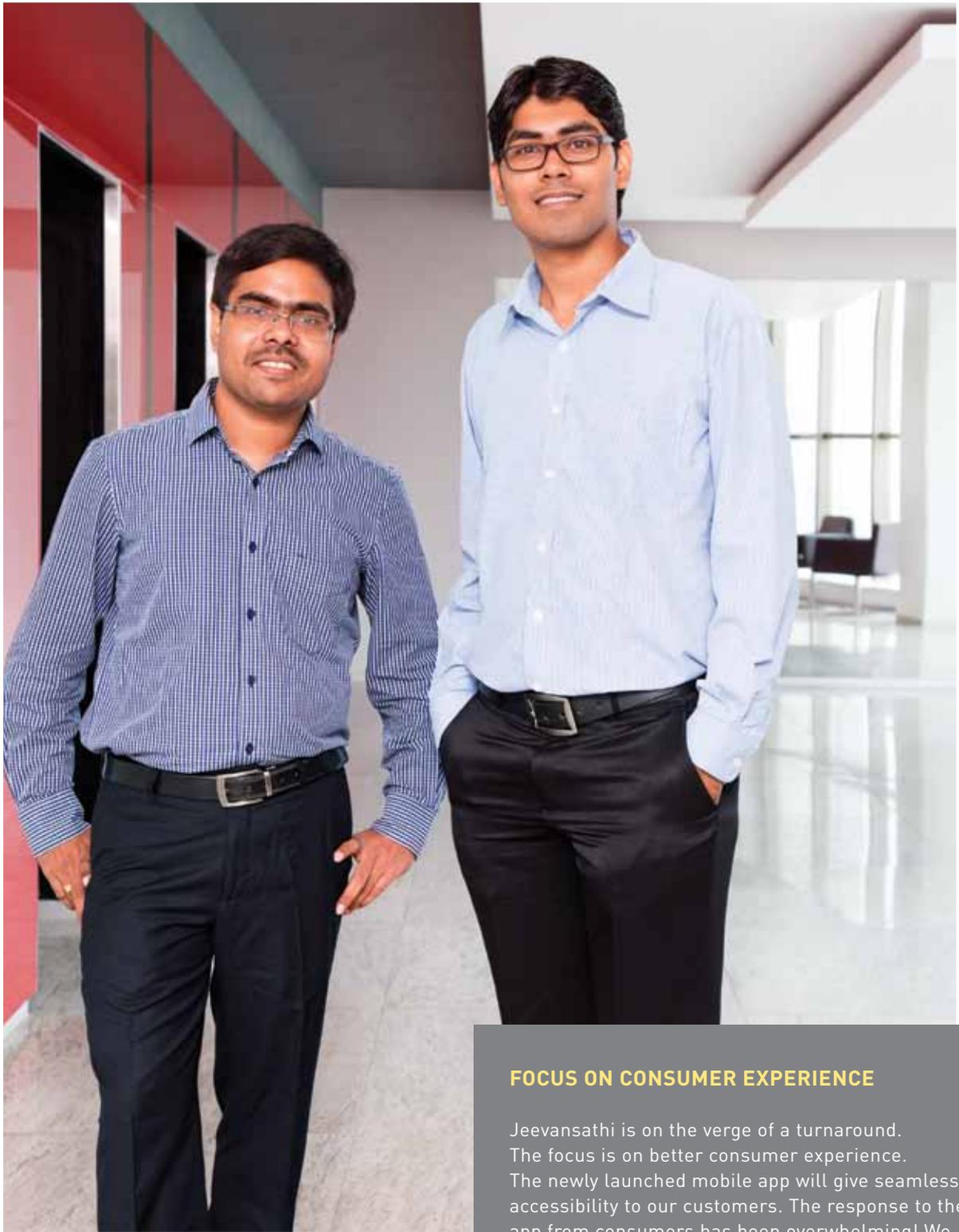
For jeevansathi, Info Edge has invested significantly in analytics driven enhanced customer experience. It continuously analyses online data to understand customer behaviour and adopts its product and commercial model accordingly. Using a judicious mix

of increased brand building and improved targeting of customer the Company has managed to create some differentiation for the product and grow revenues. The Company is also undertaking certain product innovations that will be effective in the near future.

The online business is being supplemented by 14 offline centres called 'Jeevansathi Match Points' and some franchisee centres. These provide hand-holding services to customers who are not internet savvy, helping them to utilise the online services offered by jeevansathi.com. The offline sites have "walk in sales" facilities for matching services. There continues to be major innovative efforts with the use of sophisticated analytics tools to provide more relevant and better targeted service to customers.

BOX 6 MATRIMONIAL —PERFORMANCE HIGHLIGHTS

- **NET SALES FROM MATRIMONIAL BUSINESS INCREASED** by 11.5% to ₹360 million in FY2014.
- **OPERATING EBITDA SHOWED A LOSS** of ₹67 million in FY2014.
- **PROFILE LISTINGS INCREASED** from 5.6 million at the end of FY2013 to 6.1 million at the end of FY2014 – an increase of 8.9%
- **AVERAGE AMOUNT REALISED PER CUSTOMER INCREASED** from ₹3,636 in FY2013 to ₹4,100 in FY2014.



“The newly launched mobile app will give seamless accessibility to our customers”

FOCUS ON CONSUMER EXPERIENCE

Jeevansathi is on the verge of a turnaround. The focus is on better consumer experience. The newly launched mobile app will give seamless accessibility to our customers. The response to the app from consumers has been overwhelming! We have stepped up our efforts to respond to the voice of customer by **addressing their needs through our improved product offerings.**

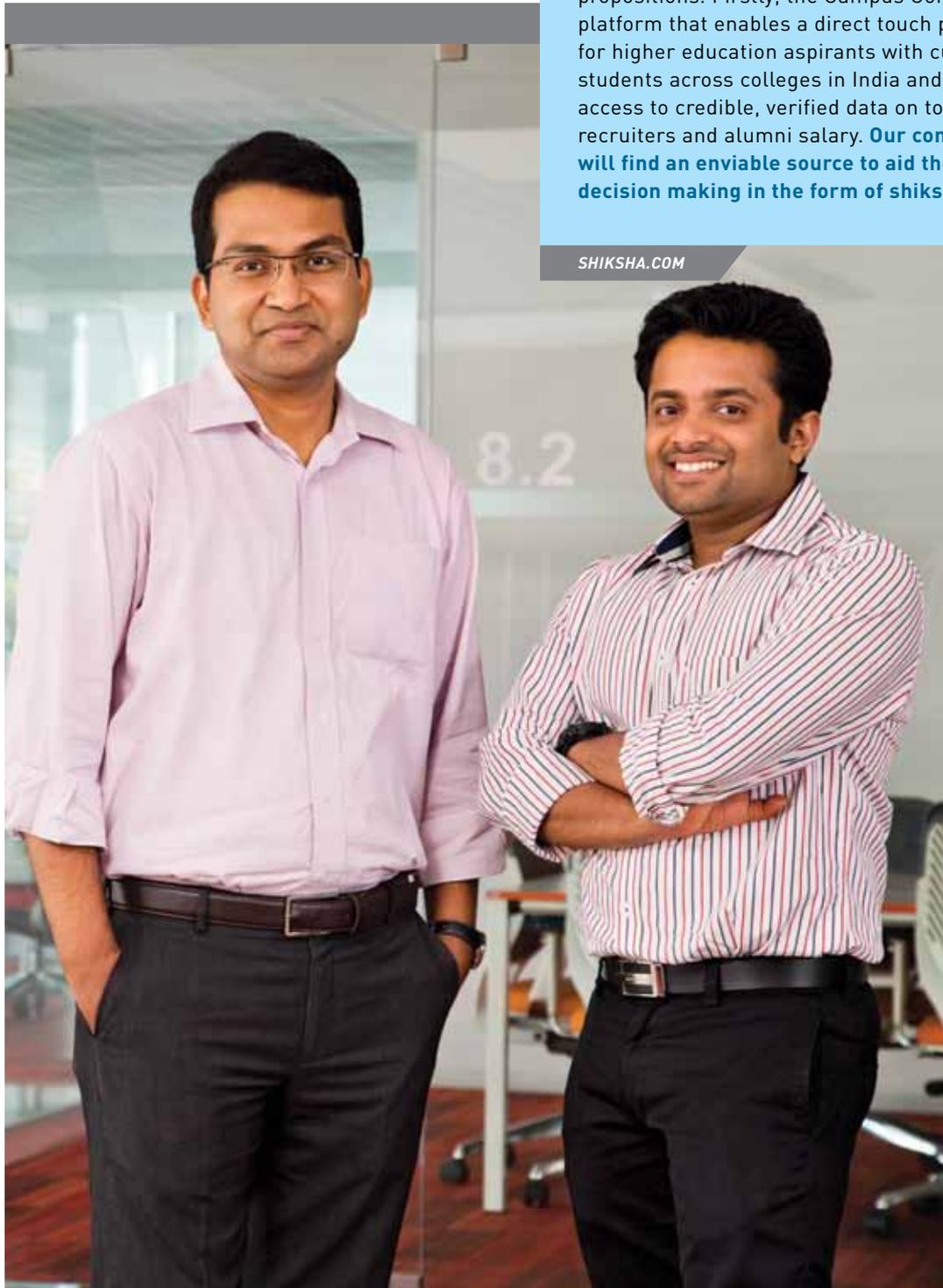
JEEVANSATHI.COM

“The Campus Connect platform that enables a direct touch point for higher education aspirants with current students across colleges in India”

VALUE PROPOSITION

Shiksha.com is poised to become the premier destination for students given two unique value propositions. Firstly, the Campus Connect platform that enables a direct touch point for higher education aspirants with current students across colleges in India and secondly, access to credible, verified data on top recruiters and alumni salary. **Our consumers will find an enviable source to aid their decision making in the form of shiksha.com.**

SHIKSHA.COM





“SEO gives high quality, sustainable, free traffic & better ROI”

SEO

SEO has been an area of focus for us. SEO gives high quality, sustainable, free traffic & better ROI. **Therefore we plan to invest our efforts more and more on SEO in the coming years as well.**

MARKETING

Education

The education sector is independent of prevailing economic and business conditions. The online education classifieds space is still at a very early stage of development. The total spend on online classifieds by education is estimated to be around ₹700 million, while total advertisement spend is estimated at ₹25 billion. There is considerable opportunity in transforming existing users of other mediums to use the internet for the education sector. The demand for education and edu info services is increasing in India due to increase in enrolment in secondary education in India and the growing participation for the private sector is increasing publicity and spending on classifieds.

Launched in May 2008, shiksha.com is primarily a portal for information exchange. Revenues are

generated from advertisements placed by colleges, institutes and universities. There may be scope for additional revenues from successful leads. Broadly, there are three categories of clients:

“The online education classifieds space is still at a very early stage of development”

- Indian education players (universities and institutes).
- Test preparation and coaching institutes.
- Overseas universities and colleges targeting Indian students.

The business is supported by offices across 12 cities in India. The initial customer tractions and reactions have been positive and in FY2014 revenues increased to ₹220 million – a growth of 52%

Investee Companies

In addition to promoting businesses internally, Info Edge recognises that ideation and the spirit of enterprise are key elements for success in developing online businesses. Thus, the Company has made investments in early stage start-up ventures. The objectives are: (i) to support the growth of these entrepreneurial driven activities, (ii) gain from enhanced value creation, where this occurs, and (iii) bring such enterprises into the Info Edge fold if such opportunities arise in future and in appropriate situations. Most of these companies are in the incubation/ early stage phase.

TABLE 4 lists the investment status on each of these businesses.

Details of such strategic investments are listed below.

- The Company has invested ₹1,441 million for 50% stake in zomato.com. The website has started gaining significant acceptance in the market place. It provides menus of restaurants, as well as reviews and ratings. Revenues are generated from advertisements of restaurants and lead sales. It has a wide coverage across 12 cities in India including Delhi, Mumbai, Bangalore, Pune and Hyderabad. It has also been launched in 27 cities in 11 countries including UAE, Sri Lanka, UK, Qatar, Philippines and South Africa. The website also has a well-designed mobile application. The product has been well received in the market and the Company is in the process of introducing this globally across different cities of the world. It has already attained leadership position in Dubai .

- Info Edge has invested ₹718 million in different tranches for around 56% stake in Applect Learning Systems Private Limited. Applect has launched a site called meritnation.com, which is delivering kindergarten to Class 12 (K-12) study material. The site is managed by an experienced team that specialises in content development and assessment modules in the education space, and has a strong commitment to delivery. It provides:

- Online educational assessment for school students.
- Free solutions mainly for mathematics and science for standard 6 to 12 of popular national curriculum like CBSE and ICSE. It has added some state board curriculums as well.
- Paid product for online assessment and teaching solutions.
- Test preparation material for competitive examinations like Engineering and Medical.

- The Company has invested ₹325 million in Etechaces Private Limited for around 32% stake. Intel Capital and Inventus are the co-investors. The investee company operates an online insurance aggregator website, policybazaar.com, which helps customers understand their insurance needs and select insurance schemes that best suit their requirements. Other financial products like home loans, car loans and personal loans are also being added for inter-se comparison of financial products prior to purchase. The business has been partially affected due to regulatory issues. Even so, the business is growing; and it is also laying emphasis on distance marketing and advertising. In May 2014, the company undertook a dilution for ESOP and raised an additional round of funding in terms of which our shareholding reduced to about 23%.

TABLE 4 INVESTMENT STATUS IN INVESTEE COMPANIES

INVESTEE COMPANY	WEBSITE	Total amount invested	Approx. diluted and converted shareholdings	% of the total amount invested
Active				
Zomato Media Pvt Ltd.	www.zomato.com	1441	50%	39%
Applect Learning Systems Pvt Ltd.	www.meritnation.com	718	56%	19%
Etechaces Marketing and Consulting Pvt Ltd.	www.policybazaar.com	325	32%	9%
Kinobeo Software Pvt Ltd.	www.mydala.com	270	47%	7%
Canvera Digital Technologies Pvt Ltd.	www.canvera.com	571	33%	15%
Happily Unmarried Marketing Pvt Ltd.	www.happilyunmarried.com	54	27%	1%
Sub Total		3378		90%
Written off/ provisioned for/ exited				
Studyplaces, Inc.	www.studyplaces.com	45	13%	1%
Ninety Nine Labels Pvt Ltd.	www.99labels.com	285	47%	8%
Nogle Technologies Pvt Ltd.	www.floost.com	26	31%	1%
Sub Total		356		10%
Total		3734		100%

“We are always thinking out of the box and never shy away from making country-specific changes”



ZOMATO

The last year has been an extremely exciting year for us. We are always thinking out of the box and never shy away from making country-specific changes and upgrades to our product. Keeping users engaged, evolving the product to something that people across geographies find value in, and maintaining a rock-solid content platform are some of our key focus areas for 2014.

We have seen tremendous traction for Zomato in all our current markets and we continue to expand aggressively in more markets across the globe. **We have a great product which is evolving fast and are excited to see where can take this over the next few years.**

DEEPINDER GOYAL, FOUNDER & CEO

- Info Edge has invested ₹270 million in mydala.com for a 47% stake. This is a website offering discount offers and deals with a focus on the mobile application space. Revenues are generated from merchant commissions and fees from telecom operators.

- Info Edge has invested ₹53.50 million in Happilyunmarried.com for 27% stake. This business generates revenues from design and sale of fun quirky creative products and has a large addressable market. The potential for an e-commerce version is being exploited with the investment.

“The company has invested ₹571 million in www.canvera.com for 33% stake”

- The company has invested ₹571 million in www.canvera.com for 33% stake. The website is operational since 2008 and offers solutions to professional photographers. Revenues are generated from sale of printed photo books.



PANKAJ CHADDAH,
CO-FOUNDER & COO

OUTLOOK

Already, in FY2014 the environment from a digital business space has shown positive signals. Internet penetration is witnessing exponential growth with mobile internet being the primary growth driver. However, consumer preferences are also evolving at a rapid pace and to succeed in this industry it is now imperative to regularly innovate and try and meet the ever changing expectations on the customer. Essentially, one has to be one step ahead of the market. This warrants focused and continuous investments in product development, sales and marketing

CANVERA



Canvera is a B2B2C marketplace that connects fragmented professional photographers with consumers. The biggest driver of Canvera's business is consumers hiring professional photographers for weddings. Canvera provides an online classifieds of photographers, **a hosting solution to host the photographer's website, printed products and design services.**

*DHIRAJ KACKER,
CEO & CO-FOUNDER*

and innovations. Thus, the average profit margins of the industry are expected to reduce, while growth will be healthy. The economy is expected to improve although growth will return gradually. With the

"With the expectation of a new stable government in place, sentiments have become positive"

expectation of a new stable government in place, sentiments have become positive and one expects this to rub off into recruitments and real estate. One expects the macro-economic environment to actually support the developments in the digital space and Info Edge is poised for a strong performance in FY2015.

MYDALA

Established in 2009, Mydala, India's largest couponing platform enables their 100,000 + advertiser/merchant base to target 200 million consumers across 152 cities in India. Mydala's footprint and reach offers customized and cost-effective solutions to advertisers/merchants to reach their target audience through **attractive offers, innovative branding, and promotional campaigns.**

*ARJUN BASU, ANISHA SINGH &
ASHISH BHATNAGAR, CO-FOUNDERS*



"Mydala is India's largest couponing platform"

RISKS

The Company has a well structured and robust risk management mechanism, which includes a comprehensive register that lists the identified risks, its impact and the mitigation strategy.

Broadly, there are some overriding risks that are listed below:

Operational Risks

■ **DATA SECURITY:** Technical failure and breakdowns in servers could lead to interruptions of our websites and could result in corruption of all data and/or security breaches. The Company has initiated a pilot project to establish a secondary site in India as a precautionary measure.

■ **OBsolescence:** Being a technology driven company, it always faces the risk of an innovation or product development that can make one or more of Info Edge's propositions redundant. The Company remains alert with technology developments to overcome this risk. A case in point is the investments being made on mobile based applications, which is a breakthrough technology in this business.

Strategic Risks

■ **COMPETITION RISK:** All the portals face competition directly on the online space and the offline. Info Edge continuously tracks competition in every one of its businesses and stays prepared for the challenges.

■ **DEPENDENCY RISK:** The Company relies heavily on the recruitment business in India for its profits and cash flows. Info Edge has been consciously diversifying into other businesses to de-risk itself from this dependency. Already, the other businesses have started contributing around 22.5% of its total revenues up from 19%.

■ **INVESTMENT RISK:** The Company has an exposure of investments worth ₹3,378 million into start-ups. There is a probability that this entire investment might not generate returns, and absorb more cash in the incubation/ early phase. These are calculated risks, which is part of the Company's growth strategy.

Financial Risks

■ **TAX ISSUES:** the Company has a few income tax and service tax cases against it which, if lost, may impact future cash flows. However, none of these are material in amount.

■ **ERP:** In order to promote efficiencies, the Company has promoted ERP across its activities. Any errors in billing or financial reports in the ERP system could affect the Company's billing and statutory reporting.

"The Company is focusing on making workflows as process-driven as possible"

Manpower and Regulatory Risks

■ **ATTRITION:** Being a knowledge driven business, significant increase in people attrition may affect the course of the business. The Company is focusing on making workflows as process-driven as possible.

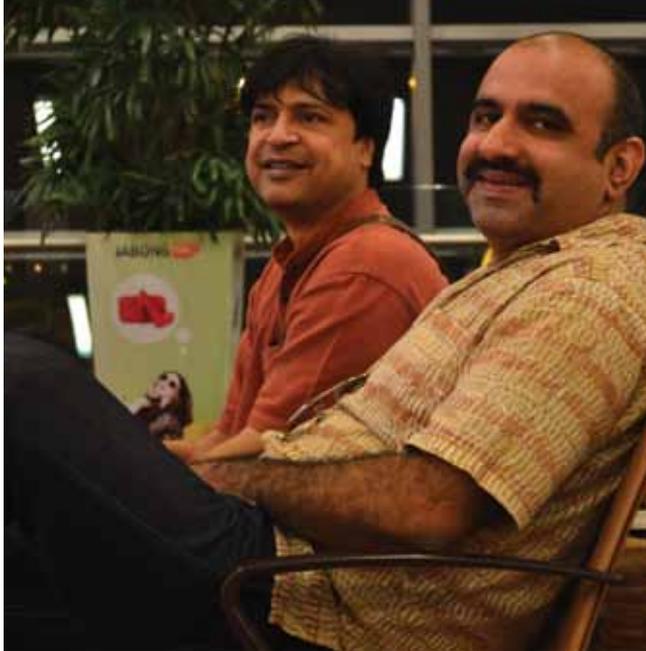
■ **CONTENT LIABILITY:** Most of the portals rely on information being posted by users. Fraudulent postings/profiles on the website, spamming by some of the users may damage the Company's reputation and make it vulnerable to claims e.g. defamation and invasion of privacy. Filters are in place to contain the quantity and quality of uploads and downloads.

■ **IPR PROTECTION:** The Company has been protecting its trade marks against infringement/passing off by third parties who use them in a trademark sense. This is exposed to risks of third parties trying to use our marks. There are also risks attached with the litigation process. Also, litigation is a time & resource intensive activity and may be ongoing.

HAPPILY UNMARRIED

Happily Unmarried is in the business of selling fun. They do this through their quirky, proprietary designs in the apparel, home and bar accessories segment. **They wish to become India's coolest company.**

RAHUL ANAND & RAJAT TULI, CO FOUNDERS



MERITNATION

Meritnation is India's largest online learning company with 70 lakh students across all major Boards. Our goal is to make school easy for every child by **leveraging the power of technology to deliver truly personalised & engaging content.**



**RITESH HEMRAJANI,
DIRECTOR**

POLICYBAZAAR

India's leading online insurance comparison portal. Over the past 6 years, we've helped millions of customers choose the right insurance product and save money. We've grown at more than 100% CAGR in the last 3 years and **expect more than 6 million customers to utilize the comparison service in the year 2014-15.**



**YASHISH DAHIYA,
CO-FOUNDER & CEO**



**PAVAN CHAUHAN,
MANAGING DIRECTOR**

INTERNAL CONTROLS AND THEIR ADEQUACY

Info Edge has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and those transactions are authorised, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and the Audit Committee, and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the Indian online sector, advertising spends, new disruptive technologies or business models, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Info Edge's philosophy on Corporate Governance envisages accomplishment of a high level of transparency, integrity, honesty and accountability in the conduct of business and puts due prominence towards regulatory compliances. The Company has always strived to adopt best global practices in Corporate Governance and remains abreast with the continuous developments in the global Corporate Governance systems. The entire framework is governed by a strong Board of Directors and executed by a committed team of management and employees.

At Info Edge, Corporate Governance is considered as a benchmark for efficient working of Board of Directors, Management reviews, strong control procedures and a guiding culture for employees. The Company's governance structure is designed to provide a framework for the successful implementation of this business ethos. The Company is committed to generate sustainable shareholder value and endeavours to fulfil the interests of its stakeholders – shareholders, employees, customers, partners, suppliers and society at large.

This report, along with the report on Management Discussion and Analysis and additional shareholders information provides the details of implementation of the Corporate Governance code by your Company as contained in Clause 49 of the Listing Agreement. The Securities & Exchange Board of India (SEBI), with a view to align them with Companies Act, 2013, sought to amend the Equity Listing Agreement to bring in additional corporate governance norms for listed entities. These amendments are effective from 1st October, 2014. The amended norms provide for stricter disclosures and protection of investors rights, including equitable treatment for minority and foreign shareholders.

BOARD OF DIRECTORS

Info Edge believes that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. A quality Board, being at the core of its Corporate Governance Practice, plays the most pivotal role in overseeing how the management serves and protects the long-term interests of all our stakeholders.

SELECTION OF THE BOARD: The Board periodically evaluates the need for change in its composition and size and selects members to fill Board vacancies and nominating candidates for election by the Shareholders at the Annual General Meeting. The Board has constituted a Nominations Committee (Reconstituted as Nomination & Remuneration Committee w.e.f. 21st January, 2014) with a scope to select, recommend, appoint and evaluate performance of Executive Directors and Non-Executive including Independent Directors.

In FY 2013-14, there was no change in the Board of Directors of the Company. Mr. Ambarish Raghuvanshi, Whole-time Director & Chief Financial Officer informed the Company on 27th January, 2014 about his decision to relinquish the said position with the Company effective May 2014. A smooth transition to a new Chief Financial officer, Mr. Chintan Thakkar was planned and implemented with the Board's guidance.

COMPOSITION OF THE BOARD: Info Edge's Board consists of an optimal combination of Executive Directors and Independent Directors representing a judicious mix of professionalism, knowledge and experience. As on March 31, 2014 the Company's Board comprised of 9 Directors, of which three are Executive Directors, five are Independent Directors and one is a Non-executive Director. The Chairman of the Board is a Non-executive, Non-promoter Director.

Even though, Clause 49 states that if the Chairman is a Non-executive, Non-promoter Director, one-third of the Board should be independent, Info Edge believes in the value of an Independent Board and therefore more than 50 % of its Board members are Independent Directors.

In addition, there is segregation between the position of the CEO and the Chairman.

TABLE 1
COMPOSITION OF BOARD OF DIRECTORS

Name of Director	Position	Age
Kapil Kapoor	Non-Executive Chairman	48
Arun Duggal	Non-Executive, Independent Director	67
Sanjeev Bikhchandani	Executive Vice-Chairman	50
Hitesh Oberoi	Managing Director & Chief Executive Officer	41
Ambarish Raghuvanshi	Whole Time Director & Chief Financial Officer	52
Saurabh Srivastava	Non-Executive, Independent Director	68
Naresh Gupta	Non-Executive, Independent Director	47
Bala Deshpande	Non-Executive, Independent Director	47
Ashish Gupta	Non-Executive, Independent Director	47

Monitoring of external commitments of Whole-time Directors: The Company monitors the external commitments of Whole-time Directors with respect to acceptance of Board or Advisory positions in external organizations and any strategic external investment made by them in their personal capacity, which would require their time involvement or result in conflict of interest.

The Whole-time Directors require prior approval of the Board before accepting any external Board/advisory position as well as to make strategic investment beyond a specified limit. It is aimed to define the maximum time the Whole-time Directors can devote to external engagements, maximum limit for strategic investments etc. The Whole-time Directors are also prohibited to accept board/advisory positions in any external organization (other than not for profit organizations) where they have made personal investments.

BOARD MEETINGS **1. Information Supplied to the Board:** The Board has complete access to all the information of the Company. Information stipulated under Clause 49 of the Listing Agreement is regularly provided to the Board as part of Agenda papers well in advance of the Board meetings or are tabled with the permission of the Chair in the course of the Board meeting. There is a structured manner in which agenda items are created and materials are distributed for Board meetings.

2. Selection of Agenda Items for Board Meetings: The Company Secretary prepares the Agenda of the Board meetings on the basis of suggestions from the Board of Directors. Each Board member is free to suggest the inclusion of item(s) to the agenda. The Board believes that certain continuing oversight responsibilities should have priority on the agenda, taking into account the overall focus of preserving and increasing stakeholders' value. This includes review of Company strategy and performance, budget, strategic investments, ethical business practices and legal compliance, accounting and financial controls, financial structure, preservation of assets, and Board effectiveness.

3. Board Materials Distributed in Advance: Information and data that is important to the Board's understanding of matters on the Agenda is distributed in writing or electronically to the Board prior to the Board meetings in order to permit adequate review. The Board acknowledges that sensitive subject matters may be discussed at the Board meeting without written materials being distributed in advance or at the meeting. The members of the Board always have complete liberty to express their opinion and decisions are taken on the basis of consensus arrived at after detailed discussions. They are also free to bring up any matter for discussion at the Board Meetings.

The Board also periodically reviews internal control and compliance with laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances. In addition to the above, the minutes of the Board meetings of Company's significant operating unlisted subsidiary company's are also placed before the Board for information. The Company does not have a material non-listed Indian Subsidiary as defined under clause 49 of the Listing Agreement.

4. Scheduling of Board Meetings: The Board meets at least once in every quarter to discuss and review the quarterly results and other items of agenda including the information required to be placed before the Board as required under Annexure 1A of Clause 49 of the Listing Agreement. A minimum of four Board meetings are held every year. These are scheduled in advance for the entire year. Additional Board meetings are convened, whenever required, by giving appropriate Notice. For any business exigencies or urgent matters, a proposal is circulated to all Board members requesting them to pass Resolutions by Circulation.

The Board has an effective post meeting follow-up procedure. Items arising out of previous Board meeting and their follow up action taken report is placed at the immediately succeeding meeting for information of the Board.

5. Recording of Minutes of proceedings at Board Meeting: The Company Secretary records the minutes of the proceedings of each Board Meeting. Draft minutes are circulated to all Board Members for their comments. The finalized minutes of proceedings of a meeting are entered in the Minutes book within 30 days from the conclusion of that meeting.

6. Number of Board Meetings held and Attendance during the year 2013-14: The Board of Directors met 6 times during the year on May 3, 2013, July 18, 2013, October 18, 2013, October 19, 2013, October 20, 2013 and January 21, 2014. The maximum gap between any two meetings was less than 4 months. The details of Director's attendance for Board meetings and Annual General Meeting held during the year 2013-14 and their Chairmanship/ Membership of Board Committees of other companies are given in Table No. 2 below:

TABLE 2

ATTENDANCE DETAILS OF BOARD MEETING & MEMBERSHIP/CHAIRMANSHIP OF OTHER BOARD COMMITTEES AS ON MARCH 31, 2014

Name of Director	Position	No. of meetings held in 2013-14	No. of meetings attended in 2013- 14	Whether attended last AGM	No. of outside Directorships of public companies	No. of Committee Memberships*	No. of Chairmanships of Committees*
Kapil Kapoor	Non- Executive Chairman	6	5	Yes	-	-	-
Arun Duggal	Non-Executive Independent Director	6	6	Yes	6	3	1
Sanjeev Bikhchandani	Executive Vice-Chairman	6	6	Yes	-	-	-
Hitesh Oberoi	Managing Director & Chief Executive Officer	6	6	Yes	-	-	-
Ambarish Raghuvanshi	Whole- time Director & Chief Financial Officer	6	6	Yes	-	-	-
Saurabh Srivastava	Non- Executive Independent Director	6	5	Yes	4	-	-
Naresh Gupta	Non-Executive Independent Director	6	5	Yes	-	-	-
Bala Deshpande	Non-Executive Independent Director	6	5	No	2	-	-
Ashish Gupta	Non-Executive Independent Director	6	5	No	-	-	-

**In accordance with Clause 49 of the Listing Agreement, Chairmanship/Committee Membership of Audit Committee & Investor Grievance Committee of other Public Limited Companies has been considered.*

As mandated by the Clause 49, none of the Directors of the Company are members of more than ten Board level committees nor are they Chairman of more than five Board level committee's in other companies in which they are directors.

COMMITTEES OF THE BOARD

During the year, the Board had four Committees – Audit Committee, Investors Grievance Committee, Compensation Committee and Nominations Committee. Pursuant to the requirements of the Companies Act, 2013 a Corporate Social Responsibility Committee was constituted by the Board in its meeting held on January, 21, 2014. Further, the aforesaid Compensation Committee and Nominations Committee were re-constituted to be called Nomination & Remuneration Committee with effect from that date. Each Committee has assigned scope of responsibilities, duties, and authorities, which is reviewed by the Board from time to time in order to determine the appropriateness of the purpose for which the Committee was formed and further to keep abreast with the changing business environment. Committee composition conforms to applicable laws and regulations. Minutes of all the Committee meetings are placed for information in the subsequent Board meeting.

All decisions pertaining to the constitution of committees and fixing of terms of service for committee members is taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

A) AUDIT COMMITTEE

Audit Committee monitors & provides an effective supervision of the financial reporting process of the Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

As on March 31, 2014, the Audit Committee comprised 4 members all of whom are Independent Directors under Clause 49 of the Listing Agreement with the Stock Exchanges. The members are Mr. Arun Duggal, Mr. Saurabh Srivastava, Dr. Naresh Gupta, and Mr. Ashish Gupta. During Financial year 2013-14, four Audit Committee meetings were held on May 3, 2013, July 18, 2013, October 18, 2013 and January 21, 2014. The time gap between any two meetings was less than four months. The details of the Audit Committee are given in Table No. 3 as under:

TABLE 3

ATTENDANCE DETAILS OF AUDIT COMMITTEE FOR FY 2013-14

Name of the Member	Position	Status	Audit Committee Meetings	Meetings Attended
Arun Duggal	Chairman of the Committee	Independent Director	4	4
Saurabh Srivastava	Member	Independent Director	4	3
Naresh Gupta	Member	Independent Director	4	3
Ashish Gupta	Member	Independent Director	4	3

The Director responsible for the finance function, the representative of the statutory auditors and internal auditors are regularly invited by the Audit Committee to its meetings. The Company Secretary is the secretary to the Committee.

Mr. Arun Duggal, Chairman of the Committee has accounting and financial management expertise by virtue of him being an International banker and Advisor to a number of Corporations, major Financial Institutions and Private Equity firms. All other members of the Committee also have accounting and financial management knowledge. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on July 18, 2013 to answer shareholder queries.

The functions and scope of the Audit Committee includes review of Company's financial reporting, internal controls, related party transactions, utilization of IPO proceeds, insider trading, disclosure in financial statements, management discussion and analysis, risk mitigation mechanism, appointment of statutory auditor and internal auditor and all other aspects as specified by Clause 49 of the Listing Agreement.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

Company's Audit Committee carries out all the functions stipulated under Clause 49 of the listing agreement.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the internal auditor and statutory auditor;
- Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital etc.), as part of the quarterly declaration of financial results.

In addition, the Audit Committee of the Company also reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business;
- Details of material individual transactions with related parties which are not in the normal course of business, if any;
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same, if any .

During financial year 2013-14, some of the key areas reviewed by the Audit Committee were:

- Review back-up certification system for CEO and CFO certificate in terms of Clause 41 & 49 of the Listing Agreement;
- Review every quarter all material related party transactions;
- Review & revise financial investment and the governing policy to suit the changing business environment;
- Review recommendations made by Internal Auditors on internal controls and system;
- Recommendations scope and appointment of Internal and Statutory Auditors.

B) COMPENSATION COMMITTEE

As of March 31, 2014, the Compensation Committee comprises of Mr. Kapil Kapoor, Mr. Saurabh Srivastava and Ms. Bala Deshpande. While the Chairman is a Non-Executive Director, the other two are Independent Directors. The Company Secretary of the Company acts as secretary to the Compensation Committee.

The Compensation Committee held four meetings during 2013-14 on May 3, 2013, July 18, 2013, October 18, 2013 and January 21, 2014 apart from approving various proposals through circulation. Details of Compensation Committee meetings held during the year are given in Table No. 4:

TABLE 4

ATTENDANCE DETAILS OF COMPANY'S COMPENSATION COMMITTEE FOR FY 2013-14

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Mr. Kapil Kapoor	Chairman of the Committee	Non-Executive Chairman of the Board	4	3
Mr. Saurabh Srivastava	Member	Independent	4	3
Ms. Bala Deshpande	Member	Independent	4	3

The Compensation Committee of the company approves the compensation terms of Directors and its responsibilities include the following:

1. Approve variation in terms of remuneration of Whole-time Directors within the overall limits approved by the Members;
2. Administer Employee Stock Option Schemes including but not limited to grant of stock option, determining vesting schedule, exercise price, etc.; and
3. Any other matter as may be referred to by the Board.

Remuneration policy

The Board of Directors decide the remuneration payable to the Directors on the recommendations of the Compensation Committee. The remuneration policy of the Company is to remain competitive in the industry to attract and retain talent and appropriately reward them on their contribution towards the growth of the Company.

A. Non-executive Director

The Non-Executive Director is paid sitting fee for attending the meetings of the Board within the ceiling prescribed by the Central Government.

B. Independent Directors

Independent Directors are paid sitting fees for attending the meetings of the Board and Audit Committee thereof along with Commission as percentage of net profits within the ceilings prescribed under Companies Act, 1956. As per the shareholders' approval obtained at the Annual General Meeting of the Company held on July 21, 2011, the Independent Directors are paid Commission subject to a maximum of 1% of the net profits per annum of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956.

The board has adopted a method wherein while deciding the amount payable as commission to Independent Directors, their level of participation in Board, Committee and other meetings is taken into account. The Company had also granted stock options to the Independent Directors in the past, the details of which are given below in Table No. 5.

TABLE 5

DETAILS OF STOCK OPTIONS GRANTED TO DIRECTORS

Name	Status	No. of Options Granted	No. Options Vested	No. of Options Exercised	No. of Options in force
Arun Duggal	Independent Director	80,000	80,000	-	80,000
Ashish Gupta	Independent Director	80,000	80,000	-	80,000
Saurabh Srivastava	Independent Director	80,000	80,000	-	80,000
Naresh Gupta	Independent Director	80,000	80,000	-	80,000
Bala Deshpande	Independent Director	40,000	40,000	-	40,000

C. Executive Directors

The remuneration of the Executive Directors is recommended by the Compensation Committee to the Board and after approval by the Board the same is put up for the shareholders approval. Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

The terms of the remuneration of the Executive Directors of the Company were approved by the shareholders in their Annual General Meeting held on July 21, 2011, authorizing payment by way of salary, perquisites and performance linked Bonus/incentive. The annual increments are decided by the Compensation Committee within the scale approved by the members. Compensation Committee also decides the performance linked Bonus/Incentive out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Executive Directors.

The details of Remuneration paid to all Directors for financial year 2013-14 is given in Table No. 6:

**TABLE 6
DETAILS OF REMUNERATION PAID/PAYABLE TO DIRECTORS FOR FY 2013-14**

(Amount in ₹ Million)

Name of the Director	Salary	Reimbursements	Bonus & Leave Encashment	Sitting Fees	Commission Payable	Total
Kapil Kapoor	-	-	-	0.10	-	0.10
Sanjeev Bikhchandani	9.51	0.75	7.50	-	-	17.76
Hitesh Oberoi	9.68	0.35	7.78	-	-	17.81
Ambarish Raghuvanshi	8.48	0.23	4.25	-	-	12.96
Arun Duggal	-	-	-	0.20	0.78	0.98
Ashish Gupta	-	-	-	0.16	0.70	0.86
Saurabh Srivastava	-	-	-	0.16	0.72	0.88
Bala Deshpande	-	-	-	0.10	0.70	0.80
Naresh Gupta	-	-	-	0.16	0.70	0.86
TOTAL	27.67	1.33	19.53	0.88	3.60	53.01

There is no provision of any severance fee payable to any director on cessation of their employment and Directorship with the Company.

C) SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE

The Shareholders/Investor Grievance Committee comprises of Mr. Kapil Kapoor, Mr. Ambarish Raghuvanshi and Ms. Bala Deshpande. The Committee met four times during the financial year 2013-14 on May 3, 2013, July 18, 2013, October 18, 2013 and January 21, 2014. Table no. 7 gives the details of meetings of the Committee.

**TABLE 7
ATTENDANCE DETAILS OF INVESTOR GRIEVANCE COMMITTEE FOR FY 2013-14**

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Kapil Kapoor	Chairman of the Committee	Non-Executive	4	3
Ambarish Raghuvanshi	Member	Whole-time	4	4
Bala Deshpande	Member	Independent	4	3

Mr. Murlee Manohar Jain, Company Secretary is the Compliance Officer of the Company. (Joined w.e.f. December 16, 2013)

The Committee supervises the systems of redressal of investor grievances and ensures cordial Investor relations. The scope and functions of the Committee also include approval of transfer and transmission of shares within stipulated time period. Minutes of its meetings and resolutions passed by the Committee through circulation are placed at the Board Meetings for information.

Details of queries and grievances received and attended by the company during the year 2013-14 are given below in Table no. 8.

**TABLE 8
STATUS OF COMPLAINTS RECEIVED AND ATTENDED TO DURING FY2013-14**

Pending as on as April 1, 2013	Received during the year	Answered during the year	Pending as on as March 31, 2014
Nil	3	3	Nil

The Company received requests for revalidations of expired Dividend Warrants from some Investors and these were replied along with demand drafts drawn at respective locations.

D) NOMINATIONS COMMITTEE

The Board has a Nominations Committee to select, recommend, re-appoint and evaluate performance of Executive and Non-Executive Directors including Independent directors. The Committee comprises of Non-Executive Chairman and all Independent directors. The Committee considers proposals for searching, evaluating, and recommending appropriate Independent Directors and Non-Executive Directors, based on an objective and transparent set of guidelines which would, inter alia, include the criteria for determining qualifications, positive attributes, Independence of a director and availability of time with him or her to devote to the job. The Nomination Committee also evaluates and recommends the appointment of Executive Directors.

In compliance of the requirements of the Section 178 of the Companies Act, 2013 the Company re-constituted the Nomination Committee as Nomination & Remuneration Committee with following composition in its Board meeting held on January 21, 2014.

Name of the Member	Position	Status
Saurabh Srivastava	Chairman of the Committee	Independent Director
Kapil Kapoor	Member	Non-Executive Chairman
Bala Deshpande	Member	Independent Director

Shares held by the Non-executive Directors

Details of the shares held by the Non-Executive Directors as on March 31, 2014 is given in Table No.9 as under:

TABLE 9

DETAILS OF SHARES HELD BY NON-EXECUTIVE DIRECTORS

Name	No. of Shares	Percentage to total Paid-up Capital
Kapil Kapoor	3,369,771	3.09%
Bala Deshpande	104,320	0.09%
Arun Duggal	80,000	0.07%
Ashish Gupta (Joint Holder)	86,812	0.08%

MANAGEMENT

Management Discussion and Analysis: The Management Discussion and Analysis is given separately and forms part of this Annual Report.

Disclosures on related party transactions: Details of materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. are present under Note no. 31 to Annual Accounts in this Annual Report.

Disclosure of accounting treatment in preparation of financial statements: The financial statements for the year under review have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, the financial statements for the financial year 2013-14 have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) of the Companies (Accounting Standards) Rules, 1956, as amended and the other relevant provisions of the Companies Act, 1956.

Details of non-compliance by the Company: No penalties/ strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Code for prevention of insider-trading practices: In compliance with the SEBI regulations on prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct for its management and staff. The Code lays down guidelines and procedures to be followed by employees of the Company who have been designated as Insiders and disclosures to be made by them, while dealing with shares of Company, and cautioning them of the consequences of violations.

CEO/ CFO certification: The CEO and CFO certification of the financial statements duly signed by the Managing Director & CEO, whole-time Director & CFO and the Vice-Chairman of the Company for the year is enclosed at the end of the Report. The Company has adopted a back-up certification system by business & Functional Heads for compliance with respect to their concerned areas in order to imbibe a compliance & ethical culture in the organization.

Code of Conduct: The Board has laid down a Code of Ethics (Conduct) for all Board members and Senior Management of the company. The Code is displayed on the website of the Company - www.infoedge.in. All Board members and Senior Management personnel affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

Risk Management: The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors. Making the exercise broad based and inclusive, periodical feedback is taken from Business and Functional heads about their risk perception with respect to their business area and the Company in general. The Audit Committee periodically evaluates and discusses the Risk assessment and mitigation mechanism thereon in their meetings.

Sexual Harassment Policy: The Company has adopted a Policy on Prevention of Sexual Harassment at workplace in compliance with the requirements of the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and an internal complaints committee to look into the complaints of sexual harassment has also been created in terms of provisions of the said Act.

SHAREHOLDERS Re-appointment/Appointment of Directors: The Companies Act, 2013 provides for appointment of independent directors for a term of upto five consecutive years on the Board of a Company and that they shall be eligible for re-appointment on passing a special resolution by the shareholders of the company. Further, it provides that no independent director shall be eligible for more than two consecutive terms of five years. As per sub-section (13) of the Section 149 of the Companies Act, 2013 the provisions of retirement by rotation do not apply to independent directors. The company's Independent directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. Therefore, in accordance with the requirements of the Companies Act 2013, all the existing Independent Directors are proposed to be appointed for a term upto 5 consecutive years. During this period of 5 years they shall not be liable to retire and seek re-appointment at the AGM.

Further, as per Companies Act, 2013, not less than 2/3rd (Two-third) of total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, Mr. Kapil Kapoor is liable to retire by rotation and, being eligible, offers himself for re-appointment.

The detailed profiles of all these directors are provided in the Notice convening the AGM.

Means of Communication with Shareholders: The Quarterly and Half-yearly/Annual financial results are forthwith communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors. Public notices and financial results are published in leading newspapers, such as Financial Express/ Business Standard/Mint in English and Jansatta in Hindi, etc., along with the official news releases during the year.

The financial results and public notices are also put up on Company's website www.infoedge.in

For investors, the Company has created a separate e-mail ID investors@naukri.com

Table no. 10 gives details of the publications of the financial results in the year under review.

TABLE 10
PUBLICATIONS OF FINANCIAL RESULTS DURING FY2013-14

Quarter/Annual	Date of Board Meeting to approve the result	Date of Publication	English News Paper	Hindi Newspaper
Q1 FY 2013-14	July 18, 2013	July 19, 2013	Business Standard	Business Standard
Q2 FY 2013-14	October 18, 2013	October 19, 2013	The Financial Express	Jansatta
Q3 FY 2013-14	January 21, 2014	January 22, 2014	Business Standard	Business Standard
Q4 & Annual FY 2013-14	May 14, 2014	May 15, 2014	The Financial Express	Jansatta

The quarterly, half yearly and annual financial statements are promptly and prominently displayed on the company's website i.e. www.infoedge.in.

General Body Meetings: Table No. 11 gives the details of the last three Annual General Meetings of the Company.

TABLE 11
DETAILS OF LAST 3 ANNUAL GENERAL MEETINGS:

Meeting	Date	Time	Venue	No. of Special Resolutions Passed
16 th AGM	July 21, 2011	4.30 PM	Sri Sathya Sai International Centre, Bhisham Pitamah Marg, Lodhi Road, New Delhi - 110003	ONE
17 th AGM	July 25, 2012	4.30 PM	Sri Sathya Sai International Centre, Bhisham Pitamah Marg, Lodhi Road, New Delhi - 110003	NONE
18 th AGM	July 18, 2013	4.30 PM	Sri Sathya Sai International Centre, Bhisham Pitamah Marg, Lodhi Road, New Delhi - 110003	NONE

Table No. 12 gives details of Special Resolutions which were taken up in the last three AGMs of the Company, and were passed with requisite majority.

TABLE 12
DETAILS OF SPECIAL RESOLUTIONS PASSED IN LAST 3 ANNUAL GENERAL MEETINGS

Financial Year to which AGM pertains	Date of Annual General Meeting	Issue	Type of resolution
2010-11	July 21, 2011	Approval of commission up to 1% to the Independent Directors for a period of 5 years	Special Resolution
2011-12	July 25, 2012	None	N/A
2012-13	July 18, 2013	None	N/A

COMPLIANCE**Postal Ballot**

There was no postal ballot resolution passed during the year under review.

Mandatory requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49.

Adoption of Non-Mandatory Requirements:

The Company is complying with all the mandatory requirements of Clause 49 of the Listing Agreement. In addition the Company has also adopted the Non-mandatory requirements of the constitution of Remuneration Committee (in our case named as Compensation Committee) and adoption of Whistle blower mechanism as referred in Clause 49 of the Listing Agreement.

Whistle Blower Policy:

The Company has a Whistle Blower policy to provide opportunity to associates to represent, in good faith, to the Audit Committee in case they observe unethical and improper practices or any other wrongful conduct in the Company and to prevent managerial personnel from taking any adverse vindictive personnel action against those associates. During the year there was no case reported under the policy.

ADDITIONAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date: July 18, 2014

Time: 4.30 PM

Venue: Sri Sathya Sai International Centre, Bhisham Pitamah Marg, Lodhi Road, New Delhi – 110 003

Financial Calendar

Financial year: April 1, 2013 to March 31, 2014

For the year ended March 31, 2014, results were announced for:

- First quarter-July 18, 2013
- Half yearly- October 18, 2013
- Third quarter- January 21 , 2014
- Fourth quarter and annual- May 14, 2014

For the year ending March 31, 2015, results will be announced by:

- First quarter- on or before August 14, 2014
- Half yearly- on or before November 14 , 2014
- Third quarter- on or before February 14 , 2015
- Fourth quarter and annual- May 30, 2015

Book Closure

The dates of book closure are from July 17, 2014 to July 18, 2014 inclusive of both days.

Dividend Policy

The Board had approved the dividend policy of the Company in its meeting held on 21st January, 2014. This dividend policy indicates that Company will endeavour to maintain a dividend pay-out ratio of 15%-25% of profits after tax. which may be modified in light of exceptional circumstances affecting the financials.

In line with its aforesaid Dividend Policy the Board has recommended a Dividend of Re.1.5 per equity share which will be paid on or after July 22, 2014 subject to approval by the shareholders at the ensuing Annual General Meeting. This is in addition the amount of interim dividend of ₹1/- per equity share declared and paid during the year under review.

Listing

At present, the equity shares of the company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The annual listing fees for the financial year 2014-15 to BSE and NSE has been paid.

TABLE 1

COMPANY'S STOCK EXCHANGE CODES

Name of the Stock Exchange	Stock Code
The National Stock Exchange of India	Naukri
The Stock Exchange, Mumbai	532777

ISIN CODE OF THE COMPANY

INFO EDGE (INDIA) LIMITED - INE663F01024

Stock Market Data

Monthly High and Low and the performance of our share price vis-à-vis BSE Sensex and NSE Nifty is given in Table 2 and Chart A and B respectively.

TABLE 2

HIGHS, LOWS AND VOLUMES OF COMPANY'S SHARES FOR FY 2013-14 AT BSE AND NSE

	BSE				NSE		
	High	Low	Volumes		High	Low	Volumes
Apr-13	405.20	345.05	2894	Apr-13	404.85	344.30	1187660
May-13	390.00	338.40	2742	May-13	387.00	335.00	444642
Jun-13	344.90	292.00	2231	Jun-13	354.90	290.35	1064762
Jul-13	330.00	285.00	9407	Jul-13	329.05	276.35	1927694
Aug-13	330.00	286.65	3235	Aug-13	329.00	280.30	2282800
Sep-13	323.75	286.20	1879	Sep-13	325.00	287.75	2305945
Oct-13	412.50	315.00	14449	Oct-13	413.30	315.05	1645919
Nov-13	477.25	373.45	18306	Nov-13	477.00	374.00	1683635
Dec-13	494.85	428.00	14663	Dec-13	494.00	427.30	2167338
Jan-14	627.35	443.50	46512	Jan-14	625.00	442.20	4081590
Feb-14	707.00	473.05	31226	Feb-14	708.05	475.00	3063264
Mar-14	660.00	575.15	24776	Mar-14	654.90	575.00	3161049

CHART A

INFO EDGE SHARE PERFORMANCE VERSUS BSE INDEX

—x— INFO EDGE BSE
—▲— SENSEX

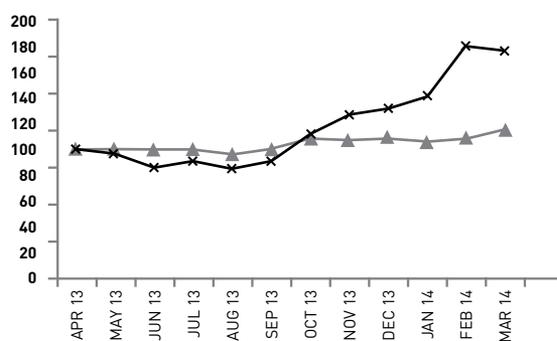
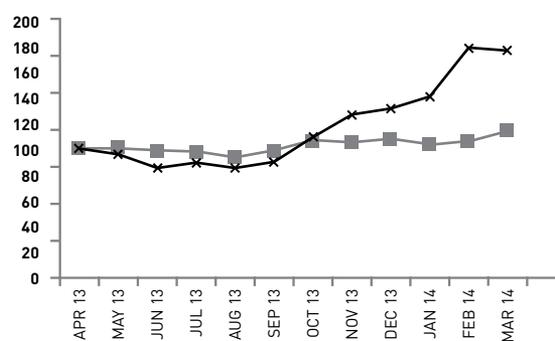


CHART B

INFO EDGE'S SHARE PERFORMANCE VERSUS NSE NIFTY

—■— NIFTY INDICES
—x— INFO INDICE



Note: The share price of Info Edge and index value of BSE Senses and NSE Nifty have been indexed to 100 on April 1, 2013.

Distribution of Shareholding

Table 3-6 lists the distribution of the shareholding of the equity shares of the company by size and by ownership class as on March 31, 2014.

TABLE 3
SHAREHOLDING PATTERN BY SIZE

NUMBER OF SHARES	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	Amount in ₹	% OF SHARES
UPTO 500	10234	93.07	772,318	0.71
501 - 1000	250	2.27	191,425	0.18
1001 - 2000	160	1.45	246,747	0.22
2001 - 3000	63	0.57	154,350	0.14
3001 - 4000	37	0.34	135,940	0.12
4001 - 5000	25	0.23	117,544	0.11
5001 - 10000	67	0.61	480,508	0.44
10001 - above	160	1.46	107,082,192	98.08
TOTAL	10996	100.00	109,181,024	100.00

TABLE 4
SHAREHOLDING PATTERN BY OWNERSHIP AS ON MARCH 31, 2014

Particulars	As at March 31, 2014			As at March 31, 2013		
	No. of Shareholders	No. of Shares	% of Shareholding	No. of Shareholders	No. of Shares	% of Shareholding
A. PROMOTERS HOLDING						
Indian Promoters	8*	55,083,135	50.45	8*	57,003,455	52.21
B. NON-PROMOTERS HOLDING						
a) Foreign Institutional Investors (FIIs)	105	31,729,070	29.06	68	25,639,296	23.48
b) Mutual Funds & UTI	30	11,859,929	10.86	24	14,197,825	13.01
c) Corporate Bodies	285	296,823	0.27	249	1,729,452	1.58
d) Indian Public-Individuals	10232	5,430,807	4.97	9502	5,009,272	4.59
e) Others- Directors/ NRIs/OCBs/FCs/etc.	336	4,781,260	4.39	576	5,601,724	5.13
GRAND TOTAL	10996	109181024	100	10427	109181024	100

* Sanjeev Bikhchandani, Hitesh Oberoi and Ambarish Raghuvanshi held shares under two folios each as on March 31, 2014.

TABLE 5
STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PROMOTER & PROMOTER GROUP" AS ON MARCH 31, 2014

Sr. No.	Name of the shareholder	Number of shares	% of Total Shareholding
1	Sanjeev Bikhchandani*	36,245,461	33.20
2	Sanjeev Bikhchandani & Hitesh Oberoi holding on behalf of Endeavour Holding Trust	8,734,880	8.00
3	Hitesh Oberoi*	6,900,118	6.32
4	Ambarish Raghuvanshi*	1,708,644	1.56
5	Surabhi Motihar Bikhchandani	1,494,032	1.37
	TOTAL	55,083,135	50.45

* Sanjeev Bikhchandani, Hitesh Oberoi and Ambarish Raghuvanshi held shares under two folios each as on March 31, 2014.

None of the Promoter holding in the Company is pledged or encumbered as on March 31, 2014.

TABLE 6

STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 1% OF THE TOTAL NUMBER OF SHARES" AS ON MARCH 31, 2014

Sr. No.	Name of the shareholder	Number of shares held	% of total shareholding
1	HDFC TRUSTEE COMPANY LIMITED - HDFC CAPITAL BUILDER FUND	7808299	7.15
2	SMALLCAP WORLD FUND, INC	3860000	3.54
3	NALANDA INDIA EQUITY FUND LIMITED	3853000	3.53
4	KAPIL KAPOOR	3369771	3.09
5	ANIL LALL	3133475	2.87
6	RELIANCE CAPITAL TRUSTEE CO LTD A/C RELIANCE MEDIA AND ENTERTAINMENT FUND	2270000	2.08
7	MATTHEWS INDIA FUND	1602978	1.47
8	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	2154821	1.97
9	FID FUNDS (MAURITIUS) LIMITED	1888828	1.73
10	SBI CONTRA FUND	1266300	1.16
11	ACACIA PARTNERS, LP	1590104	1.46
TOTAL		32797576	30.04

De-materlisation of Shares As on March 31, 2014, over 99% shares of the company were held in de-materialised form.

Outstanding GDRs/ADRs/Warrants The Company has not issued GDRs/ ADRs/ Warrants as of March 31, 2014.

Details of Public Funding Obtained in the last three years The Company did not raise any funds from public in last three years. The Company made the initial public offering in 2006.

Registrar and Transfer Agent The Company has appointed LINK INTIME INDIA PRIVATE LIMITED as its Registrar and Share Transfer Agent, to whom all shareholders communications regarding change of address, transfer of shares, change of mandate etc. should be addressed. The address of the Registrar and Share Transfer Agent is as under: -

Link Intime India Private Limited,
44, Community Centre, 2nd Floor
Naraina Industrial Area, Phase-I
New Delhi 110028
Tel. No.: - 011-41410592- 94
Fax No.: - 011-41410591
E-mail id:- delhi@linkintime.co.in
Website:- linkintime.co.in

Share Transfer System: The shares of the Company are compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 15 days from the date of lodgement subject to documents being valid and complete in all respects.

Company's Office Addresses The address of Registered and Corporate Office of the Company are as under:

Registered Office	Corporate Office
Info Edge (India) Limited, GF-12A, 94, Meghdoot, Nehru Place, New Delhi- 110019 Tel No.: - 011-26463894 E-Mail ID: - investors@naukri.com	Info Edge (India) Limited, B-8, Sector-132, Noida-201304. Tel No's: - 0120- 4841100 Fax No: - 0120-3082095 E-Mail ID: - investors@naukri.com

Plant (Branch) Locations: The Company has 72 offices as on March 31, 2014 spread in 44 cities across India apart from international offices in Dubai, Bahrain, Riyadh and Abu Dhabi. The addresses of these offices are available on our corporate website.

Address for Correspondence

Info Edge (India) Limited,
B-8, Sector-132, Noida-201304
Tel No's: - 0120- 4841100
Fax No: - 0120-3082095
E-Mail ID: - investors@naukri.com

CEO's DECLARATION TO COMPLIANCE OF CODE OF ETHICS

This is to confirm that the Company has adopted a Code of Ethics for its Board Members and Senior Management and the same is available on our corporate website www.infoedge.in.

I confirm that the Company has in respect of financial year ended March 31, 2014, received from Members of the Board & Senior Management team of the Company a declaration of the compliance with the Code of Ethics as applicable to them.

Place: Noida

Date: May 12, 2014

Hitesh Oberoi

Chief Executive Officer

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY

We, Hitesh Oberoi, Chief Executive Officer, Ambarish Raghuvanshi, Chief Financial Officer and Sanjeev Bikhchandani, Whole-time Director of Info Edge (India) Limited, to the best of our knowledge and belief, certify that -

- a. We have reviewed financial statements for the year ended on March 31, 2014 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee:-
- i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 12, 2014

Place: Noida

Hitesh Oberoi
Managing Director
& Chief Executive Officer

Ambarish Raghuvanshi
Whole-time Director
& Chief Financial Officer

Sanjeev Bikhchandani
Whole-time Director

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Info Edge (India) Limited

We have examined the compliance of conditions of Corporate Governance by Info Edge (India) Limited, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Gurgaon
Date: June 20, 2014

For Price Waterhouse & Co., Bangalore
Firm Registration No. 007567S
Chartered Accountants

Amitesh Dutta
Partner
Membership No. 58507

DIRECTORS' REPORT

Dear Members,

Your Directors are delighted to present the Eighth Annual Report on our business and operations together with the Audited Accounts for the year ended March 31, 2014.

RESULTS OF OPERATIONS

(₹Million)

	Standalone		Consolidated	
	FY2014	FY2013	FY2014	FY2013
1. Net Sales	5051.35	4,349.00	5662.62	4,699.52
2A. Other Operating Income	7.39	23.58	9.62	23.69
2B. Other Income	432.45	464.94	501.89	475.27
3. Total Income (1+2A+2B)	5491.19	4,837.52	6174.13	5,198.48
Expenditure:				
a) Network and other charges	160.22	139.40	210.47	163.96
b) Employees Cost	1965.50	1,661.86	2653.38	1,983.32
c) Advertising and Promotion Cost	662.48	576.50	861.30	750.34
d) Depreciation/Amortization	173.70	94.46	211.59	117.80
e) Other Expenditure	626.40	520.58	1009.53	642.47
4. Total Expenditure	3588.30	2992.80	4946.27	3657.89
5. EBITDA(3-4+3d)	2076.59	1939.18	1439.45	1658.39
6. Interest	1.00	0.95	1.00	0.95
7. Profit from Ordinary Activities before tax and exceptional items (3-4-6)	1,901.89	1,843.77	1,226.86	1,539.64
8. Exceptional Item	26.01	292.87	26.01	236.92
9. Net Profit from Ordinary Activities before tax (7-8)	1,875.88	1,550.90	1,200.85	1,302.72
10. Tax Expense	590.94	528.44	591.00	528.51
11. Net Profit from Ordinary Activities after tax (9-10)	1284.94	1,022.46	609.85	774.21
12. Extraordinary item	-	-	-	-
13. Net Profit after Tax (11+12)	1,284.94	1,022.46	609.85	774.21
14. Share in loss of Associate Companies	-	-	(5.03)	(15.12)
15. Share of Minority Interest in the losses of Subsidiaries	-	-	291.83	152.52
16. Reversal of Subsidiary into Associate	-	-	-	-
17. Reversal of Associate into Subsidiary	-	-	-	4.33
18. Net profit for the year (13+14+15+16+17)	1,284.94	1,022.46	896.65	915.94

FINANCIAL REVIEW

Your Company achieved net sales of ₹5051 million during the year under review as against ₹4,349 million during the previous financial year, a growth of more than 16% year on year. Total income increased by 13.5% from ₹4837 million in FY2013 to ₹5491 million in FY2014.

The total cost went up by 20% in FY2014 over FY2013 owing to increased manpower cost and advertisements to build brands.

Operating EBITDA before lease equalization charge (a non-cash charge of ₹45.8 million in Q4FY2014) stood at ₹1690 million up by 14.6% over FY2013. Profit before tax (PBT) from ordinary activities increased by 21% to ₹1876 million in FY2014. Net profit after taxes (PAT) has increased by about 26% from ₹1,022 million (after a large exceptional item of ₹293 million in FY2013 to ₹1285 million in FY2014 where there were limited exceptional items.

DIVIDEND

Your Company has a consistent track record of dividend payment.

Your Board approved a dividend policy for the Company in its meeting held on 21st January, 2014. This dividend policy indicates that the Company will endeavor to maintain a dividend pay-out ratio of 15%-25% of profits after tax which may be modified in light of exceptional circumstances affecting the financials.

In line with its aforesaid Dividend Policy the Board has recommended a Dividend of ₹1.50/- per equity share subject to approval by the shareholders at the ensuing Annual General Meeting. This is in addition to the amount of interim dividend of Re.1/- per equity share declared and paid during the year under review.

The total dividend pay-out (excluding dividend tax) for the current year is ₹273 million as against ₹109 million in the previous year. The amount of Dividend Distribution Tax paid by the Company for

the year is ₹46 million as compared to ₹18 million during the previous financial year.

The dividend, if approved, shall be payable to the Shareholders registered in the books of the Company and to the beneficial owners as per details furnished by the Depositories, determined with reference to the book closure from 17th July, 2014 to 18th July, 2014 (both days inclusive).

TRANSFER TO RESERVES

Since the Board decided to make payment of dividend @ ₹ 2.50/- per share (25%) for the financial year ended 31st March, 2014, an amount of ₹128 million has been transferred to reserves under Companies (Transfer of Profit to Reserves Rules), 1975.

LISTING OF SHARES

The Company's shares are listed on Bombay Stock Exchange Ltd. (BSE) & National Stock Exchange of India Ltd. (NSE) with effect from 21st November, 2006, post its initial public offering (IPO). The annual listing fees for the financial year 2014-15 to BSE and NSE has been paid.

OPERATIONS REVIEW

Though the primary revenue generator for the Company still remains the online recruitment classifieds and related services through its flagship portal Naukri.com, along with naukri.gulf.com and quadrangle, other business verticals of the Company have been gaining traction for some time and promise to keep improving as the economy continues to become more robust. The recruitment business continues to grow at an improved pace in line with improved business confidence level. The real estate vertical has also been growing at healthy rate too.

During the year under review recruitment solutions grew by 9.8% from ₹3387 million in FY2013 to ₹3719 million in FY2014. Operating EBITDA from recruitment solutions increased by 13.3% from ₹1659 million in FY2013 to ₹1879 million in FY2014.

We also provide property, matrimonial, and education based classifieds and related services through our portal 99acres.com, jeevansathi.com, and shiksha.com respectively. With revenues from these other verticals increasing by 36.0%, their combined contribution to the company's net sales was 26.5% in FY2014. 99acres.com grew by 47.2% and Shiksha.com grew by 52.3%. The Company would continue to invest more to scale up these businesses in FY2015.

Detailed analysis of the performance of the Company and its businesses has been presented in the section on Management Discussion and Analysis Report forming part of this Annual Report.

FUTURE OUTLOOK

Though there are signs of improved business confidence level and the economy is starting to look positively at the future, trailing economic slowdown in India and relatively subdued business sentiment is expected to prevail for a major part of FY2015. Such prolonged economic conditions

will continue to impact both the recruitments and the real estate business. While we may be impacted by the slowdown, much of it will be offset by the growing transformation of physical transactions into online ones. In addition, the online infrastructure is continuing to grow in India. Internet penetration and broadband usage continued to show strong secular growth trends and even today they are on the lower side in terms of penetration when compared to similar developing countries in Asia. Therefore, the potential for growth of internet enabled businesses is immense.

At Info Edge, we believe in this potential and are going to invest in all our business primarily on people, product development, marketing and brand building. The aim is to be a dominant leader driving the internet led economic growth of the country. For FY2015, we remain cautiously optimistic. The recruitment business is expected to maintain its momentum although a higher pickup in activity will have to wait for growth in GDP, strong business confidence and in fresh investment spending. The real estate business is close to the point of inflection for rapid growth. The matrimonial business is expected to strengthen its market position in its niche segments. While the education business is developing impressively. For your Company, FY2015 will be about gaining from growth in the overall internet market and further consolidating its position by focusing on gaining market share. The investee companies are still developing their business models and will gain some visibility on future prospects in the near future.

SUBSIDIARY COMPANIES

During FY2014, Info Edge had following subsidiary companies:-

- Naukri Internet Services Private Limited and Jeevansathi Internet Services Private Limited, which own internet domain names and related trademarks;
- Allcheckdeals India Private Limited which provides brokerage services in the real estate sector in India;
- Info Edge (India) Mauritius Limited primarily to make overseas investments of the Company (Under liquidation);
- Applect Learning Systems Private Limited which is engaged in business of kindergarten to class12 (K-12) assignment and tuitions through its online portal Meritnation.com;
- Zomato Media Pvt. Ltd., which operates an online food guide portal zomato.com
- MakeSense Technologies Pvt. Ltd., owner of a proprietary software for semantic search which augments search capabilities for both recruiters & job seekers, principally on naukri.com.

INVESTEE COMPANIES

During the year, the company had the following (other than Zomato and Applect Learning referred above) continuing external strategic investments:-

- Etechaces Marketing & Consulting Pvt. Ltd., is engaged in aggregation and comparison of financial products including online insurance & loans through its online portal policybazaar.com.
- Canvera Digital Technologies Pvt. Ltd., a digital photograph storage and printing business through its website canvera.com.
- Happily Unmarried Pvt. Ltd. which is into designing & selling creative fun products through its website happilyunmarried.com.

- Kinobeo Software Pvt. Ltd., which is in business of providing online discount offers and group deals through its web portal mydala.com.
- Nogle Technologies Pvt. Ltd., which is a web based sharing platform through its Website floost.com. (During the year it ceased to be an Associate Company).

The above companies are treated as "Associate Companies" in our Consolidated Financial Statements as per the Accounting Standards issued by the Institute of Chartered Accountants of India and notified by the Ministry of Corporate Affairs.

During the FY2014, your Company invested about ₹899 million into the external businesses/ companies.

AUDITOR'S REPORT

There was no qualification in the Auditors Report and both the Auditors Report & notes on accounts are self-explanatory.

AUDITORS

M/s. Price Waterhouse & Co., Bangalore (FRN-007567S), Chartered Accountants hold office until the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS

During the year under review, there has been no change in the composition of the Board of directors of your Company. However, Mr. Ambarish Raghuvanshi, Whole-time Director & CFO of the Company advised the Company on 27th January, 2014 about his decision to relinquish his position with the Company effective May, 2014. A smooth transition to a new Chief Financial Officer, Mr. Chintan Thakkar, was planned and implemented with the Board's guidance.

The Companies Act, 2013 provides for appointment of independent directors for a term of upto five consecutive years on the Board of a Company and that they shall be eligible for re-appointment on passing a special resolution by the shareholders of the company. Further, it provides that no independent director shall be eligible for more than two consecutive terms of five years. As per sub-section (13) of the Section 149 of the Companies Act, 2013 the provisions of retirement by rotation do not apply to independent directors. The company's Independent directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. Therefore, in accordance with the requirements of the Companies Act, 2013, all the existing Independent Directors are proposed to be appointed for a term upto five consecutive years upto 31st March, 2019. During this period of 5 years they shall not be liable to retire and seek re-appointment at the AGM.

Further, as per Companies Act, 2013, not less than 2/3rd (Two-third) of total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, Mr. Kapil Kapoor is liable to retire by rotation and, being eligible, offers himself for re-appointment.

CORPORATE GOVERNANCE

Your Company always places a major thrust on managing

its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an Organization's corporate governance philosophy is directly linked to high performance.

The Company is committed to adopting and adhering to established world-class corporate governance practices. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value and wealth for all its stakeholders.

In line with Info Edge's philosophy on Corporate Governance to accomplish high level of transparency, integrity, honesty and accountability, the Company reviewed its Trading Window Closure Practice to benchmark it against the best of Industry Practices and thereby tightened the controls further to curb all possibilities of Insider Trading in the Company.

The Company also adopted a Policy on Prevention of Sexual Harassment at workplace in compliance with the requirements of the "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and constituted an internal complaints committee to look into the complaints of sexual harassment in terms of provisions of the said Act.

The compliance report on corporate governance and a certificate from M/s. Price Waterhouse & Co., Bangalore, Chartered Accountants, Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the listing agreement with the Stock Exchanges, is attached herewith.

PUBLIC DEPOSITS AND LIQUIDITY

We continue to be almost debt-free, and believe we maintain sufficient cash to meet our strategic objectives. During FY2014, your Company has not accepted any deposits or raised any fresh equity from the public.

PARTICULARS OF EMPLOYEES

The particulars of employees required under Section 217(2A) of the Companies Act, 1956 and the rules there under, are required to be annexed to this Report as Annexure. However, pursuant to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report and Accounts are being sent to all the shareholders of the Company without the above information. Any shareholder interested in obtaining such particulars may write to the Company Secretary.

EMPLOYEES STOCK OPTION PLAN (ESOP)

Our ESOP schemes help us share wealth with our employees and are part of a retention oriented compensation program. They help us meet the dual objective of motivating key employees and retention while aligning their long term career goals with that of the Company.

ESOP-2003 The Company made this initial plan when it was a private limited unlisted company and therefore SEBI ESOP Guidelines were not applicable to this scheme. The scheme was used to grant ESOPs till listing i.e. November 2006 and thereafter, no fresh grants have been made under the scheme. This scheme

was registered with the Income Tax authorities as per the rules applicable at that time. Options granted prior to November 2006 continue to vest and are being exercised till their validity under this scheme.

ESOP-2007 (MODIFIED IN JUNE 2009) This is a SEBI compliant ESOP scheme being used to grant stock based compensation to our Associates since 2007., This was approved by passing a special resolution in the Extra-ordinary General Meeting (EGM) held on March 26, 2007 which was further amended in June 2009 through approval of shareholders by Postal Ballot by introducing Stock Appreciation Rights (SARs)/ Restricted Stock Units (RSUs) and flexible pricing of ESOP/SAR Grants. The scheme is currently used by the Company to make fresh ESOP/SAR grants.

Disclosures as required by clause 12 of the SEBI Employees Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 are annexed to this report.

A certificate from M/s. Price Waterhouse & Co., Bangalore, Chartered Accountants, Statutory Auditors with regards to the implementation of the Company's Employee Stock Option Scheme in line with SEBI Employees Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 would be placed in the ensuing Annual General Meeting.

INTERNAL CONTROL SYSTEMS

The Company has in place adequate systems of Internal Control to ensure compliance with policies and procedures. The Company has appointed an external professional firm as Internal Auditor. The Audits of all the units of the Company are regularly carried out to review the internal control systems & processes. The Internal Audit Reports along with implementation and recommendations contained therein are constantly reviewed by the Audit Committee of the Board.

ENERGY CONSERVATION, TECHNOLOGY ADOPTION AND FOREIGN EXCHANGE FLOWS

Since the Company is a service sector company and does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable. However, on a proactive basis, we are disclosing the details of energy conservation and technology absorption as part of annexure A to the directors' report. The particulars regarding foreign exchange earnings and expenditure are furnished below:-

(₹ Million)

Particulars	FY2014	FY2013
Foreign Exchange Earnings		
Sales	532.75	434.55
Total Inflow	532.75	434.55
Server Charges	114.91	102.18
Advertising, Promotion & Marketing Expenses	19.85	13.87
Travel Expenses	0.21	0.36
Foreign Branch Expenses	62.66	46.43
Others	7.06	7.24
Total Outflow	204.69	170.08
Net Foreign Exchange Inflow	328.06	264.47

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for the year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- they have prepared the annual accounts on a going concern basis.

GREEN INITIATIVES

The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders.

Electronic copies of the Annual Report 2014 and notice of the 19th Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s). For members, who have not registered their e-mail addresses, physical copies of the Annual Report 2014 and the Notice of the 19th Annual General Meeting are sent in permitted mode. Members requiring a physical copy may send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to section 108 of the Companies Act, 2013 read with relevant rules thereon. The instructions for e-voting are provided in the Notice of the AGM.

ACKNOWLEDGMENTS

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilisation of the Company's resources for sustainable and profitable growth.

We, hereby, wish to place on record our appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, our consistent growth would not have been possible. Your Directors further wish to thank our investors, customers, visitors to our websites, business partners, bankers and other stakeholders for their continued support during the year.

For and on behalf of the Board of Directors

Date- 20th June, 2014
Place- HongKong

Kapil Kapoor
Chairman

ANNEXURE –I

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT

Particulars pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988

1. Conservation of energy

While our operations are not energy-intensive, we continue to take steps to reduce energy consumption. Some of the significant measures undertaken during the year are listed below:

- i) Regular monitoring of temperature inside the buildings and controlling the air-conditioning System.
- ii) Rationalization of usage of electrical equipments - air-conditioning system, office illumination, beverage dispensers, desktops.
- iii) Power factor rationalization.
- iv) Usage of energy efficient illumination fixtures.
- v) Signage timings rationalization.
- vi) Planned Preventive Maintenance (PPM) schedule put in place for electro-mechanical equipments.

2. Research and Development (R&D)

We operate in the internet/ information technology industry where new developments happen on a continuous basis. We regularly evaluate these developments & factor their suitability to us. Accordingly, research and development of new services, designs, frameworks, processes and methodologies continue to be of importance to us. This allows us to enhance quality, productivity and customer satisfaction through continuous improvements/innovation.

a. R&D initiative

Our Technical Team works to optimize the existing software applications and to be able to optimally use the existing hardware on a continuous basis.

b. Specific areas for R&D at the company & the benefits derived there from

Our search engine team has worked on bringing about significant improvements to the job and resume searches offered on the website by exploring newer and better ways to search.

c. Future plan of action

We constantly keep working on finding/evaluating new technologies, processes, frameworks and methodologies to enable us in improving the quality of our offerings and user satisfaction. We have a pipeline of new initiatives that are being developed and launched.

d. Expenditure on R&D for the year ended March 31, 2014

Our Research and Development activities are not capital intensive and we do not specifically provide for the same in our books.

ANNEXURE –II

Information regarding the Employee Stock Option Schemes

Particulars	Number
Options/Stock Appreciation Rights outstanding at beginning of year (April 1, 2013)	3,387,095
Add:	
Options/Stock Appreciation Rights granted	640,500
Bonus Options Granted	-
Sub-total-1	4,027,595
Less:	
Options/Stock Appreciation Rights exercised	735,400
Options/Stock Appreciation Rights forfeited	96,024
Sub-total-2	831,424
Options/Stock Appreciation Rights outstanding at the end of year (sub-total 1-2)	3,196,171
Option/Stock Appreciation Rights exercisable at the end of year (March 31, 2014)	2,033,516

Exercise price

During the year 2013-14, fresh ESOP/SARs Grants were made under ESOP 2007 at the following prices:

Exercise Amount Range (₹)	No. of SARs Granted
200-300	497,000
301-400	35,000
401-500	62,000
501-650	46,500

Details of option granted to Senior Management/Directors during the year:

(i)	Grant to Directors	Nil
(ii)	Any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
(iii)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil

Other Details-

1	Earnings Per share (EPS)	₹11.77
2	Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value of stock options.
3	Difference, if any, between employee compensation cost (calculated using the intrinsic value of stock options) and the employee compensation cost (calculated on the fair value of the options)	₹71.24 Million
4	The impact of this difference on profits and on EPS of the Company	Profit for the year would be lower by ₹71.24 Million (Previous year 61.29 Million) and the EPS would be ₹ 11.12 (Previous year 8.80).
5 a	Weighted-average exercise prices of options whose exercise price – i) either equals market price; or ii) exceeds market price ; or iii) is less than the market price of the stock	ESOP 2007 SAR 310.64 345.00 627.75
5 b	Weighted fair values of options whose exercise price – i) either equals market price; or ii) exceeds market price ; or iii) is less than the market price of the stock	ESOP 2007 SAR 96.99 112.00 224.28
6	Description of method & significant assumptions used during the year to estimate value of options including the following weighted-average information: (i) risk-free interest rate; (ii) expected life (in years); (iii) expected volatility (iv) expected dividend yield (v) the price of the underlying share in the market at the time of option grant.	ESOP 2007 SAR 7.92% 3.31 28.75% 0.18% 335.45
7	Impact on the profits and EPS if the Company had followed the accounting policies specified in Clause 13 of the SEBI ESOP Guidelines	N.A.

INDEPENDENT AUDITORS' REPORT

To the Members of Info Edge (India) Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Info Edge (India) Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") / notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") / notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

INFO EDGE (INDIA) LIMITED

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. (a) The Company has granted unsecured loans, to 2 companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 17,190,982 and ₹ 17,190,982, respectively. There are no firms /other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) [(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, customs duty, excise duty and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, customs duty, and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowances on ESOP expenses	25,743,949	2006-2007	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of ESOP expenses Disallowance of Depreciation on intangible assets Disallowance u/s 14A	12,381,907	2007-2008	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of ESOP expenses Disallowance of Depreciation on intangible assets Disallowance u/s 14A	74,502,310	2008-2009	Income Tax Appellate Tribunal
Income Tax Act, 1961	Disallowance of ESOP expenses	21,707,080	2010-2011	Commissioner Income Tax (Appeals)

INFO EDGE (INDIA) LIMITED

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Business Support Services Advertisement Services	27,310,388	2003-2012	Custom Excise and Service Tax Appellate Tribunal

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 007567S
Chartered Accountants

Place : Noida
Date : May 14, 2014

Amitesh Dutta
Partner
Membership Number 058507

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note	As at	As at
		March 31, 2014	March 31, 2013
		(₹' Mn)	(₹' Mn)
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	3	1,091.81	1,091.81
(b) Reserves and surplus	4	6,529.78	5,562.54
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	4.38	4.82
(b) Trade payables	6	41.10	-
(3) CURRENT LIABILITIES			
(a) Trade payables	6	383.49	357.31
(b) Other current liabilities	7	1,440.50	1,249.16
(c) Short-term provisions	8	323.97	240.55
Total		9,815.03	8,506.19
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	9	822.86	857.62
(ii) Intangible assets	9	31.13	50.01
(iii) Capital work-in-progress		97.50	98.16
(b) Non-current investments	10 A & 10 B	3,621.29	2,953.88
(c) Deferred tax assets	11	63.54	44.85
(d) Long-term loans and advances	12	153.42	158.60
(e) Other non-current assets	13	0.76	120.60
(2) CURRENT ASSETS			
(a) Current investments	14	2,530.56	1,293.07
(b) Trade receivables	15	50.34	44.58
(c) Cash and bank balances	16	2,311.21	2,709.92
(d) Short-term loans and advances	12	69.22	102.76
(e) Other current assets	13	63.20	72.14
Total		9,815.03	8,506.19

Significant Accounting Policies

2

The notes are an integral part of these financial statements

For Price Waterhouse & Co., Bangalore
Firm Registration Number 007567S
Chartered Accountants

Amitesh Dutta
Partner
Membership Number 058507

Place : Noida
Date : May 14, 2014

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

M.M Jain
Company Secretary

Place : Noida
Date : May 14, 2014

Ambarish Raghuvanshi
Director & CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note	Year ended March 31, 2014 (₹' Mn)	Year ended March 31, 2013 (₹' Mn)
I. Revenue from operations	17	5,058.74	4,372.58
II. Other income	18	432.45	464.94
III. Total revenue (I + II)		5,491.19	4,837.52
IV. EXPENSES			
Employee benefits expense	19	1,965.50	1,661.86
Finance costs	20	24.70	24.80
Depreciation and amortisation expense	21	173.70	94.46
Advertising and promotion cost	22	662.48	576.50
Administration and other expenses	23	602.70	496.73
Network, internet and other direct charges	24	160.22	139.40
Total expenses		3,589.30	2,993.75
V. Profit before exceptional items and tax (III-IV)		1,901.89	1,843.77
VI. Exceptional items	39	26.01	292.87
VII. Profit before tax (V-VI)		1,875.88	1,550.90
VIII. Tax expense			
(1) Current tax		609.63	531.55
(2) Deferred tax	11	(18.69)	(3.11)
IX. Profit for the year from continuing operations (VII-VIII)		1,284.94	1,022.46
X. Profit for the year (IX)		1,284.94	1,022.46
XI. Earnings per equity share: Nominal value of share ₹ 10/- (Previous Year ₹ 10/-)			
(1) Basic		11.77	9.36
(2) Diluted		11.77	9.36

Significant Accounting Policies

2

For Price Waterhouse & Co., Bangalore
Firm Registration Number 007567S
Chartered Accountants

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Ambarish Raghuvanshi
Director & CFO

Amitesh Dutta
Partner
Membership Number 058507

M.M Jain
Company Secretary

Place : Noida
Date : May 14, 2014

Place : Noida
Date : May 14, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

S.No.	Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
A.	Cash flow from operating activities:		
	Net profit before exceptional item and tax	1,901.89	1,843.77
	Adjustments for:		
	Depreciation and amortisation expense	173.70	94.46
	Lease Equalisation charges	45.75	-
	Interest expense	1.00	0.95
	Interest income	(226.24)	(245.24)
	Dividend income from mutual funds	(87.18)	(87.28)
	(Profit)/loss on sale of fixed assets (net)	(1.49)	(0.14)
	(Profit)/loss on sale of investments (net)	(96.98)	(116.05)
	Interest income on debentures	-	(5.09)
	Bad debts /provision for doubtful debts	5.81	3.47
	Liability no longer required written back	(7.39)	(23.58)
	Provision for gratuity & leave encashment	(11.75)	1.32
	TDS on revenue receipts	(262.55)	(227.93)
	Advance written off during the year	0.22	-
	Employee stock option scheme compensation expense	1.91	14.68
	Operating profit before working capital changes	1,436.70	1,253.34
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in trade receivables	(11.57)	(12.18)
	- (INCREASE)/DECREASE in loans, advances and other current assets	40.84	(82.08)
	- INCREASE/(DECREASE) in current liabilities and provisions	231.34	133.49
	Cash generated from operating activities	1,697.31	1,292.57
	- Taxes (Paid) / Received (Net of TDS)	(329.04)	(289.63)
	Net cash from operating activities	1,368.27	1,002.94
B.	Cash flow from Investing activities:		
	Purchase of fixed assets	(124.48)	(471.80)
	Proceeds from sale of fixed assets	4.20	3.60
	Proceeds from sale of investments	7,508.89	6,811.89
	Purchase of investments	(8,439.39)	(5,871.16)
	Maturity of/(Investment in) fixed deposits	588.20	(284.87)
	Interest received	263.71	244.80
	Dividend received	87.18	87.28
	Amount paid on acquisition of shares/debentures of other enterprises (subsidiaries and associates)	(903.40)	(1,543.33)
	Net cash used in investing activities	(1,015.09)	(1,023.59)
C.	Cash flow from financing activities:		
	Proceeds from long term borrowings	6.40	8.55
	Repayment of long term borrowings	(5.70)	(5.69)
	Interest paid	(1.00)	(0.91)
	Dividend paid	(218.44)	(109.16)
	Dividend tax paid	(36.27)	(17.71)
	Net cash used in financing activities	(255.01)	(124.92)
	Net increase/(decrease) in cash & cash equivalents	98.17	(145.57)
	Opening balance of cash and cash equivalents (April 01, 2013/April 01, 2012)	141.93	287.50
	Closing balance of cash and cash equivalents	240.10	141.93
	Cash and cash equivalents comprise		
	Cash in hand	3.10	2.60
	Balance with scheduled banks		
	-in current accounts (Refer note 2 and 3 below)	146.88	139.33
	-in fixed deposits accounts with original maturity of less than 3 months	90.12	-
	Total cash and cash equivalents	240.10	141.93
	-in Fixed deposits accounts with original maturity more than 3 months	2,071.11	2,659.31
	Total	2,311.21	2,801.24

Notes :

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement, prescribed under Companies (Accounting Standards) Rules, 2006 as notified by the Central Government vide its notification dated December 7, 2006.
- Balance with scheduled bank in current account includes Nil (previous year ₹ 0.12 Million) in respect of unpaid application money due for refund, which is not available for use by the company.
- Balance with scheduled bank in current account includes ₹ 0.14 Million (previous year ₹ 0.09 Million) in respect of unclaimed dividend, which is not available for use by the company.
- Figures in brackets indicate cash outflow.

For Price Waterhouse & Co., Bangalore
Firm Registration Number 007567S
Chartered Accountants

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Ambarish Raghuvanshi
Director & CFO

Amitesh Dutta
Partner
Membership Number 058507

M.M Jain
Company Secretary

Place : Noida
Date : May 14, 2014

Place : Noida
Date : May 14, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. General Information

Info Edge (India) Ltd (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed in two stock exchanges in India.

The Company was converted to a public limited company and its name was changed to Info Edge (India) Limited with effect from April 27, 2006.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

2.2 Fixed Assets

Tangible Fixed Assets are stated at cost of acquisition along with related taxes, duties and incidental expenses related to these assets.

Intangible assets are stated at their cost of acquisition.

Profit/Loss on disposal of fixed assets is recognised in the Statement of Profit and Loss.

2.3 Depreciation\amortisation

Tangible Assets

Fixed Assets are depreciated under Straight Line Method over the estimated useful lives of the assets, which are as follows:

Assets	Estimated life (Years)
Building	20
Computers	3
Office Equipment	3
Vehicles	4
Plant and Machinery	5
Furniture & Fixtures	7

Intangible Assets

Fixed Assets are amortised under Straight Line Method over the estimated useful lives of the assets, which are as follows:

Assets	Estimated life (Years)
Other software licenses	3
Enterprise resource planning software	5

Cost of Operating and Marketing rights acquired is amortised over a period of 5 years.

Leasehold land and leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the related assets.

Assets costing less than or equal to ₹5,000 are fully depreciated in the year of acquisition.

The effective rates of depreciation based on the estimated useful lives are above the minimum rates as prescribed by Schedule XIV of the Act.

2.4 Foreign Currency Transactions

Transactions in foreign currency are accounted for at the rate prevailing on the date of the transaction. Gain/Loss arising on fluctuation in foreign exchange rate between the transaction date and settlement date are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities are restated at the exchange rate prevailing at the year end and the overall net gain/loss is adjusted to the Statement of Profit and Loss.

2.5 Revenue Recognition

The Company earns revenue significantly from the following sources viz.

- a) Recruitment solutions through its career web site, Naukri.com:-

Revenue is received in the form of fees, which is recognized prorata over the subscription / advertising agreement, usually ranging between one to twelve months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- b) Matrimonial web site, Jeevansathi.com and Real Estate website, 99acres.com:-
Revenue is received in the form of subscription fees, which is recognized over the period of subscription, usually ranging between one to twelve months.
- c) Placement search division, Quadrangle:-
Revenue is received in the form of fees, for placements at various levels in a client's organization. Revenue is booked on the successful completion of the search and selection activity.
- d) Real Estate broking division:-
Commission income on property bookings placed with builders/developers is accrued once the related services have been rendered by the company.
- e) Resume Sales Service:-
The revenue from Resume Sale Services is earned in the form of fees and is recognized on completion of the related service.

In respect of a) and b) above, the unaccrued amounts are not recognized as revenue till all obligations are fulfilled and are reflected in the Balance sheet as Income received in advance (Deferred Sales Revenue.)

All the above sources of revenue are shown net of service tax and is not recognized in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognized on reasonable certainty of collection.

2.6 Investments

Investments that are readily realisable and are not intended to be held for more than one year from the date, on which such investment are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of investments, such reduction being determined and made for such investment individually.

2.7 Employee Benefits

The company has Defined Contribution plan for the post-employment benefits namely Provident Fund which is recognized by the income tax authorities. These funds are administered through the Regional Provident Fund Commissioner and the Company's contributions thereto are charged to revenue every year. The Company's contribution to state plans namely Employee State Insurance Fund is charged to revenue every year.

The Company has Defined Benefit plans namely leave encashment, compensated absence and gratuity for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Gratuity Fund is recognized by the income tax authorities and is administered through Life Insurance Corporation of India under its Group Gratuity Scheme.

Termination benefits are recognized as an expense immediately.

Gains and losses arising out of actuarial valuations are recognized immediately in the Statement of Profit and Loss as income or expense.

2.8 Leased Assets

- a) Assets acquired on lease where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease amount paid is allocated between the liability and the interest cost, so as to maintain a constant periodic rate of interest on the outstanding liability for each period.
- b) Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expense in the Statement of Profit and Loss on a straight line basis over the lease term.

2.9 Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. Deferred tax assets are recognized and carried forward only to the extent there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.10 Earnings Per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity share.

2.11 Employee Stock Option Based Compensation

Stock options granted to the employees and to the non-executive Directors who accepted the grant under the Company's Stock Option Plan are accounted for in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme) Guidelines, 1999 as amended from time to time and the guidance note on Employee Share Based Payments issued by ICAI. The Company follows the intrinsic value method and accordingly, the excess, if any, of the market price of the underlying equity shares as of the date of the grant of the option over the exercise price of the option, is recognized as employee compensation cost and amortised on a graded vesting basis over the vesting period.

2.12 Provisions and Contingencies

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

2.13 Dividend income

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

2.14 Interest Income

Interest income is recognized on the time basis determined by the amount outstanding including the tax credits at the rate applicable and where no significant uncertainty as to measurability or collectability exists.

2.15 Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

3. Share Capital

Particulars	As at March 31, 2014	As at March 31, 2013
AUTHORISED CAPITAL	(₹' Mn)	(₹' Mn)
120.00 Million Equity Shares of ₹ 10/- each (Previous year - 120.00 Million Equity Shares of ₹ 10/- each)	1,200.00	1,200.00
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
109.18 Million Equity Shares of ₹ 10/- each fully paid up (Previous year - 109.18 Million Equity Shares of ₹ 10/- each fully paid up)	1,091.81	1,091.81
	1,091.81	1,091.81

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013	As at March 31, 2013
	No of Shares	(₹' Mn)	No of Shares	(₹' Mn)
Equity Shares				
At the beginning of the year	109,181,024	1,091.81	54,590,512	545.91
Add: Issued during the year	-	-	54,590,512	545.90
Outstanding at the end of the year	109,181,024	1,091.81	109,181,024	1,091.81

b. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

The Board of Directors has recommended a final dividend of ₹ 1.50 per share (previous year ₹ 1 per share) which is subject to the approval of the shareholders in the ensuing Annual General Meeting over and above the interim dividend of ₹ 1.00 (previous year ₹ Nil) per share.

- c. **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:-**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Equity Shares allotted as fully paid bonus shares by capitalisation of securities premium	-	54,590,512	-	27,295,256	-
	-	54,590,512	-	27,295,256	-

- d. **Details of shareholders holding more than 5% shares in the company**

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 10 each fully paid				
- Sanjeev Bikhchandani	36,245,461	33.20	37,370,812	34.23
- Sanjeev Bikhchandani & Hitesh Oberoi holding on behalf of Endeavour Holding Trust	8,734,880	8.01	8,734,880	8.01
- Hitesh Oberoi	6,900,118	6.32	7,400,118	6.78
- HDFC Trustee Company Limited-HDFC Capital Builder Fund	7,808,299	7.15	-	-
	59,688,758	54.68	53,505,810	49.02

4. RESERVES AND SURPLUS

Particulars	As at March 31, 2014		As at March 31, 2013	
	(₹ Mn)	(₹ Mn)	(₹ Mn)	(₹ Mn)
Securities Premium Account				
Opening Balance	764.16		1,310.07	
Less: Utilisation for issue of bonus shares	-	764.16	545.91	764.16
General Reserve				
Opening Balance	147.13		145.57	
Add: Transfer from Statement of Profit and Loss under Companies (Transfer of Profit to Reserves Rules), 1975	128.49		-	
Add: Transfer from Statement of Profit and Loss (Stock Options Outstanding Account)	27.25	302.87	1.56	147.13
Stock Options Outstanding Account				
Opening Balance	53.63		40.52	
Add: Transfer during the year	1.91		14.68	
Less: Adjusted against advance given to Info Edge Employees Stock Option Trust	0.27		0.01	
Less: Transfer to Statement of Profit & Loss	27.25	28.02	1.56	53.63
Surplus in Statement of Profit and Loss				
Opening Balance	4,597.62		3,702.05	
Add: Net profit after tax transferred from Statement of Profit and Loss	1,284.94		1,022.46	
Transfer from Stock Option Outstanding Account	27.25		1.56	
Less: Appropriations				
Proposed Dividend	163.77		109.18	
Interim Dividend	109.18		-	
Dividend Tax	46.39		17.71	
Transfer to General Reserve under Companies (Transfer of Profit to Reserves Rules), 1975	128.49		-	
Transfer to General Reserve (Employee Stock Options Outstanding Account)	27.25	5,434.73	1.56	4,597.62
		6,529.78		5,562.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

5. LONG TERM BORROWINGS

Particulars	Non-Current Portion		Current Maturities	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
SECURED LOANS				
Term loans from banks	4.38	4.82	5.79	4.65
Current maturities transferred to Other current liabilities	-	-	(5.79)	(4.65)
	4.38	4.82	-	-

- a. Term Loans from banks are secured by hypothecation of vehicles taken on lease.
b. Term loans carry interest rates ranging from 6% to 12%. The loan is repayable along with interest with in 2 to 3 years from the date of loan.

Leased assets included in vehicles where the Company is a lessee under finance leases are:

Finance lease liabilities- minimum lease payments:	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Not later than 1 year	6.54	5.41
Later than 1 year and not later than 5 years	4.68	5.14
Total minimum lease payments	11.22	10.55
Less: Future finance charges on finance leases	1.05	1.08
Present value of finance lease liabilities	10.17	9.47
Representing lease liabilities:		
- Current	5.79	4.65
- Non Current	4.38	4.82
	10.17	9.47
The present value of finance lease liabilities may be analysed as follows:		
Not later than 1 year	5.79	4.65
Later than 1 year and not later than 5 years	4.38	4.82
	10.17	9.47

6. TRADE PAYABLES

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Trade Payables				
- total outstanding dues of micro, small and medium enterprises	-	-	-	-
- total outstanding dues of creditors other than micro, small and medium enterprises	41.10	-	383.49	357.31
	41.10	-	383.49	357.31

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2014		As at March 31, 2013	
	(₹ Mn)	(₹ Mn)	(₹ Mn)	(₹ Mn)
Current maturities of term loans transferred from long term borrowings		5.79		4.65
Interest accrued but not due on loans		0.07		0.07
Income received in advance (deferred sales revenue)		1,395.03		1,212.19
Unpaid dividend*		0.14		0.09
Unpaid application money received by the company for allotment of securities and due for refund		-		0.12
Others				
- Service tax payable	0.70		(0.64)	
- TDS payable	32.53		26.86	
- Other statutory dues	6.24	39.47	5.82	32.04
		1,440.50		1,249.16

* Will be credited to Investor Education and Protection Fund as and when due

8. PROVISIONS

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Provision for employee benefits				
- Provision for gratuity	-	-	5.70	16.98
- Provision for compensated absence	-	-	19.03	19.50
Other provisions				
Accrued bonus	-	-	81.97	69.82
Provision for tax	-	-	3,091.69	2,477.88
Less: advance tax	-	-	(3,066.02)	(2,470.52)
Proposed dividend	-	-	163.77	109.18
Dividend tax	-	-	27.83	17.71
	-	-	323.97	240.55

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

9. FIXED ASSETS

(₹Mn)

Description	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION			NET BLOCK		
	As at April 1, 2013	Additions during the year	Deletions/Write off during the year	As at March 31, 2014	Up to April 1, 2013	Depreciation/Amortisation for the year	Accumulated depreciation/amortisation on deletions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
OWN ASSETS										
Tangible Assets										
Leasehold land	346.95	-	-	346.95	20.88	5.15	-	26.03	320.92	326.07
Building	91.19	-	-	91.19	10.99	4.56	-	15.55	75.64	80.20
Leasehold improvements	293.16	29.27	30.46	291.97	66.75	42.23	29.96	79.02	212.95	226.41
Computers	241.28	67.18	15.03	293.43	162.38	50.44	14.78	198.04	95.39	78.90
Plant and machinery	59.44	1.36	7.95	52.85	33.43	5.93	7.76	31.60	21.25	26.01
Furniture and fixtures	96.85	4.82	4.73	96.94	32.80	16.38	4.20	44.98	51.96	64.05
Office equipment	97.57	10.70	7.93	100.34	56.10	22.68	7.63	71.15	29.19	41.47
Vehicles	0.73	-	-	0.73	0.73	-	-	0.73	-	-
Assets taken on finance lease										
Vehicles	25.18	7.76	4.56	28.38	10.67	5.76	3.61	12.82	15.56	14.51
Total	1,252.35	121.09	70.66	1,302.78	394.73	153.13	67.94	479.92	822.86	857.62
OWN ASSETS (ACQUIRED)										
Intangible assets										
Goodwill	0.26	-	-	0.26	0.26	-	-	0.26	-	-
Operating and marketing rights	27.56	-	-	27.56	27.56	-	-	27.56	-	-
Enterprise resource planning software	25.95	1.69	-	27.64	14.89	6.38	-	21.27	6.37	11.06
Other software licenses	47.36	-	-	47.36	8.41	14.19	-	22.60	24.76	38.95
Total	101.13	1.69	-	102.82	51.12	20.57	-	71.69	31.13	50.01
Total	1,353.48	122.78	70.66	1,405.60	445.85	173.70	67.94	551.61	853.99	907.63
Previous year	905.44	474.42	26.38	1,353.48	374.32	94.46	22.93	445.85	907.63	

10A. NON CURRENT INVESTMENTS* - Shares

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Share	Face Value per share (In ₹**)	(₹Mn)	(₹Mn)	Number of Share	Face Value per share (In ₹**)	(₹Mn)	(₹Mn)
Other than trade investments (Unquoted) (valued at cost unless otherwise stated)								
Investments in Equity shares of Subsidiary Companies								
Jeevansathi Internet Services Pvt. Ltd. -Two hundred shares are held by the nominees of the company	9,800	10	0.10		9,800	10	0.10	
Naukri Internet Services Pvt. Ltd. -Two shares are held by the nominees of the company	9,998	10	0.10		9,998	10	0.10	
Allcheckdeals India Pvt. Ltd. -One share is held by Naukri Internet Services Pvt Ltd	7,009,999	10	70.10		7,009,999	10	70.10	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)
Makesense Technologies Pvt. Ltd. -Share premium of ₹ 154.82/- per share (Previous year- ₹ 154.82) per share	499,999	10	82.41		4,99,999	10	82.41	
Zomato Media Pvt Ltd (formerly DC Foodiebay Online Services Private Limited) -Share premium of ₹ 5282.02/- (Previous year- ₹ 5252.08) per share computed on average basis	164,451	1	868.80		1,63,827	1	860.60	
Applect Learning Systems Pvt. Ltd. -Share premium of ₹ 32,015.88/- (Previous year- ₹ 32,015.88) per share computed on average basis	19,300	10	618.10		19,300	10	618.10	
Info Edge (India) Mauritius Limited (Under Liquidation) Less: Provision for diminution in value of investment (Refer Note No. 39)	1,112,001	\$1	45.60		1,112,001	\$1	45.60	
			(45.60)	1,639.61			(45.60)	1,631.41
Investments in Equity shares of Associate Companies								
eTechAces Marketing and Consulting Pvt. Ltd. -Share premium of ₹ 16,726.40/- per share(Previous Year- ₹16726.40/-)	11,950	10	200.00		11,950	10	200.00	
Nogle Technologies Pvt. Ltd. -Share premium of ₹ Nil (Previous Year- ₹ 40/-) per share. Less: Provision for diminution in value of investment (Refer Note No. 39)	-	-	-		258	10	0.01	
Ninety Nine Labels Pvt. Ltd. -Share premium of ₹ Nil (Previous Year-₹ 102.38/-)per share computed on average basis Less: Provision for diminution in value of investment (Refer Note No. 39)	-	10	-		476,666	10	53.57	
			-				(53.55)	
Happily Unmarried Marketing Pvt. Ltd. -Share premium of ₹ 12,709.04/- (Previous Year-₹ 12,709.12/-) per share computed on average basis	275	10	3.50		100	10	1.27	
Canvera Digital Technologies Pvt. Ltd. -Share premium of ₹ 1,167/- (Previous Year- ₹ 1,167/-) per share computed on average basis	34,711	1	40.54		3,553	1	4.15	
				244.04				205.45
Investments in Preference shares of Subsidiary Companies								
Applect Learning Systems Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ 9 999 /- (Previous Year- Nil) per share	10,000	10,000	100.00		-	-	-	-
Zomato Media Pvt Ltd (formerly DC Foodiebay Online Services Private Limited) - 0.0001% cumulative convertible preference shares with share premium of ₹ 26,969.94 /- (Previous Year- Nil) per share	21,225	10	572.65				-	-
				672.65				
Investments in Preference shares of Associate Companies								
eTechAces Marketing and Consulting Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ 23,284.81/- (Previous Year- ₹ 23,284.81/-)per share computed on average basis	5,345	100	124.99		5,345	100	124.99	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)
Ninety Nine Labels Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ NIL per share. Less: Provision for diminution in value of investment (Refer Note No. 39)	-	-	-	-	498,400	10	131.53	-
Nogle Technologies Pvt. Ltd. - Cumulative convertible preference shares with share premium of ₹ 4,683.99/- (Previous Year- ₹ 4,724.24/-) per share computed on average basis Less: Provision for diminution in value of investment (Refer Note No. 39)	-	-	-	-	4,647	10	22.00	(131.50)
Kinobeo Software Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ 2,494.61/- (Previous Year- ₹ 2,494.61/-) per share computed on average basis	107,801	10	270.00	-	107,801	10	270.00	0.00
Canvera Digital Technologies Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ 1,178.98 /- (Previous Year- ₹ 1,167/-) per share	449,160	1	530.00	-	299,658	1	350.00	-
Happily Unmarried Marketing Pvt. Ltd. - 0.1% cumulative convertible preference shares with share premium of ₹ 12,719.12 /- (Previous Year- ₹ 12,719.12/-) per share	3,928	10	50.00	974.99	3928	10	50.00	817.02
				3,531.29				2,653.88

** Unless otherwise stated

10B. NON CURRENT INVESTMENTS* - Mutual Fund

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)
Investments in Mutual Funds								
ICICI Prudential FMP Series 67-371 Days Plan C Direct Plan	-	-	-	-	5,000,000	10	50.00	-
HDFC FMP 400D March 2013 (1) Series 23-Direct-Growth	-	-	-	-	5,000,000	10	50.00	-
HDFC FMP 384D March 2013(1) Series 23-Direct-Growth	-	-	-	-	5,000,000	10	50.00	-
DWS Fixed Term Fund- Series 63- Direct Growth	2,000,000	10	20.00	-	-	-	-	-
DSP BlackRock FMP - Series 154 - 12.5M - Dir - Growth	2,500,000	10	25.00	-	-	-	-	-
IDFC Fixed Term Plan Series 84 Direct Plan- Growth (386 Days)	2,000,000	10	20.00	-	-	-	-	-
Axis Fixed Term Plan - Series 62 (383 Days)- Direct Growth (W2 DG)	2,500,000	10	25.00	-	-	-	-	-
Kotak FMP Series 100-Growth	-	-	-	-	10,000,000	10	100.00	-
Kotak FMP Series 102-Growth	-	-	-	90.00	5,000,000	10	50.00	300.00
				90.00				300.00
Total (10 A + 10 B)				3,621.29				2,953.88

* Long-term Investments(as per AS-13) Investments with original maturity of more than 12 months

Aggregate amount of unquoted investments		3,666.89		3,184.58
Aggregate provision for diminution in value of investments		45.60		230.70

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

11. DEFERRED TAX ASSETS

Particulars	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Deferred tax asset		
- Opening balance	44.85	41.74
- Adjustment for the current year	18.69	3.11
	63.54	44.85

Significant components of deferred tax assets are shown in the following table:

Particulars	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Deferred tax asset		
Provision for leave encashment	6.47	6.33
Provision for lease equilisation	15.54	-
Provision for doubtful debts	2.43	1.60
Depreciation	28.03	15.60
ESOP	8.69	17.28
Others	2.38	4.04
Net deferred tax asset	63.54	44.85

12. LOANS & ADVANCES

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
(Unsecured, considered good)				
Capital advances	55.18	58.55	5.75	-
Security deposits	79.24	76.86	7.51	13.00
Loans/ advance to subsidiary companies	-	-	26.61	31.02
Amount to associate company towards purchase of shares	-	-	* 0.00	4.00
Others				
- Advance recoverable in cash or in kind or for value to be received	19.00	23.19	20.99	29.96
- Advance recoverable\payable) from ESOP trust	-	-	(0.30)	(0.02)
- Balance with service tax authorities	-	-	7.66	23.80
- Advance tax - fringe benefits	-	-	29.69	29.69
Less: provision for tax - fringe benefits	-	-	(28.69)	(28.69)
	153.42	158.60	69.22	102.76

* Amount is below the rounding off norm adopted by the company

13. OTHER NON CURRENT/ CURRENT ASSETS

Particulars	Non-Current		Current	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
(Unsecured, considered good)				
Non current portion of fixed deposits transferred from cash & bank balances	-	91.32	-	-
Interest accrued on fixed deposits	0.76	29.28	63.20	72.14
	0.76	120.60	63.20	72.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

14. CURRENT INVESTMENTS

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)
Investments in Equity shares of other**								
Nogle Technologies Pvt. Ltd.*								
-Share premium of ₹ 40/- (Previous Year- ₹ 40/-) per share.	258	10	0.01		-	-	-	
Less: Provision for diminution in value of investment (Refer Note No. 39)			(0.01)	-				-
Investments in Preference share of other**								
Nogle Technologies Pvt. Ltd.*								
- Cumulative convertible preference shares with share premium of ₹ 4,683.99/- (Previous Year- ₹ 4,724.24/-) per share computed on average basis	5,539	10	26.00		-	-	-	
Less: Provision for diminution in value of investment (Refer Note No. 39)			(26.00)	-				-
* held for disposal								
Investment in Mutual Funds (Unquoted) - Fixed Maturity Plans**								
ICICI Prudential FMP Series 65-367 Days Plan B Cumulative	-	-	-		3,000,000	10.00	30.00	
ICICI Prudential FMP Series 65-366 Days Plan I Direct Plan cumulative	-	-	-		5,000,000	10.00	50.00	
DSP Blackrock FMP-Series 90-12M- Growth	-	-	-		7,000,000	10.00	70.00	
DSP Blackrock FMP-Series 37-13M- Growth	-	-	-		4,000,000	10.00	40.00	
DSP BlackRock FMP-Series 68-12M-Institutional Plan-Growth Option	-	-	-		5,000,000	10.00	50.00	
DSP BlackRock FMP-Series 95 - 12M - Dir - Growth	4,444,600	10.00	44.45					
DSP BlackRock FMP - Series 104 - 12M - Dir - Growth	5,000,000	10.00	50.00					
DSP BlackRock FMP - Series 129 - 12M - Dir - Growth	2,174,820	10.00	21.75					
DSP BlackRock FMP-Series 43 -12M-Growth	-	-	-		5,898,767	10.00	58.99	
DSP Blackrock FMP Series 47-12M-Growth	-	-	-		3,000,000	10.00	30.00	
DSP Blackrock FMP Series 81-12M-Growth	-	-	-		2,000,000	10.00	20.00	
Axis Fixed Term Plan - Series 22 (374 days)- Growth Plan	-	-	-		5,503,000	10.00	55.03	
HDFC FMP 371D August (1)-Growth-Series 22	-	-	-		5,000,000	10.00	50.00	
HDFC FMP 370D April 2013(2) Series 26-Direct-Growth	6,136,956	10.00	61.37					
HDFC FMP 369D June 2013(1) Series 26-Direct-Growth	5,000,000	10.00	50.00					
HDFC FMP 370D July 2013(1) Series 26-Direct-Growth	5,000,000	10.00	50.00					
HDFC FMP 371D July 2013(1) Series 26-Direct-Growth	5,000,000	10.00	50.00					
HDFC FMP 399D March 2012(1)-Growth-Series-XXI	-	-	-		5,000,000	10.00	50.00	
HDFC FMP 400D March 2012(1) - Growth - Series XXI	-	-	-		5,503,750	10.00	55.04	
IDFC Fixed Maturity Plan 366 Days Series 73-Dividend	-	-	-		5,000,000	10.00	50.00	
IDFC Fixed Maturity Plan 366 Days Series 78-Dividend	-	-	-		5,000,000	10.00	50.00	
IDFC Fixed Term Plan Series 32 Direct Plan-Growth	2,500,000	10.00	25.00					
IDFC Fixed Term Plan Series 33 Direct Plan-Growth	2,500,000	10.00	25.00					
Kotak FMP Series 80-Growth	-	-	-		5,514,990	10.00	55.15	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹ Mn)	(₹ Mn)	Number of Unit	Amount per unit (In ₹)	(₹ Mn)	(₹ Mn)
B1070G Birla Sun Life Fixed Term Plan Series FO Growth	-	-	-	-	5,000,000	10.00	50.00	-
ICICI Prudential FMP Series 67-371 Days Plan C Direct Plan Cumulative	5,000,000	10.00	50.00	-	-	-	-	-
ICICI Prudential FMP Series 68-369 Days Plan I Regular Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential Interval Fund Annual Interval Plan 1-Direct Plan-Growth	1,938,224	12.90	24.99	-	-	-	-	-
ICICI Prudential FMP Series 70-367 Days Plan C Regular Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential FMP Series 72 - 368 Days Plan A Direct Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential FMP Series 72 - 368 Days Plan D Direct Plan Cumulative	5,430,400	10.00	54.30	-	-	-	-	-
ICICI Prudential FMP Series 72 - 366 Days Plan C Direct Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential FMP Series 72 - 366 Days Plan K Direct Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential FMP Series 72 - 366 Days Plan M Direct Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential Interval Fund Series VII Annual Interval Plan C Direct Plan	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential FMP Series 73 - 366 Days Plan B Direct Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential FMP Series 73 - 369 Days Plan P Direct Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
ICICI Prudential FMP Series 73 - 368 Days Plan R Direct Plan Cumulative	2,500,000	10.00	25.00	-	-	-	-	-
HDFC FMP 400D March 2013 (1) Series 23-Direct-Growth	5,000,000	10.00	50.00	-	-	-	-	-
HDFC FMP 384D March 2013(1) Series 23-Direct-Growth	5,000,000	10.00	50.00	-	-	-	-	-
HDFC FMP 370D August 2013 (2) Series 26-Direct-Growth	2,500,000	10.00	25.00	-	-	-	-	-
Kotak FMP Series 100-Growth Direct	10,000,000	10.00	100.00	-	-	-	-	-
Kotak FMP Series 102-Growth Direct	5,000,000	10.00	50.00	-	-	-	-	-
Kotak FMP Series 105-Growth Direct	2,500,000	10.00	25.00	-	-	-	-	-
Kotak FMP Series 106-Growth Direct	2,500,000	10.00	25.00	-	-	-	-	-
Kotak FMP Series 118-Growth Direct	2,500,000	10.00	25.00	-	-	-	-	-
B1089G Birla Sun Life Fixed Term Plan Series FV Growth (367 Days)	-	-	-	-	5,000,000	10.00	50.00	-
B1132Y Birla Sun Life Fixed Term Plan-Series HJ (369 Days)-Growth Direct	2,500,000	10.00	25.00	-	-	-	-	-
B1135Y Birla Sun Life Interval Income Fund - Annual Plan-X-Gr-Direct	2,500,000	10.00	25.00	-	-	-	-	-
B1094Y Birla Sun Life Interval Income Fund - Annual Plan 1 - Growth - Direct	2,298,935	10.87	25.00	-	-	-	-	-
B1193Y Birla Sun Life Fixed Term Plan - Series JO (367 days) - Gr. DIRECT -	2,500,500	10.00	25.00	-	-	-	-	-
SBI Debt Fund Series-366 Day-12-Growth	-	-	-	-	5,000,000	10.00	50.00	-
SBI Debt Fund Series - A 16 - 366 Days - Regular - Growth	2,500,000	10.00	25.00	-	-	-	-	-
L302G SBI Debt Fund Series-366 Day-8-Growth	-	-	-	1,231.86	5,000,000	10.00	50.00	914.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				AsatMarch31,2013			
	Number of Unit	Amount per unit (In ₹)	(₹ Mn)	(₹ Mn)	Number of Unit	Amount per unit (In ₹)	(₹ Mn)	(₹ Mn)
Investment in Mutual Funds (Unquoted) (Valued at lower of cost and fair value, unless stated otherwise) - Debt Schemes (Liquid/Liquid Plus)								
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	-	-	-	-	723,783	105.74	76.53	-
ICICI Prudential Liquid Plan - Direct -Daily Dividend	1,796,382	100.05	179.74	-	-	-	-	-
ICICI Prudential Flexible Income-Direct Plan-Daily Dividend	48,690	105.74	5.15	-	-	-	-	-
B153DZ Birla Sun Life Cash Plus-Daily Dividend Direct Plan Reinvestment	858,814	100.20	86.05	-	-	-	-	-
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale Daily Dividend	-	-	-	-	3,909,467	10.08	39.41	-
HDFC Cash Management Fund Savings Plan Direct Plan Daily Dividend Reinvestment	20,836,480	10.64	221.63	-	-	-	-	-
Birla Sun Life Saving Fund -Instl-Daily Dividend Reinvestment	-	-	-	-	6,08,798	100.30	60.94	-
Templeton India Ultra Short Bond Fund Super Institutional Plan Daily Dividend	-	-	-	-	13,679,356	10.02	137.03	-
Kotak Flexi Debt Scheme Institutional - Daily Dividend	-	-	-	-	3,620,713	10.05	36.38	-
Axis Liquid Fund-Direct Plan-Daily Dividend Reinvestment (CF DR)	39,859	1,000.11	39.87	-	-	-	-	-
Axis Banking Debt Fund - Direct Plan - Daily Dividend Reinvestment(BDDRR)	28,752	1,002.77	28.83	-	-	-	-	-
IDFC Ultra Short Term Fund Daily Dividend	-	-	-	-	98,906	10.01	0.99	-
Kotak Liquid Scheme Plan A-Direct Plan-Daily Dividend	20,538	1,222.81	25.11	-	-	-	-	-
IDFC Cash Fund-Daily Dividend (Direct Plan)	220,353	1,000.34	220.43	-	-	-	-	-
Templeton India Treasury Management Account Super Institutional Plan Direct Daily Dividend Reinvestment	208,319	1,001.07	208.54	-	-	-	-	-
LD72SD SBI Premier Liquid Fund-Direct Plan-Daily Dividend	160,477	1,003.25	160.99	-	-	-	-	-
DSP Blackrock Liquidity Fund-Direct Plan-Daily Dividend	122,323	1,000.32	122.36	-	-	-	-	-
DSP Blackrock Liquidity Fund-Institutional Plan - Daily Dividend	-	-	-	1298.70	27,572	1000.32	27.58	378.86
				2,530.56				1,293.07
Aggregate amount of unquoted investments				2,556.57				1,293.07
Aggregate provision for diminution in value of investments				26.01				-
** Long-term Investments(as per AS-13) Investments with original maturity of more than 12 months				1,231.86				914.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

15. TRADE RECEIVABLES

Particulars	Non-Current		Current	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Outstanding for a period exceeding six months from the date they are due for payment				
- Doubtful	-	-	4.09	3.58
Provision for doubtful receivables	-	-	(4.09)	(3.58)
Total (A)	-	-	-	-
Other Receivables				
- Unsecured, considered good	-	-	50.34	44.58
- Doubtful	-	-	3.06	1.40
Provision for doubtful receivables	-	-	(3.06)	(1.40)
Total (B)	-	-	50.34	44.58
Total (A) + (B)	-	-	50.34	44.58

16. CASH & BANK BALANCES

Particulars	Non-Current		Current	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Cash & cash equivalents				
Cash in hand	-	-	3.10	2.60
Balances with banks:				
-In current accounts	-	-	146.74	139.12
-In fixed deposit accounts with original maturity of less than 3 months	-	-	90.12	-
Other bank balances				
-In fixed deposit accounts with original maturity for more than 12 months	-	91.32	469.04	926.61
Non current portion transferred to non current assets	-	(91.32)		
Balances in fixed deposit accounts with original maturity for more than 3 months but less than 12 months*	-	-	1,602.07	1,641.38
Unpaid application money received by the company for allotment of securities and due for refund	-	-	-	0.12
Unpaid dividend	-	-	0.14	0.09
* Includes ₹ 65.48 million (previous year ₹ 55.00 million) as margin money with bank				
	-	-	2,311.21	2,709.92

17. REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Sale of services *	5,051.35	4,349.00
Other operating revenues	7.39	23.58
	5,058.74	4,372.58

* primarily subscription based services

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

18. OTHER INCOME

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(₹'Mn)	(₹'Mn)
Interest received/receivable on long term fixed deposits with banks	61.55	61.33
Interest received/receivable on short term fixed deposits with banks	164.69	183.91
Interest on debentures	-	5.09
Dividend income from mutual funds	87.18	87.28
Profit on sale of investment (net)*	96.98	116.05
Profit on sale of fixed assets (net)	1.49	0.14
Miscellaneous income **	20.56	11.14
	432.45	464.94

* includes ₹14.88 Million (previous year Nil) received from HSBC Gilt fund against loss on sale of investment booked in FY 2008-09. The amount has been received in accordance with an order passed by Hon'ble Supreme Court of India during the current year.

** includes ₹11.49 Million paid by HSBC towards interest on refund from HSBC Gilt fund for the period 2008-2014. (previous year Nil)

19. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(₹'Mn)	(₹'Mn)
Salaries, wages and bonus	1,547.80	1,303.04
Contributions to provident and other funds	37.22	43.43
Sales incentives and commissions	248.20	191.75
Staff welfare and benefits	76.86	72.99
Employee stock option scheme compensation	1.91	14.68
Other employee expenses	53.51	35.97
	1,965.50	1,661.86

20. FINANCE COSTS

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(₹'Mn)	(₹'Mn)
Interest on fixed loans	1.00	0.95
Bank charges	23.70	23.85
	24.70	24.80

21. DEPRECIATION AND AMORTISATION

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(₹'Mn)	(₹'Mn)
Depreciation of tangible assets	153.13	85.07
Amortisation of intangible assets	20.57	9.39
	173.70	94.46

22. ADVERTISING AND PROMOTION COST

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(₹'Mn)	(₹'Mn)
Advertisement expenses	644.48	560.13
Promotion & marketing expenses	18.00	16.37
	662.48	576.50

23. ADMINISTRATION AND OTHER EXPENSES

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(₹'Mn)	(₹'Mn)
Electricity and water	47.89	42.37
Rent*	214.91	171.84
Repairs and maintenance (building)	19.55	16.10
Repairs and maintenance (machinery)	21.24	19.38
Legal and professional charges	42.60	32.16
Rates & taxes	-	0.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(₹'Mn)	(₹'Mn)
Insurance	3.23	2.73
Communication expenses	61.08	48.05
Travel & conveyance	57.46	52.31
Bad debts /provision for doubtful debts	5.81	3.47
Miscellaneous expenses	128.93	108.26
	602.70	496.73

* Includes ₹ 45.75 million towards lease equalisation charge (₹ 30.14 million pertaining to prior periods) (previous year ₹. Nil)

24. NETWORK, INTERNET AND OTHER DIRECT CHARGES

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
	(₹'Mn)	(₹'Mn)
Internet and server charges	147.82	130.89
Others	12.40	8.51
	160.22	139.40

25. CAPITAL COMMITMENTS/ ADVANCES

As on March 31, 2014 there is a capital advance of ₹ 60.93 Million (previous year ₹58.55 Million) outstanding against capital account contracts. This primarily includes the following:

- ₹55.18 Million (previous year ₹58.28 Million) relating to the project for construction of office building on leasehold land in respect of which extension for construction based on sanctioned plan have been taken from the relevant authorities. The management is alternatively exploring possibilities of sale of the land/ project on a lump sum basis
- ₹ 5.75 towards Desktop & Office equipment (previous year ₹ 0.27 Million towards Office equipment)

26. OPERATING LEASE

Operating Leases where the company is a lessee:

The company has entered into lease transactions mainly for leasing of office premises for periods between 1 to 11 years. The terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to ₹ 215.36 Million (included in Note 23 – Administration and Other Expenses ₹214.91 Million and in Note-19 Employee Benefits Expense ₹ 0.45 Million [(previous year ₹172.09 Million) (included in Note 23 – Administration and Other Expenses ₹171.84 Million and in Note 19 – Employee Benefits Expense ₹ 0.25 Million)].

27. Expenditure in Foreign Currency

Amount in ₹ Mn

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Server Charges	114.91	102.18
Advertising, Promotion & Marketing Expenses	19.85	13.87
Travel Expenses	0.21	0.36
Foreign Branch Expenses	62.66	46.43
Others	7.06	7.24
Total	204.69	170.08

28. Earnings in Foreign Exchange

Amount in ₹ Mn

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Export of Services	532.75	434.55
Total	532.75	434.55

In view of the innumerable transactions, export of services has been disclosed in proportion to the overall deferral of Income trend, being the most readily available basis to disclose this amount on an accrual basis.

29. Auditor's Remuneration

Amount in ₹ Mn

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
As Auditors	2.76	2.76
As Tax Auditors	0.24	0.24
Certification	0.29	0.24
Out of Pocket Expenses	0.48	0.32
Total	3.77	3.56

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

30. Basic and Diluted Earnings per share (EPS):

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Profit attributable to Equity Shareholders (₹ Mn)	1,284.94	1,022.46
Weighted average number of Equity Shares outstanding during the year (Nos.)	109,181,024	109,181,024
Basic & Diluted Earnings Per Equity Share of ₹10 each (₹)	11.77	9.36

31. (1) Related Party Disclosures

A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 (as amended) ("accounting standards") and where control exists for the year ended March 31, 2014:

Subsidiaries

Jeevansathi Internet Services Private Limited (JISPL)
 Naukri Internet Services Private Limited (NISPL)
 Info Edge (India) Mauritius Limited (IEIML) (Under liquidation)
 Allcheckdeals India Pvt. Ltd. (ACDIPL)
 Applect Learning Systems Pvt. Ltd. (ALSPL)
 Makesense Technologies Pvt. Ltd. (MTPL)
 Zomato Media Pvt. Ltd. (Formerly DC Foodiebay Online Services Private Limited (ZMPL))
 Zomato Midia Brasil Ltda (Subsidiary of ZMPL)
 Zomato Media Portugal Unipessoal Lda (Subsidiary of ZMPL)

Associates

Nogle Technologies Private Limited (NTPL)*
 eTechAces Marketing & Consulting Pvt. Ltd. (EMCPL)
 Ninty Nine Labels Private Limited (99LABELS) (till May 21, 2013) *
 Kinobeo Software Private Limited (MYDALA)
 Happily Unmarried Marketing Pvt. Ltd. (HUMPL)
 Canvera Digital Technologies Private Limited (CDTPL)

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani
 Ms Surabhi Bikhchandani (Spouse of Mr. Sanjeev Bikhchandani)
 Mr Sushil Bikhchandani (Brother of Mr Sanjeev Bikhchandani)
 Mr Hitesh Oberoi
 Ms Divya Batra (Sister of Mr. Hitesh Oberoi)
 Mr Ambarish Raghuvanshi

Enterprises over which KMP & Relatives have significant influence

Minik Enterprises (Proprietorship concern of Mr. Sushil Bikhchandani)
 Endeavour Holding Trust

Independent Directors- Non Executive

Arun Duggal
 Ashish Gupta
 Bala Deshpande
 Naresh Gupta
 Saurabh Srivastava

Non-Executive Directors

Kapil Kapoor

* During the year, the company has ceased to exercise significant influence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

B) Details of transactions with related party for the year ended March 31, 2014 in the ordinary course of business:

Amount (₹ Mn)

Sr. No.	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	KMP & Relatives	Independent Directors Non-Executive	Non-Executive Directors	Enterprise over which KMP & Relatives have significant influence	Total
1	License Fees Paid: JISPL ₹ 0.10 NISPL ₹ 0.10	0.20	-	-	-	-	-	0.20
2	Remuneration Paid: Sanjeev Bikhchandani ₹ 17.76 Hitesh Oberoi ₹ 17.81 Ambarish Raghuvanshi ₹ 12.96 Surabhi Bikhchandani ₹ 1.40			49.93				49.93
3	Advance given for business purposes (net): Sanjeev Bikhchandani ₹ 0.02 Hitesh Oberoi ₹ 0.02 NISPL ₹ 0.04 JISPL ₹ 0.03	0.07	-	0.04	-	-	-	0.11
4	Loans given ACDIPL ₹ 25.50 MTPL ₹ 0.26	25.76						25.76
5	Loans recovered ACDIPL ₹ 25.50	25.50						25.50
6	Receipt of Service: Minik Enterprises ₹ 1.47 ACDIPL ₹ 6.44 Divya Batra ₹ 0.53	6.44	-	0.53	-	-	1.47	8.44
7	Dividend Paid Sanjeev Bikhchandani ₹ 74.74 Hitesh Oberoi ₹ 14.80 Ambarish Raghuvanshi ₹ 4.01 Surabhi Bikhchandani ₹ 2.99 Arun Duggal ₹ 0.16 Bala Deshpande ₹ 0.21 Endeavour Holding Trust ₹ 17.47 Kapil Kapoor ₹ 7.61	-	-	96.54	0.37	7.61	17.47	121.99
8	Services Rendered: ACDIPL ₹ 9.96 ALSPL ₹ 2.33 EMCPL ₹ 0.28 ZMPL ₹ 0.79 MYDALA ₹ 0.11	13.08	0.39	-	-	-	-	13.47
9	Investment in Equity Shares: CDTPL ₹ 36.39 ZMPL ₹ 8.20 HUMPL ₹ 2.23	8.20	38.62	-	-	-	-	46.82
10	Investment in Preference Shares: ZMPL ₹ 572.65 NTPL ₹ 4.00 ALSPL ₹ 100.00 CDTPL ₹ 180.00	672.65	184.00	-	-	-	-	856.65
11	Sitting Fees Paid: Arun Duggal ₹ 0.20 Ashish Gupta ₹ 0.16 Bala Deshpande ₹ 0.10 Kapil Kapoor ₹ 0.10 Naresh Gupta ₹ 0.16 Saurabh Srivastava ₹ 0.16	-	-	-	0.78	0.10	-	0.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Sr. No.	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	KMP & Relatives	Independent Directors Non-Executive	Non-Executive Directors	Enterprise over which KMP & Relatives have significant influence	Total
12	Commission Payable							
	Arun Duggal ₹ 0.78							
	Ashish Gupta ₹ 0.70							
	Bala Deshpande ₹ 0.70							
	Naresh Gupta ₹ 0.70							
	Saurabh Srivastava ₹ 0.72	-	-	-	3.60	-	-	3.60
13	Interest on Preference Shares receivable:							
	EMCPL ₹ * 0.00							
	ALSPL ₹ * 0.00							
	ZMPL ₹ * 0.00							
	NTPL ₹ * 0.00							
	MYDALA ₹ * 0.00	-	0.01	-	-	-	-	0.01

* Amount is below the rounding off norm adopted by the company

- Amounts paid to / on behalf of Info Edge Employee Stock Option Trust during the year are as below:
 - Dividend paid ₹0.77 Million
 - Advances paid (net) ₹Nil
- Amount due to Info Edge Employee Stock Option Trust as on March 31, 2014 is. ₹ 0.3 Mllion.
- Makesense Technologies Pvt. Ltd. (MSTPL) : Right to use the search engine by virtue of share purchased.

C) Amount due to/from related parties as at March 31, 2014

Amount (₹ Mn)

Sr. No	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
	Debit balances					
1	Outstanding Advances/Receivables	26.61	-	-	-	26.61
	Maximum amount outstanding during the year	40.22	4.00	-	-	44.22

31. (2) Related Party Disclosures

A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 (as amended) (“accounting standards”) and where control exists for the year ended March 31, 2013:

Subsidiaries

Jeevansathi Internet Services Private Limited (JISPL)
 Naukri Internet Services Private Limited (NISPL)
 Info Edge (India) Mauritius Limited (IEIML)
 Allcheckdeals India Pvt. Ltd. (ACDIPL)
 Applect Learning Systems Pvt. Ltd. (ALSPL)
 Makesense Technologies Pvt. Ltd. (MTPL)
 Zomato Media Pvt. Ltd. (Formerly DC Foodiebay Online Services Private Limited (ZMPL))

Associates

Nogle Technologies Private Limited (NTPL)
 eTechAces Marketing & Consulting Pvt. Ltd. (EMCPL)
 Ninty Nine Labels Private Limited (99LABELS)
 Kinebeo Software Pvt. Ltd. (MYDALA)
 Happily Unmarried Marketing Pvt. Ltd. (HUMPL)
 Canvera Digital Technologies Private Limited (CDTPL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani
 Ms Surabhi Bikhchandani (Spouse of Mr. Sanjeev Bikhchandani)
 Mr Sushil Bikhchandani (Brother of Mr Sanjeev Bikhchandani)
 Mr Hitesh Oberoi
 Ms Divya Batra (Sister of Mr. Hitesh Oberoi)
 Mr Ambarish Raghuvanshi

Enterprises over which KMP & Relatives have significant influence

Minik Enterprises (Proprietorship concern of Mr. Sushil Bikhchandani)
 Oyster Learning (Proprietorship concern of Ms. Rimy Oberoi)
 Endeavour Holding Trust

Independent Directors- Non Executive

Arun Duggal
 Ashish Gupta
 Bala Deshpande
 Naresh Gupta
 Saurabh Srivastava

Non-Executive Directors

Kapil Kapoor

B) Details of transactions with related party for the year ended March 31, 2013 in the ordinary course of business:

Amount (₹ Mn)

Sr. No	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	KMP & Relatives	Independent Directors Non Executive	Non Executive Directors	Enterprise over which KMP & Relatives have significant influence	Total
1	License Fees Paid: JISPL ₹ 0.10 NISPL ₹ 0.10	0.20	-	-	-	-	-	0.20
2	Remuneration Paid: Sanjeev Bikhchandani ₹ 16.07 Hitesh Oberoi ₹ 15.84 Ambarish Raghuvanshi ₹ 11.81 Surabhi Bikhchandani ₹ 1.25			44.97				44.97
3	Advance given for business purposes (net): Sanjeev Bikhchandani ₹ 0.03 Hitesh Oberoi ₹ 0.02 NISPL ₹ 0.03 JISPL ₹ 0.03 IEIML ₹ - MTPL ₹ 2.43 ACDIPL ₹ 14.07	16.57	-	0.04	-	-	-	16.61
4	Receipt of Service: Minik Enterprises ₹ 1.36 ACDIPL ₹ 2.97 Divya Batra ₹ 0.52	2.97	-	0.52	-	-	1.36	4.85
5	Dividend Paid Sanjeev Bikhchandani ₹ 38.47 Hitesh Oberoi ₹ 7.60 Ambarish Raghuvanshi ₹ 2.07 Surabhi Bikhchandani ₹ 1.49 Arun Duggal ₹ 0.08 Bala Deshpande ₹ 0.10 Kapil Kapoor ₹ 3.81	-	-	49.63	0.18	3.81	-	53.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Sr. No	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	KMP & Relatives	Independent Directors Non Executive	Non Executive Directors	Enterprise over which KMP & Relatives have significant influence	Total
6	Services Rendered: ACDIPL ₹ 12.23 ALSPL ₹ 0.15 EMCPL ₹ 0.29 ZMPL ₹ 0.00 NTPL ₹ 0.00 99LABELS ₹ - MYDALA ₹ 0.10	12.38	0.39	-	-	-	-	12.77
7	Investment in Equity Shares: EMCPL ₹ - ALSPL ₹ 300.00 CDTPL ₹ 4.15 ZMPL ₹ 550.00 HUMPL ₹ 1.27 MTPL ₹ 82.41 99LABELS ₹ -	932.41	5.42	-	-	-	-	937.83
8	Investment in Preference Shares: EMCPL ₹ 24.97 ALSPL ₹ - HUMPL ₹ 50.00 ZMPL ₹ 128.60 NTPL ₹ 2.00 CDTPL ₹ 350.00	478.60	76.97	-	-	-	-	555.57
9	Investment in Debentures: 99LABELS ₹ 50.00	-	50.00	-	-	-	-	50.00
10	Sitting Fees Paid: Arun Duggal ₹ 0.10 Ashish Gupta ₹ 0.12 Bala Deshpande ₹ 0.06 Kapil Kapoor ₹ 0.06 Naresh Gupta ₹ 0.16 Saurabh Srivastava ₹ 0.12	-	-	-	0.56	0.06	-	0.62
11	Commission Payable Arun Duggal ₹ 0.66 Ashish Gupta ₹ 0.71 Bala Deshpande ₹ 0.71 Naresh Gupta ₹ 0.80 Saurabh Srivastava ₹ 0.63	-	-	-	3.51	-	-	3.51
12	Loss on Sale of Debenture 99LABELS ₹ 105.42	-	105.42	-	-	-	-	105.42
13	Interest on debentures : 99LABELS ₹ 5.08	-	5.08	-	-	-	-	5.08
14	Advance towards Shares NTPL ₹ 4.00	-	4.00	-	-	-	-	4.00
15	Conversion of Preference Shares into Equity Shares ZMPL ₹ 263.60 ALSPL ₹ 150.00	413.60	-	-	-	-	-	413.60
13	Interest on debentures receivable: 99LABELS ₹ -	-	-	-	-	-	-	-
16	Interest on Preference Shares receivable: EMCPL ₹ * 0.00 ALSPL ₹ * 0.00 ZMPL ₹ * 0.00 NTPL ₹ * 0.00 MYDALA ₹ * 0.00 99LABELS ₹ * 0.00	-	0.01	-	-	-	-	0.01

* Amount is below the rounding off norm adopted by the company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- Amounts paid to / on behalf of Info Edge Employee Stock Option Trust during the year are as below:
 - Dividend paid ₹0.99 Million
 - Advances paid (net) ₹Nil
- Amount due to Info Edge Employee Stock Option Trust as on March 31, 2013 is. ₹ 0.02 Mllion.
- Makesense Technologies Pvt. Ltd. (MSTPL) : Right to use the search engine by virtue of share purchased.

C) Amount due to/from related parties as at March 31, 2013

Amount (₹ Mn)

Sr. No	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
	Debit balances					
1	Outstanding Advances/Receivables	31.02	4.01	-	-	35.03
	Maximum amount outstanding during the year	32.92	4.01	-	-	36.93

32. Employee Stock Option Scheme

- The Company has set up a trust to administer the ESOP scheme under which SAR/options have been granted to employees. Under this scheme the employees can purchase equity shares by exercising the SAR/options as vested at the price specified in the grant. The options granted till March 31, 2014 have a vesting period of maximum of 3 years from the date of grant.

- Number of SAR/options granted, exercised and forfeited during the year:-

Particulars	2013-14		2012-13	
	Number	Weighted Average Price (₹)	Number	Weighted Average Price (₹)
Options/SAR outstanding at beginning of year	3,387,095	227.91	1,863,326	416.96
Add:				
Options/SAR granted *	640,500	335.27	343,500	343.18
Bonus Issued during the year	-	-	1,820,494	210.37
Less:				
Options/SAR exercised	735,400	197.16	531,825	178.32
Options/SAR forfeited	96,024	304.99	108,400	283.25
Options/SAR outstanding at the end of year	3,196,171	254.15	3,387,095	227.91
Options/SAR exercisable at the end of year	2,033,516	208.29	2,197,360	196.98

* During the year the Company granted 640,500 (previous year 343,500) Stock Appreciation Rights (SAR) with a maximum exercise period of five years (previous year Five Years).

The options outstanding at the end of year had exercise prices in the range of ₹ 2.50/- to ₹ 627.75/- (previous year ₹ 2.5/- to ₹ 384/-) and a weighted average remaining contractual life of 3.06 years (previous year 3.61 years).

Exercise Amount Range (₹)	Options outstanding as at March 31, 2014	Options outstanding as at March 31, 2013
2.50-300	2,023,514	2,110,195
301-600	1,126,157	1,276,900
601-750	46,500	-
Grand Total	3,196,171	3,387,095

In accordance with the above mentioned ESOP Scheme, ₹ 1.91 Million (previous year ₹ 14.68 Million) has been charged to the Statement of Profit and Loss in relation to the options vested during the year ended March 31, 2014 as Employee Stock Option Scheme Compensation.

- (A) - In respect of options vested during the year, had the fair value method been used, the profit for the year would be lower by ₹ 71.24 Million (previous year ₹ 61.29 Million) and the EPS would be ₹ 11.12 (previous year ₹ 8.80).
- (B) - The fair value of each option is estimated on the date of grant using the Black Scholes model with the below listed assumptions:

Particulars	2013-14		2012-13	
	ESOP 2007	ESOP 2007 SAR	ESOP 2007	ESOP 2007 SAR
Weighted average fair value of the options at the grant dates	-	106.93	322.25	130.90
Dividend Yield (%)	-	0.18%	0.10%	0.10%
Risk free rate	-	7.92%	8.06%	8.06%
Expected life (years)	-	3.31	4.00	3.68
Expected volatility	-	28.75%	32.15%	32.15%
Weighted average share price	-	335.45	331.00	364.51

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

33. The Company has received legal notices of claims/lawsuits filed against it relating to infringement of Intellectual Property Rights (IPR) in relation to the business activities carried on by it. In the opinion of the management, no material liability is likely to arise on account of such claims/law suits.
34. The Company has considered business segment as the primary segment. The company is primarily in the business of internet based service delivery operating in four service verticals through web portals in respective vertical namely Naukri.com for recruitment related services, Jeevansathi.com for matrimony related services, 99acres.com for real estate related services and Shiksha.com for education related services. The other activities comprise of placement search services and real estate broking services. The segment revenues, results and assets of the other activities do not constitute reportable segment under Accounting Standard 17 on Segment Reporting and accordingly no disclosure of business segment information is required to be disclosed

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Particulars	2013-14				2012-13			
	Domestic	Overseas	Unallocated	Total	Domestic	Overseas	Unallocated	Total
Revenue from customers	4,518.60	532.75	-	5,051.35	3,914.45	434.55	-	4,349.00
Segment assets	3,481.01	26.85	6,307.10	9,814.96	4,067.45	12.68	4,426.06	8,506.19
Capital expenditure during the period	121.81	0.24	-	122.05	477.85	0.30	-	478.15

Notes :-

- a) Domestic segment includes sales and services to customers located in India
b) Overseas segment includes sales and services rendered to customers located outside India
c) Unallocated assets include dividend bank accounts, investments, Interest accrued and Deferred Tax asset.
d) Segment assets includes fixed assets, trade receivables, cash and bank balances (except dividend bank account), loans & advances and other current assets
e) Capital expenditure during the year includes fixed assets (tangible and intangible assets) and net additions to capital work in progress.
35. As at March 31, 2014 the company had ₹ Nil (previous year ₹ 0.12 Million) outstanding with ICICI bank towards unpaid application money received by the company for allotment of securities and due for refund and ₹ 0.07 Million (previous year ₹ 0.07 million) outstanding with Kotak Mahindra Bank & ₹ 0.07 Million (previous year ₹ 0.02 Million) outstanding with Yes Bank as unclaimed dividend . These amounts are not available for use by the company and will be credited to Investor Education & Protection Fund as and when due.

36. The aggregate managerial remuneration under section 198 of the Companies Act, 1956 to the Directors including Managing Director is:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Whole Time Directors (including Managing Director)		
Salary	28.20	28.04
Reimbursements	1.33	1.27
Bonus	19.00	14.41
Total Remuneration (A)	48.53	43.72
Non Whole Time Directors:		
Commission	3.60	3.51
Sitting Fee	0.88	0.62
Total Remuneration (B)	4.48	4.13
Total Managerial Remuneration Paid/Payable (A+B)	53.01	47.85

The above amounts exclude Company's contribution / provision for gratuity and leave encashment for the year, which is determined annually on actuarial basis.

Statement showing computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for computing the Director's remuneration:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Net Profit before tax	1,875.88	1,550.90
Add: Depreciation as per accounts	173.70	94.46
Add: Whole time Director's Remuneration	48.53	43.72
Add: Directors sitting Fee	0.88	0.62
Add: Commission to Non Whole time Directors	3.60	3.51
Add: Bad debt/Provision for bad debts	5.81	3.47
Less: Depreciation as per Section 350 of the Companies Act, 1956	173.70	94.46
Less: Profit on sale of fixed assets (net)	1.49	0.14
Less: Profit on sale of Investment (net)	96.98	116.05
Net Profit for the year under section 349	1,836.23	1,486.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Maximum amount payable to Non whole time Directors (restricted to 1%)	18.36	14.86
Maximum amount payable to Whole time Directors (restricted to 10%)	183.62	148.60
Maximum Amount payable to Directors	201.98	163.46

37. Employee Benefits

The Company has classified the various benefits provided to employees as under:

A. Defined Contribution Plans

a) Provident Fund

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employers' Contribution to Provident Fund	27.35	23.72

Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 19)

B. State Plans

a) Employer's Contribution to Employee State Insurance

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employers' Contribution to Employee State Insurance	4.07	3.75

Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 19)

C. Defined Benefit Plans

a) Contribution to Gratuity Funds - Life Insurance Corporation of India, Group Gratuity Scheme

b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	
	2013-14	2012-13
Discount Rate (per annum)	9.00%	8.25%
Rate of increase in Compensation levels	10% for First 5 years, & 7% thereafter	15% in first year, 10% in next 5 years, & 7% thereafter

Particulars	Employees' Gratuity Fund	
	2013-14	2012-13
Discount Rate (per annum)	9.00%	8.25%
Rate of increase in Compensation levels	10% for the first 5 years, & 7% thereafter	15% in first year, 10% in next 5 years, & 7% thereafter
Rate of Return on Plan Assets	7.50%	7.50%
Expected Average future working lifetime of employees (years)	9.92	11.32

Amount (₹Mn)

(A) Changes in the Present Value of Obligation	Employees' Gratuity Fund	Employees' Gratuity Fund
	2013-14	2012-13
Present Value of Obligation at the beginning of the year	91.31	77.05
Interest Cost	8.57	7.31
Past Service Cost	Nil	Nil
Current Service Cost	17.71	15.86
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Benefits paid	(6.81)	(7.05)
Actuarial (gain)/ loss on obligations	(13.10)	(1.87)
Present Value of Obligation at the end of the year	97.68	91.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Amount (₹Mn)

(B) Changes in the Fair value of Plan Assets	Employees' Gratuity Fund	Employees' Gratuity Fund
	2013-14	2012-13
Fair Value of Plan Assets at the beginning of the year	74.33	61.89
Expected Return on Plan Assets	5.75	4.88
Actuarial Gains and (Losses)	1.73	0.55
Contributions	16.98	14.06
Benefits Paid	(6.81)	(7.05)
Fair Value of Plan Assets at the end of the year	91.98	74.33

Amount (₹Mn)

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	Employees' Gratuity Fund	Employees' Gratuity Fund
	2013-14	2012-13
Present Value of funded Obligation at the end of the year	(97.68)	(91.31)
Fair Value of Plan Assets as at the end of the period	91.98	74.33
Funded Status		
Present Value of unfunded Obligation at the end of the year	Nil	Nil
Unrecognized Actuarial (gains) / losses	Nil	Nil
Unfunded Net Asset / (Liability) Recognized in Balance Sheet*	(5.70)	(16.98)

*included in Provision for Employee Benefits Expense (Refer Note 8)

Amount (₹Mn)

(D) Expense recognized in the Profit and Loss Account	Employees' Gratuity Fund	Employees' Gratuity Fund
	2013-14	2012-13
Current Service Cost	17.71	15.86
Past Service Cost	Nil	Nil
Interest Cost	8.57	7.31
Expected Return on Plan Assets	(5.75)	(4.88)
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Net actuarial (gain)/ loss recognized in the period	(14.83)	(2.42)
Total Expenses recognized in the Statement of Profit and Loss #	5.70	15.87

#Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 19)

In respect of leave encashment/compensated absence the present value of obligation as at March 31, 2014 is ₹ 19.03* Million (previous year 19.50* Million). The expense recognized in the Statement of Profit and Loss is ₹ 12.32** Million (previous year ₹ 14.83** Million)

*included in Provision for Employee Benefits Expense (Refer Note 8)

**Included in Staff Welfare and Benefits under Employee Benefits Expense (Refer Note 19)

Amount (₹Mn)

(E) Amounts recognized in current year and previous four years	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Gratuity					
Defined Benefit Obligation	(97.68)	(91.31)	(77.05)	(62.88)	(44.96)
Plan Asset	91.98	74.33	61.89	44.96	38.40
Surplus / (Deficit)	(5.70)	(16.98)	(15.16)	(17.92)	(6.57)
Experience adjustments in plan liabilities	Nil	Nil	Nil	Nil	Nil
Experience adjustments in plan assets	Nil	Nil	Nil	Nil	Nil

Amount (₹Mn)

(F) Expected Contribution to the fund in the next year	Year ended March 31, 2014	Year ended March 31, 2013
Gratuity	5.70	16.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Amount (₹Mn)

(H) Major Category of Plan Asset as a % of total Plan Assets				
Category of Assets (% Allocation)	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
	%			
Insurer Managed Funds	100.00%	100.00%	91.98	74.33
Others	-	-	-	-
Total	100.00%	100.00%	91.98	74.33

38. The details of Bank Balances as referred to in Note 16 & Note 13 to the financial statements are as below:-

Bank Balances :**-In Current Accounts**

Amount (₹Mn)

Balance with Banks	Domestic/Overseas	As at March 31, 2014	As at March 31, 2013
ICICI Bank Ltd	Domestic	124.11	122.55
HSBC Bank	Domestic	0.22	0.11
Bank of India	Domestic	0.02	0.02
HDFC Bank Ltd	Domestic	0.54	7.76
Punjab National Bank	Domestic	0.03	0.74
Oriental Bank of Commerce	Domestic	0.08	0.02
Bank of Baroda	Domestic	0.23	0.03
State Bank of Hyderabad	Domestic	0.22	0.02
HDFC Bank (erstwhile Bank of Punjab Ltd.)	Domestic	0.03	0.03
Canara Bank	Domestic	0.04	0.02
State Bank of India	Domestic	0.19	0.11
The Saudi Hollandi Bank	Overseas	2.51	1.45
HSBC Bank	Overseas	13.76	6.19
Emirates Bank	Overseas	0.02	0.07
Bank of Baroda	Overseas	4.74	-
Total		146.74	139.12

(Refer Balances with Banks in Current Accounts (Current) under Note No 16 on Cash and Bank Balances)

-In Fixed deposit accounts

Amount (₹Mn)

Fixed Deposit in India	As at March 31, 2014	As at March 31, 2013
Bank of India	667.30	104.52
ICICI Bank Ltd	545.58	355.94
State Bank of Hyderabad	356.53	544.87
HDFC Bank Ltd	10.92	659.51
Oriental Bank of Commerce	98.20	241.60
HSBC Bank	6.78	6.42
Bank of Baroda	59.12	746.45
Punjab National Bank	416.80	-
Total	2,161.23	2,659.31

The above comprises of :-

Amount (₹Mn)

Particulars	As at March 31, 2014	As at March 31, 2013
- Fixed Deposit Accounts with original maturity of less than 3 months	90.12	-
- Fixed Deposit Accounts with original maturity for more than 12 months	469.04	1,017.93
- Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months	1,602.07	1,641.38
Total	2,161.23	2,659.31

(Refer Note No 16 on Cash and Bank Balances & Note No 13 on Other non-current assets)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

39. The exceptional item in the year ended March 31, 2014 represents provision for diminution in the carrying value of investment of ₹ 26.01 Million in Nogle Technologies Pvt Ltd. (represented by investments in equity shares of ₹ 0.01 Million and Preference shares of ₹ 26.00 Million). The exceptional item in the year ended March 31, 2013 represents provision for diminution in the carrying value of investment of ₹ 185.05 Million in Ninety Nine Labels Private Limited (represented by Investments in equity shares of ₹ 53.55 Millions and Preference shares of ₹ 131.50 Millions), ₹ 0.60 Millions representing diminution in the carrying value of investment and ₹ 1.80 Million representing waiving off advance given to Info Edge (India) Mauritius Limited (a company which had been initiated voluntary winding up proceedings during the previous year) and also loss on sale of debentures (inclusive of accrued interest) ₹ 105.42 Millions held in Ninety Nine Labels Private Limited
40. The company has made long term strategic investments in certain subsidiaries/associate companies, which are in their initial/developing stage of operation and would generate growth and returns over a period of time. These subsidiaries/associates have incurred significant expenses for building the brand and market share which have added to the losses of these entities, thereby resulting in erosion of their net worth as at March 31, 2014. Based on the potential of the business model of these entities to generate profits, coupled with recent third party valuations, management is of the opinion that considering the nature of the industry and the stage of operations of these entities there is no diminution in carrying value of the investments as compared to their current net worth and therefore no provision is required at this stage (other than the investments referred in Note 39 above).

41. Clause 32 Disclosures

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Advance to Subsidiary- Naukri Internet Services Pvt. Ltd.		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	-	0.5
Advance to Subsidiary- Jeevansathi Internet Services Pvt. Ltd.		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	-	0.5
Advance to Subsidiary- Allcheckdeals India Pvt Ltd		
Balance at the year end	23.92	28.59
Maximum amount outstanding at any time during the year	37.53	28.59
Advance to Subsidiary- Makesense Technologies Pvt. Ltd.		
Balance at the year end	2.69	2.43
Maximum amount outstanding at any time during the year	2.69	-

42. Previous year figures have been regrouped/rearranged to confirm to the current year classification.

For Price Waterhouse & Co. Bangalore
Firm Registration Number 0075675
Chartered Accountants

Amitesh Dutta
Partner
Membership Number 058507

Place : Noida
Date : May 14, 2014

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

M.M. Jain
Company Secretary

Place: Noida
Date : May 14, 2014

Ambarish Raghuvanshi
Director & CFO

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Info Edge (India) Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Info Edge (India) Limited ("the Company") and its subsidiaries and associate companies; hereinafter referred to as the "Group" (refer Note 1 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March, 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard and (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") / notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

8. We did not audit the financial statements of (i) 6 subsidiaries and included in the consolidated financial statements, which constitute total assets of ₹2,803.24 Mn and net assets of ₹2,486.18 as at March 31, 2014, total revenue of ₹699.65 Mn, net loss of ₹651.76 Mn and net cash flows amounting to ₹164.25 Mn for the year then ended; and (ii) 2 associate companies which constitute net loss of ₹348.68 Mn for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
9. We did not audit the financial statements of 1 subsidiary, which constitute total assets of ₹2,408.78 Mn and net assets of ₹2,324.47Mn as at March 31, 2014, total revenue of ₹361.20 Mn, net loss of ₹379.81 Mn and net cash outflows amounting to ₹ 287.21 Mn for the year then ended; and (ii) 2 associate companies included in the consolidated financial statements, which constitute net loss of ₹97.74 Mn for the period from April 1, 2013 to March 31, 2014. The unaudited financial information has been provided to us by the management, and our opinion on the consolidated financial statements to the extent they relate to these subsidiaries and associate companies is based solely on such unaudited financial information furnished to us.

For Price Waterhouse & Co., Bangalore
Firm Registration Number: 0075675
Chartered Accountants

Place : Noida
Date : May 14, 2014

Amitesh Dutta
Partner
Membership Number 058507

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note	As at	As at
		March 31, 2014	March 31, 2013
		(₹ Mn)	(₹ Mn)
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	3	1,091.81	1,091.81
(b) Reserves and surplus	4	5,628.11	4,992.77
(2) MINORITY INTEREST		1,392.20	104.80
(3) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	4.38	4.82
(b) Long-term provisions	6	7.83	3.98
(c) Trade payables	7	41.10	-
(d) Other current liabilities			
(4) CURRENT LIABILITIES			
(a) Trade payables	7	547.65	556.74
(b) Other current liabilities	8	1,584.93	1,262.07
(c) Short-term provisions	6	301.86	237.86
Total		10,599.87	8,254.85
II. ASSETS			
GOODWILL ON CONSOLIDATION		563.77	556.81
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	9	883.51	906.01
(ii) Intangible assets	9	38.21	56.19
(iii) Capital work-in-progress		99.45	98.12
(iv) Intangible assets under development		3.35	3.25
(b) Non-current investments	10 A & B	1,085.04	1,270.64
(c) Deferred tax assets	11	63.53	44.84
(d) Long-term loans and advances	12	212.31	185.01
(e) Other non-current assets	13	8.43	284.12
(2) CURRENT ASSETS			
(a) Current investments	14	4,295.01	1,343.07
(b) Trade receivables	15	91.67	95.21
(c) Cash and bank balances	16	3,071.71	3,214.18
(d) Short-term loans and advances	12	107.05	124.25
(e) Other current assets	13	76.83	73.15
Total		10,599.87	8,254.85

Significant Accounting Policies

2

The notes are an integral part of these financial statements.

For Price Waterhouse & Co., Bangalore
Firm Registration Number 007567S
Chartered Accountants

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Ambarish Raghuvanshi
Director & CFO

Amitesh Dutta
Partner
Membership Number 058507

Sanjeev Bikhchandani
Director

M.M. Jain
Company Secretary

Place : Noida
Date : May 14, 2014

Place : Noida
Date : May 14, 2014

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note	Year ended March 31, 2014	Year ended March 31, 2013
		(₹ Mn)	(₹ Mn)
I. Revenue from operations	17	5,672.24	4,723.21
II. Other income	18	501.89	475.27
III. Total revenue (I + II)		6,174.13	5,198.48
IV. EXPENSES			
Employee benefits expense	19	2,653.38	1,983.32
Finance costs	20	29.85	27.85
Depreciation and amortisation expense	21	211.59	117.80
Advertising and promotion cost	22	861.30	750.34
Administration and other expenses	23	980.68	615.57
Network, internet and other direct charges	24	210.47	163.96
Total expenses		4,947.27	3,658.84
V. Profit before exceptional items and tax (III - IV)		1,226.86	1,539.64
VI. Exceptional items	38	26.01	236.92
VII. Profit before tax (V - VI)		1,200.85	1,302.72
VIII. Tax expense			
(1) Current Tax		609.69	531.62
(2) Deferred Tax	11	(18.69)	(3.11)
IX. Profit for the year from continuing operations (VII-VIII)		609.85	774.21
X. Share in loss of Associate Companies		(5.03)	(15.12)
XI. Share of Minority Interest in loss of Subsidiaries		291.83	152.52
XII. Reversal on account of conversion of Associate into Subsidiary		-	4.33
XIII. Profit for the year		896.65	915.94
XIV. Earnings per equity share : Nominal Value of share ₹ 10/- (previous year ₹ 10/-)	29		
1) Basic		8.21	8.39
2) Diluted		8.21	8.39

Significant Accounting Policies

2

The notes are an integral part of these financial statements.

For Price Waterhouse & Co., Bangalore
Firm Registration Number 007567S
Chartered Accountants

Amitesh Dutta
Partner
Membership Number 058507

Place : Noida
Date : May 14, 2014

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Sanjeev Bikhchandani
Director

Place : Noida
Date : May 14, 2014

Ambarish Raghuvanshi
Director & CFO

M.M.Jain
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

S.No.	Particulars	Year ended	Year ended
		March 31, 2014	March 31, 2013
		(₹ Mn)	(₹ Mn)
A.	Cash flow from operating activities:		
	Net Profit before exceptional item and tax	1,226.86	1,539.64
	Adjustments for:		
	Depreciation and amortisation expense	211.59	117.80
	Lease equalisation charges	51.11	-
	Interest expense	1.00	0.95
	Interest income	(268.98)	(263.20)
	Dividend income from mutual funds	(90.39)	(87.35)
	Advance written off during the year	0.22	-
	Goodwill on investment amortised	17.10	(28.14)
	(Profit)/loss on sale of fixed assets (net)	(1.36)	(0.24)
	(Profit)/loss on sale of investments (net)	(128.51)	(116.05)
	Interest income on debentures	-	(5.09)
	Bad debts/provision for doubtful debts	23.31	14.37
	Liability no longer required written back	(9.62)	(23.69)
	Provision for gratuity & leave encashment	(8.02)	4.22
	TDS on revenue receipts	(281.95)	(253.24)
	Employee stock option scheme compensation expense	97.43	23.99
	Operating profit before working capital changes	839.79	923.97
	Adjustments for changes in working capital :		
	- (INCREASE) in trade receivables	(19.77)	(28.62)
	- (INCREASE) in loans, advances and other current assets	5.44	(77.70)
	- INCREASE in current liabilities and provisions	312.50	225.17
	Cash generated from operating activities	1,137.96	1,042.82
	- Taxes (Paid) / Received (Net of TDS)	(330.10)	(291.08)
	Net cash from operating activities	807.86	751.74
B.	Cash flow from Investing activities:		
	Purchase of fixed assets	(189.32)	(533.36)
	Proceeds from sale of fixed assets	4.73	3.93
	Proceeds from sale of investments	7,732.16	6,811.89
	Purchase of investments	(10,195.52)	(6,071.20)
	Maturity of/(investment in) fixed deposits (Net)	578.06	(449.28)
	Interest received	295.65	276.17
	Dividend received	90.39	87.35
	Amount paid on acquisition of shares/debentures of other enterprises (subsidiaries and associates)	(230.82)	(674.02)
	Net cash used in investing activities	(1,914.67)	(548.52)
C.	Cash flow from financing activities:		
	Proceeds from long term borrowings	6.40	8.55
	Repayment of long term borrowings	(6.84)	(5.69)
	Receipt from issue of shares in subsidiaries from minority shareholders	1,553.14	-
	Interest paid	(1.00)	(0.92)
	Dividend paid	(218.36)	(109.18)
	Dividend tax paid	(36.27)	(17.71)
	Net cash used in financing activities	1,297.07	(124.95)
	Net Increase in cash & cash equivalents	190.26	78.27
	Opening balance of cash and cash equivalents (April 01,2013/April 01,2012)	514.78	352.65
	Add : cash and cash equivalents acquired from subsidiaries	-	83.86
	Closing balance of cash and cash equivalents	705.04	514.78
	Cash and cash equivalents comprise		
	Cash in hand	5.08	2.96
	Balance with scheduled banks		
	-in current accounts (Refer note 2 and 3 below)	430.74	202.63
	-in Fixed deposits accounts with original maturity of less than 3 months	269.22	309.19
	Total cash and cash equivalents	705.04	514.78
	In fixed deposits accounts with original maturity exceeding than 3 months	2,374.34	2,952.40
	Total	3,079.38	3,467.18

Notes :

- The above Consolidated Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement, prescribed under Companies (Accounting Standards) Rules, 2006 as notified by the Central Government vide its notification dated December 7,2006.
- Balance with scheduled bank in current account includes Nil (previous year ₹ 0.12 Million) in respect of unpaid application money due for refund, which is not available for use by the company.
- Balance with scheduled bank in current account includes ₹ 0.14 Million (previous year ₹ 0.09 Million) in respect of unclaimed dividend, which is not available for use by the company.
- Figures in brackets indicate cash outflow.

For Price Waterhouse & Co., Bangalore
Firm Registration Number 007567S
Chartered Accountants

Amitesh Dutta
Partner
Membership Number 058507

Place : Noida
Date : May 14, 2014

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Sanjeev Bikchandani
Director

Place : Noida
Date : May 14, 2014

Ambarish Raghuvanshi
Director & CFO

M.M.Jain
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. General Information

Info Edge (India) Ltd. (the Company) was incorporated under the laws of India on May 1, 1995 and has seven subsidiaries and four associate companies (The Group) as at March 31, 2014. The subsidiaries are Jeevansathi Internet Services Pvt. Ltd., Naukri Internet Services Pvt. Ltd., Info (Edge) India Mauritius Ltd, Allcheckdeals India Pvt. Ltd , Applect Learning Systems Pvt. Ltd, Zomato Media Pvt. Ltd. (formerly known as DC Foodiebay Online Services Pvt. Ltd.) and Makesense Technologies Pvt. Ltd. The associate companies are Etechaces Marketing & Consulting Pvt. Ltd, Kinobeo Software Pvt. Ltd., Happily Unmarried Marketing Pvt. Ltd. and Canvera Digital Technologies Pvt. Ltd.

2. Significant Accounting Policies

2.1 Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions in full as per Accounting Standard 21 on Consolidated Financial Statements.

Investment in associates (entity over which the Company exercises significant influence, which is neither a subsidiary nor a joint venture) are accounted for using the equity method as per Accounting Standard 23 on Accounting for Investments in Associates in Consolidated Financial Statements. The consolidated financial statements include the share of profit/loss of associate companies, which are accounted under the ‘Equity method’ as per which the share of profit/loss of the associate company has been adjusted to the carrying amount of investment. Further, for the purpose of consolidation, the proportionate share of profit / loss of associate companies to the extent of investment in equity shares has been considered.

Reserves shown in the consolidated balance sheet represent the Group’s share in the respective reserves of the Group companies.

2.2 Goodwill

a) On Consolidation

Goodwill represents the difference between the cost of acquisition and the Company’s share in the net worth of a subsidiary at each stage of making the investment in the subsidiary. For this purpose, the Group’s share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events, if any, between the date of such financial statements and the date of the respective acquisition.

b) On acquisition of investment in associate

Goodwill arising on acquisition is amortised to expense on a straight line basis over a period of estimated benefit but not exceeding five years.

2.3 Fixed Assets

Tangible Assets are stated at cost of acquisition along with related taxes, duties and incidental expenses related to these assets.

Intangible assets are stated at their cost of acquisition.

Profit/Loss on disposal of fixed assets is recognised in the Statement of Profit and Loss.

2.4 Depreciation\amortisation

Tangible Assets

Fixed Assets are depreciated under Straight Line Method over the estimated useful lives of the assets, which are as follows:

Assets	Estimated life (Years)
Building	20
Computers	3
Office Equipment	3
Vehicles	4
Plant and Machinery	5
Furniture & Fixtures	7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Leasehold land and leasehold improvements are amortised over the lease period, which corresponds with the useful lives of the related assets.

The effective rates of depreciation based on the estimated useful lives are above the minimum rates as prescribed by Schedule XIV of the Act.

Intangible Assets

Fixed Assets are amortised under Straight Line Method over the estimated useful lives of the assets, which are as follows:

Assets	Estimated life (Years)
Other Software Licenses	3
Enterprise Resource Planning Software	5
Operating and Marketing Rights	5

Assets costing less than or equal to ₹5, 000 are depreciated/amortised @ 100% pro-rata from date of acquisition.

The consolidated financial statements have been prepared using the same accounting policies as that of the Company except for depreciation on the assets of Applect Learning Systems Pvt. Ltd which is being provided on written down value method at the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956, total of such depreciation being ₹12.81 Mn (previous year - ₹ 14.20 Mn) which has a consequential impact on the written down value of these fixed assets.

2.5 Foreign Currency Transactions

Transactions in foreign currency are accounted for at the rate prevailing on the date of the transaction. Gain/Loss arising on fluctuation in foreign exchange rate between the transaction date and settlement date are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities are restated at the exchange rate prevailing at the year end and the overall net gain/loss is adjusted to the Statement of Profit and Loss.

Translation of foreign operations

Foreign operations are classified as 'non-integral' operations. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment, at which time they are recognized as income or as expenses.

2.6 Revenue Recognition

The Group earns revenue significantly from the following sources viz.

- a) Recruitment solutions through its career web site, Naukri.com:-
Revenue is received in the form of fees, which is recognized pro-rata over the subscription / advertising agreement, usually ranging between one to twelve months.
- b) Matrimonial web site, Jeevansathi.com and Real Estate website, 99acres.com:-
Revenue is received in the form of subscription fees, which is recognized over the period of subscription, usually ranging between one to twelve months.
- c) Placement search division, Quadrangle:-
Revenue is received in the form of fees, for placements at various levels in a client's organization. Revenue is booked on the successful completion of the search and selection activity.
- d) Online Coaching Services :-
Revenue from the online coaching is received in the form of subscription fee which is recognized over the period that coaching is imparted.
- e) Real Estate Broking division :-
Commission income on property bookings placed with builders/developers is accrued once the related services have been rendered by the Company.
- f) Resume Sales Service:-
The revenue from Resume Sale Services is earned in the form of fees and is recognized on completion of the related service.
- g) Online Food Service :-
The revenue from operating and internet portal providing all sorts of information about restaurants and caterers for display of advertisement are recognized on display of advertisement.

In respect of a), b), d) and g) above, the accrued amounts are not recognized as revenue till all obligations are fulfilled and are reflected in the Balance sheet as Income received in advance (Deferred Sales Revenue).

All the above sources of revenue are shown net of service tax and is not recognized in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognized on reasonable certainty of collection.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**2.7 Investments**

Investments that are readily realizable and are not intended to be held for more than one year from the date, on which such investment are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of investments, such reduction being determined and made for such investment individually.

2.8 Employee Benefits

The Company has Defined Contribution plan for the post-employment benefits namely Provident Fund which is recognized by the income tax authorities. These funds are administered through the Regional Provident Fund Commissioner and the Company's contributions thereto are charged to revenue every year. The Company's contribution to state plans namely Employee State Insurance Fund is charged to revenue every year.

The Company has Defined Benefit plans namely leave encashment, compensated absence and gratuity for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Gratuity Fund is recognized by the income tax authorities and is administered through Life Insurance Corporation of India under its Group Gratuity Scheme.

Termination benefits are recognized as an expense immediately.

Gains and losses arising out of actuarial valuations are recognized immediately in the Statement of Profit and Loss as income or expense.

2.9 Leased Assets

- i) Assets acquired on lease where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease amount paid is allocated between the liability and the interest cost, so as to maintain a constant periodic rate of interest on the outstanding liability for each period.
- ii) Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term.

2.10 Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. Deferred tax assets are recognized and carried forward only to the extent there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

2.11 Earnings per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.12 Employee Stock Option Based Compensation

Stock options granted to the employees and to the non-executive Directors who accepted the grant under the Company's Stock Option Plan are accounted for in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme) Guidelines, 1999 as amended from time to time and the guidance note on Employee Share Based Payments issued by ICAI. The Company follows the intrinsic value method and accordingly, the excess, if any, of the market price of the underlying equity shares as of the date of the grant of the option over the exercise price of the option, is recognized as employee compensation cost and amortized on graded vesting basis over the vesting period.

2.13 Provisions and Contingencies

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

2.14 Dividend income

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.15 Interest Income

Interest income is recognized on the time basis determined by the amount outstanding including the tax credits and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

2.16 Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

3. SHARE CAPITAL

Particulars	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
AUTHORISED CAPITAL 120.00 Million Equity Shares of ₹ 10/- each (Previous year - 120.00 Million Equity Shares of ₹ 10/- each)	1,200.00	1,200.00
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 109.18 Million Equity Shares of ₹ 10/- each fully paid up (Previous year - 109.18 Million Equity Shares of ₹ 10/- each fully paid up)	1,091.81	1,091.81
	1,091.81	1,091.81

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2014 (No of Shares)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (No of Shares)	As at March 31, 2013 (₹ Mn)
Equity Shares				
At the beginning of the year	109,181,024	1,091.81	54,590,512	545.91
Add: Issued during the year	-	-	54,590,512	545.90
Outstanding at the end of the year	109,181,024	1,091.81	109,181,024	1,091.81

b. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

The Board of Directors has recommended a final dividend of ₹ 1.50 per share (previous year ₹ 1.00 per share) which is subject to the approval of the shareholders in the ensuing Annual General Meeting over and above the interim dividend of ₹ 1.00 (previous year ₹ Nil) per share.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:-

Particulars	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Equity Shares allotted as fully paid bonus shares by capitalisation of securities premium	-	54,590,512	-	27,295,256	-
	-	54,590,512	-	27,295,256	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

d. Details of shareholders holding more than 5% shares in the Company

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
	No of Shares	% Holding	No of Shares	% Holding
Equity Shares of ₹ 10 each fully paid				
- Sanjeev Bikhchandani	36,245,461	33.20	37,370,812	34.23
- Sanjeev Bikhchandani & Hitesh Oberoi holding on behalf of Endeavour holding Trust	8,734,880	8.01	8,734,880	8.01
- Hitesh Oberoi	6,900,118	6.32	7,400,118	6.78
- HDFC Trustee Company Limited-HDFC Capital Builder Fund	7,808,299	7.15	-	-
	59,688,758	54.68	53,505,810	49.02

4. RESERVES AND SURPLUS

Particulars	₹ Mn	As at	₹ Mn	As at
		March 31, 2014		March 31, 2013
Securities Premium Account				
Opening Balance	764.16		1,310.07	
Less: Utilisation for issue of bonus shares	-	764.16	545.91	764.16
General Reserve				
Opening Balance	147.12		145.56	
Add : Adjustment in relation to Subsidiaries acquired	(1.24)		-	
Add: Transfer from Statement of Profit and Loss under Companies (Transfer of Profit to Reserves Rules), 1975	128.49		-	
Add: Transfer from Statement of Profit and Loss (Stock Options Outstanding Account)	28.63	303.00	1.56	147.12
Stock Options Outstanding Account				
Opening Balance	63.05		40.63	
Add: Transfer during the year	71.33		23.99	
Less: Adjusted against advance given to Info Edge Employees Stock Option Trust	0.27		0.01	
Less: Transfer to Statement of Profit and Loss	28.62	105.49	1.56	63.05
Foreign Currency Translation Reserve		(7.78)		4.02
Surplus in Statement of Profit and Loss				
Opening Balance	4,014.42		3,225.37	
Add: Net Profit after tax transferred from Statement of Profit and Loss	896.65		915.94	
Transfer from Stock Option Outstanding Account	28.63		1.56	
Less: Appropriations				
Proposed Dividend	163.77		109.18	
Interim Dividend	109.18		-	
Dividend Tax	46.39		17.71	
Transfer to General Reserve under Companies (Transfer of Profit to Reserves Rules), 1975	128.49		-	
Transfer to General Reserve (Employee Stock Options Outstanding Account)	28.63	4,463.24	1.56	4,014.42
		5,628.11		4,992.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

5. LONG TERM BORROWINGS

Particulars	Non-Current Portion		Current Maturities	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
SECURED LOANS				
Term Loans from banks	4.38	4.82	5.79	4.65
Current maturities transferred to other current liabilities	-	-	(5.79)	(4.65)
	4.38	4.82	-	-

a. Term Loans from banks are secured by hypothecation of vehicles taken on lease.

b. Term loans carry interest rates ranging from 6% to 12%. The loans are repayable along with interest with in 2 to 3 years from the date of loan.

Leased Assets included in vehicles where the Company is a lessee under finance leases are:

Finance lease liabilities-minimum lease payments	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Not later than 1 year	6.54	5.41
Later than 1 year and not later than 5 years	4.68	5.14
Total minimum lease payments	11.22	10.55
Less: Future finance charges on finance leases	1.05	1.08
Present value of finance lease liabilities	10.17	9.47
Representing lease liabilities:		
- Current	5.79	4.65
- Non Current	4.38	4.82
	10.17	9.47
The present value of finance lease liabilities may be analyzed as follows:		
Not later than 1 year	5.79	4.65
Later than 1 year and not later than 5 years	4.38	4.82
	10.17	9.47

6. PROVISIONS

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Provision for employee benefits				
Provision for gratuity	6.95	3.61	6.15	17.23
Provision for leave encashment / compensated absence	0.88	0.37	19.66	20.45
Other provisions				
Accrued bonus	-	-	84.45	73.29
Proposed dividend	-	-	163.77	109.18
Dividend tax	-	-	27.83	17.71
	7.83	3.98	301.86	237.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7. TRADE PAYABLES

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Trade Payables				
- total outstanding dues of micro, small and medium enterprises	-	-	-	-
- total outstanding dues of creditors other than micro, small and medium enterprises	41.10	-	547.65	556.74
	41.10	-	547.65	556.74

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014

8. OTHER CURRENT LIABILITIES

Particulars		As at March 31, 2014 (₹ Mn)		As at March 31, 2013 (₹ Mn)
	(₹ Mn)	(₹ Mn)	(₹ Mn)	(₹ Mn)
Current maturities of term loans transferred from long term borrowings		5.79		4.65
Interest accrued but not due on loans		0.07		0.07
Income received in advance (deferred sales revenue)		1,525.54		1,217.59
Unpaid dividend*		0.14		0.09
Unpaid application money received by the company for allotment of securities and due for refund *		-		0.12
Others				
- Service tax payable	2.87		13.07	
- TDS payable	39.28		24.85	
- Other statutory dues	11.24	53.39	1.63	39.55
		1,584.93		1,262.07

* Will be credited to Investor Education and Protection Fund as and when due

This portion is intentionally left blank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

9. FIXED ASSETS

(Amount ₹ Mn)

Description	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION			NET BLOCK		
	As at April 1, 2013	Additions during the year	Deletions/Write off during the year	As at March 31, 2014	Up to April 1, 2013	Depreciation/amortisation for the year	Accumulated depreciation/amortisation on deletions	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
OWN ASSETS										
Tangible Assets										
Leasehold land	346.95	-	-	346.95	20.88	5.15	-	26.03	320.92	326.07
Building	91.19	-	-	91.19	10.99	4.56	-	15.55	75.64	80.20
Leasehold improvements	310.70	29.27	30.46	309.51	70.36	46.77	29.96	87.17	222.34	240.34
Computers	285.01	102.17	16.38	370.80	184.52	72.01	15.52	241.01	129.79	100.49
Plant and machinery	66.36	4.28	8.03	62.61	35.42	8.06	7.80	35.68	26.93	30.94
Furniture and fixtures	102.27	7.85	4.73	105.39	36.87	18.62	4.20	51.29	54.10	65.40
Office equipment	109.59	15.35	7.94	117.00	62.07	25.73	7.64	80.16	36.84	47.52
Vehicles	1.30	0.95	-	2.25	0.76	0.10	-	0.86	1.39	0.54
Assets taken on finance lease										
Vehicles	25.18	7.76	4.56	28.38	10.67	5.76	3.61	12.82	15.56	14.51
Total	1,338.55	167.63	72.10	1,434.08	432.54	186.76	68.73	550.57	883.51	906.01
OWN ASSETS (Acquired)										
Intangible Assets										
Goodwill	0.26	-	-	0.26	0.26	-	-	0.26	-	-
Operating and marketing rights	27.56	-	-	27.56	27.56	-	-	27.56	-	-
Enterprise resource planning software	25.95	1.69	-	27.64	14.88	6.38	-	21.26	6.38	11.07
Other software licenses	58.29	5.17	-	63.46	13.18	18.45	-	31.63	31.83	45.11
Total	112.06	6.86	-	118.92	55.88	24.83	-	80.71	38.21	56.19
Total	1,450.61	174.49	72.10	1,553.00	488.42	211.59	68.73	631.28	921.72	962.19
Previous year	948.04	529.67	27.10	1,450.61	394.03	117.80	23.40	488.42	962.19	

10A. NON CURRENT INVESTMENTS* - Shares

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)
Other than trade investments (Unquoted) (valued at cost unless otherwise stated)								
Investments in Equity Shares of Subsidiary Companies (Refer Note No. 25)								
Info Edge (India) Mauritius Limited (Under liquidation) Less: Provision for diminution in value of investment	1,112,001	\$1	45.60 (45.60)	-	-	-	-	-
Investments in Equity Shares of Associate Companies								
eTechAces Marketing and Consulting Pvt. Ltd. -Share premium of ₹ 16,726.40/- per share(Previous Year- ₹16726.40/-)	11,950	10	-	-	11,950	10	-	-
Happily Unmarried Marketing Pvt. Ltd. -Share premium of ₹ 12,709.04/- (Previous Year- ₹ 12,709.12/-) per share computed on average basis	275	10	2.28	2.28	100	10	0.94	0.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)
Canvera Digital Technologies Pvt. Ltd. -Share premium of ₹ 1,167/- (Previous Year-₹ 1,167/-) per share computed on average basis	34,711	1	17.77		3,553	1	2.61	
Ninety Nine Lables Pvt. Ltd. -Share premium of ₹ Nil (Previous Year-₹102.38/-) per share computed on average basis	-	-	-		476,666	10	-	
Nogle Technologies Pvt. Ltd. -Share premium of ₹ Nil (Previous Year- ₹ 40/-)per share	-	-	-	20.05	258	10	-	3.55
Investments in Preference Shares of Associate Companies								
eTechAces Marketing and Consulting Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ 23,284.81/- (Previous Year- ₹ 23,284.81/-) per share computed on average basis	5,345	100	124.99		5,345	100	124.99	
Ninety Nine Labels Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ NIL per share). Less: Provision for diminution in value of investment (Refer Note No. 38)	-	-	-	-	498,400	10	131.53	(131.50)
Nogle Technologies Pvt. Ltd. - Cumulative convertible preference shares with share premium of ₹ Nil/- (Previous Year- ₹ 4,724.24/-)per share computed on average basis	-	-	-		4,647	10	22.00	
Kinobeo Software Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ 2,494.61/- (Previous Year-₹ 2,494.61/-per share computed on average basis)	107,801	10	270.00		107,801	10	270.00	
Canvera Digital Technologies Pvt. Ltd. -0.1% cumulative convertible preference shares with share premium of ₹ 1,178.98 /- (Previous Year- ₹ 1,167/-) per share	449,160	1	530.00		299,658	1	350.00	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)	Number of Share	Face Value per share (In ₹**)	(₹' Mn)	(₹' Mn)
Happily Unmarried Marketing Pvt. Ltd. - 0.1% cumulative convertible preference shares with share premium of ₹ 12,719.12/- (Previous Year- ₹ 12,719.12/-) per share	3,928	10	50.00	974.99	3928	10	50.00	817.02
Investments in Equity Shares of Others								
Study Places Inc.	3,865,484	1461.04	49.81		3,865,484	1461.04	49.81	
Less: Provision for diminution in value of investment			(49.81)	-			(49.81)	-
				995.04				820.57

** Unless otherwise stated

10B. NON CURRENT INVESTMENTS* - Mutual Fund

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)
Investments in Mutual Funds								
ICICI Prudential FMP Series 67-371 Days Plan C Direct Plan	-	-	-		5,000,000	10	50.00	
HDFC FMP 400D March 2013 (1) Series 23-Direct-Growth	-	-	-		5,000,000	10	50.00	
HDFC FMP 384D March 2013(1) Series 23-Direct-Growth	-	-	-		5,000,000	10	50.00	
DWS Fixed Term Fund- Series 63- Direct Growth	2,000,000	10	20.00		-	-	-	
DSP BlackRock FMP - Series 154 - 12.5M - Dir - Growth	2,500,000	10	25.00		-	-	-	
IDFC Fixed Term Plan Series 84 Direct Plan-Growth (386 Days)	2,000,000	10	20.00		-	-	-	
Axis Fixed Term Plan - Series 62 (383 Days)-Direct Growth (W2 DG)	2,500,000	10	25.00		-	-	-	
Kotak FMP Series 100-Growth	-	-	-		10,000,000	10	100.00	
IDFC Ultra Short Term Fund	-	-	-		7,492,451	10	75.02	
HDFC Mutual Fund	-	-	-		7,444,856	10	75.05	
Kotak FMP Series 102-Growth	-	-	-	90.00	5,000,000	10	50.00	450.07
				90.00				450.07
Total (10 A + 10 B)				1,085.04				1,270.64

*Long-term Investments (as per AS-13)

Investments with original maturity of more than 12 months

Aggregate amount of unquoted investments		1,180.45		1,451.95
Aggregate provision for diminution in value of investments		95.41		181.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

11. DEFERRED TAX ASSETS

Particulars	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Deferred tax assets		
- Opening Balance	44.84	41.73
- Adjustment for the current year	18.69	3.11
	63.53	44.84

Significant components of deferred tax assets are shown in the following table:

Particulars	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Deferred tax assets		
Provision for leave encashment/compensated absence	6.47	6.33
Provision for lease equalisation	15.54	-
Provision for doubtful debts	2.43	1.60
Depreciation	28.03	15.60
ESOP	8.68	17.28
Other	2.38	4.03
Net deferred tax assets	63.53	44.84

12. LOANS AND ADVANCES

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
(Unsecured, considered good)				
Capital advances	66.21	58.55	5.75	-
Security deposits	115.45	90.64	11.32	14.82
Amount paid to associate company towards purchase of shares	-	-	* 0.00	4.00
Others				
- Advance recoverable in cash or in kind or for value to be received	19.00	24.19	43.40	43.07
- Balance with service tax authorities	-	-	9.02	26.87
- Advance tax	-	-	3,147.20	2,530.98
- Less: provision for tax	-	-	(3,110.37)	(2,496.50)
- Amount recoverable/(payable) from ESOP Trust	11.65	11.63	(0.27)	0.01
- Advance tax - fringe benefits	-	-	29.69	29.69
- Less: provision for tax - fringe benefits	-	-	(28.69)	(28.69)
	212.31	185.01	107.05	124.25

* Amount is below the rounding off norm adopted by the Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13. OTHER NON CURRENT/CURRENT ASSETS

Particulars	Non-Current		Current	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
(Unsecured, considered good)				
Non current portion of fixed deposits transferred from cash and bank balances	7.67	253.00	-	-
Interest accrued on fixed deposits	0.76	31.12	76.83	73.15
	8.43	284.12	76.83	73.15

14. CURRENT INVESTMENTS

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)
Investments in Equity Shares of other**								
Nogle Technologies Pvt. Ltd.* -share premium of ₹ 40/- (Previous Year- ₹ 40/-) per share	258	10	0.01		-	-	-	
Less : Provision for diminution in value of investment (Refer Note No. 38)			0.01					
Investments in Preference Shares of other**								
Nogle Technologies Pvt. Ltd.* - Cumulative convertible preference shares with share premium of ₹ 4,683.99/- (Previous Year- Nil) per share computed on average basis	5,539	10	26.00		-	-	-	
Less: Provision for diminution in value of investment (Refer Note No. 38)			(26.00)					
* held for disposal								
Investment in Mutual Funds (Unquoted) - Fixed Maturity Plans**								
ICICI Prudential FMP Series 65-367 Days Plan B Cumulative	-	-	-		3,000,000	10.00	30.00	
ICICI Prudential FMP Series 65-366 Days Plan I Direct Plan cumulative	-	-	-		5,000,000	10.00	50.00	
DSP Blackrock FMP-Series 90-12M- Growth	-	-	-		7,000,000	10.00	70.00	
DSP Blackrock FMP-Series 37-13M- Growth	-	-	-		4,000,000	10.00	40.00	
DSP BlackRock FMP-Series 68-12M-Institutional Plan-Growth Option	-	-	-		5,000,000	10.00	50.00	
DSP BlackRock FMP-Series 95 - 12M - Dir - Growth	4,444,600	10.00	44.45		-	-	-	
DSP BlackRock FMP - Series 104 - 12M - Dir - Growth	5,000,000	10.00	50.00		-	-	-	
DSP BlackRock FMP - Series 129 - 12M - Dir - Growth	2,174,820	10.00	21.75		-	-	-	
DSP BlackRock FMP-Series 43 -12M-Growth	-	-	-		5,898,767	10.00	58.99	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)
DSP Blackrock FMP Series 47-12M-Growth	-	-	-		3,000,000	10.00	30.00	
DSP Blackrock FMP Series 81-12M-Growth	-	-	-		2,000,000	10.00	20.00	
Axis Fixed Term Plan - Series 22 (374 days)-Growth Plan	-	-	-		5,503,000	10.00	55.03	
HDFC FMP 371D August (1)-Growth-Series 22	-	-	-		5,000,000	10.00	50.00	
HDFC FMP 370D April 2013(2) Series 26-Direct-Growth	6,136,956	10.00	61.37		-	-	-	
HDFC FMP 369D June 2013(1) Series 26-Direct-Growth	5,000,000	10.00	50.00		-	-	-	
HDFC FMP 370D July 2013(1) Series 26-Direct-Growth	5,000,000	10.00	50.00		-	-	-	
HDFC FMP 371D July 2013(1) Series 26-Direct-Growth	5,000,000	10.00	50.00		-	-	-	
HDFC FMP 399D March 2012(1)-Growth-Series-XXI	-	-	-		5,000,000	10.00	50.00	
HDFC FMP 400D March 2012(1) - Growth - Series XXI	-	-	-		5,503,750	10.00	55.04	
IDFC Fixed Maturity Plan 366 Days Series 73-Dividend	-	-	-		5,000,000	10.00	50.00	
IDFC Fixed Maturity Plan 366 Days Series 78-Dividend	-	-	-		5,000,000	10.00	50.00	
IDFC Fixed Term Plan Series 32 Direct Plan-Growth	2,500,000	10.00	25.00		-	-	-	
IDFC Fixed Term Plan Series 33 Direct Plan-Growth	2,500,000	10.00	25.00		-	-	-	
Kotak FMP Series 80-Growth	-	-	-		5,514,990	10.00	55.15	
B1070G Birla Sun Life Fixed Term Plan Series FO Growth	-	-	-		5,000,000	10.00	50.00	
ICICI Prudential FMP Series 67-371 Days Plan C Direct Plan Cumulative	5,000,000	10.00	50.00		-	-	-	
ICICI Prudential FMP Series 68-369 Days Plan I Regular Plan Cumulative	2,500,000	10.00	25.00		-	-	-	
ICICI Prudential Interval Fund Annual Interval Plan 1-Direct Plan-Growth	1,938,224	12.90	24.99		-	-	-	
ICICI Prudential FMP Series 70-367 Days Plan C Regular Plan Cumulative	2,500,000	10.00	25.00		-	-	-	
ICICI Prudential FMP Series 72 - 368 Days Plan A Direct Plan Cumulative	2,500,000	10.00	25.00		-	-	-	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)
ICICI Prudential FMP Series 72 - 368 Days Plan D Direct Plan Cumulative	5,430,400	10.00	54.30		-	-	-	
ICICI Prudential FMP Series 72 - 366 Days Plan C Direct Plan Cumulative	2,500,000	10.00	25.00		-	-	-	
ICICI Prudential FMP Series 72 - 366 Days Plan K Direct Plan Cumulative	2,500,000	10.00	25.00		-	-	-	
ICICI Prudential FMP Series 72 - 366 Days Plan M Direct Plan Cumulative	2,500,000	10.00	25.00		-	-	-	
ICICI Prudential Interval Fund Series VII Annual Interval Plan C Direct Plan	2,500,000	10.00	25.00		-	-	-	
ICICI Prudential FMP Series 73 - 366 Days Plan B Direct Plan Cumulative	2,500,000	10.00	25.00		-	-	-	
ICICI Prudential FMP Series 73 - 369 Days Plan P Direct Plan Cumulative	2,500,000	10.00	25.00		-	-	-	
ICICI Prudential FMP Series 73 - 368 Days Plan R Direct Plan Cumulative	2,500,000	10.00	25.00		-	-	-	
HDFC FMP 400D March 2013 (1) Series 23-Direct-Growth	5,000,000	10.00	50.00		-	-	-	
HDFC FMP 384D March 2013(1) Series 23-Direct-Growth	5,000,000	10.00	50.00		-	-	-	
HDFC FMP 370D August 2013 (2) Series 26-Direct-Growth	2,500,000	10.00	25.00		-	-	-	
Kotak FMP Series 100-Growth Direct	10,000,000	10.00	100.00		-	-	-	
Kotak FMP Series 102-Growth Direct	5,000,000	10.00	50.00		-	-	-	
Kotak FMP Series 105-Growth Direct	2,500,000	10.00	25.00		-	-	-	
Kotak FMP Series 106-Growth Direct	2,500,000	10.00	25.00		-	-	-	
Kotak FMP Series 118-Growth Direct	2,500,000	10.00	25.00		-	-	-	
B1089G Birla Sun Life Fixed Term Plan Series FV Growth (367 Days)	-	-	-		5,000,000	10.00	50.00	
B1132Y Birla Sun Life Fixed Term Plan-Series HJ (369 Days)-Growth Direct	2,500,000	10.00	25.00		-	-	-	
B1135Y Birla Sun Life Interval Income Fund - Annual Plan-X-Gr-Direct	2,500,000	10.00	25.00		-	-	-	
B1094Y Birla Sun Life Interval Income Fund - Annual Plan 1 - Growth - Direct	2,298,935	10.87	25.00		-	-	-	
B1193Y Birla Sun Life Fixed Term Plan - Series JO (367 days) - Gr. DIRECT -	2,500,500	10.00	25.00		-	-	-	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)
SBI Debt Fund Series-366 Day-12-Growth	-	-	-		5,000,000	10.00	50.00	
SBI Debt Fund Series - A 16 - 366 Days - Regular - Growth	2,500,000	10.00	25.00		-	-	-	
Birla Sun life Cash Plus Liquid Funds- Growth Option	1,802,001	198.14	357.04		-	-	-	
Birla Sun Life FTP Series KG- Growth Option (FMP Funds)	10,000,000	10.14	101.36		-	-	-	
DSP Black Rock Liquid Fund-Direct Growth Plan	141,305	1,769.00	250.00		-	-	-	
HDFC Cash Management Fund Saving Plan-Growth	5,251,901	26.00	135.53		-	-	-	
ICICI Prudential FMP Series(366 days)	5,000,000	10.88	54.38		-	-	-	
ICICI Prudential FMP Series- 72-366 days- Plan T	10,000,000	10.00	101.36		-	-	-	
ICICI Prudential Liquid - Direct Plan- Growth Option	2,217,679	183.00	405.61		-	-	-	
UTI Fixed Term Income Fund Series XVII-XVI(367 day)- Growth Plan	10,000,000	10.12	101.23		-	-	-	
UTI Money fund-Institutional Plan	186,288	1,385.00	257.94		-	-	-	
Nil units (Previous Year: 5,000,000) of ₹10 each fully paid up of ICICI Prudential mutual fund	-	-	-		5,000,000	10.00	50.00	
L302G SBI Debt Fund Series-366 Day-8-Growth	-	-	-	2,996.31	5,000,000	10.00	50.00	964.21
Investment in Mutual Funds (Unquoted) (Valued at lower of cost and fair value, unless stated otherwise) - Debt Schemes (Liquid/Liquid Plus)								
ICICI Prudential Flexible Income Plan Premium - Daily Dividend	-	-	-		723,783	105.74	76.53	
ICICI Prudential Liquid Plan- Direct Plan-Daily Dividend	1,796,382	100.05	179.74		-	-	-	
ICICI Prudential Flexible Income-Direct Plan-Daily Dividend	48,690	105.74	5.15		-	-	-	
B153DZ Birla Sun Life Cash Plus-Daily Dividend Direct Plan Reinvestment	858,814	100.20	86.05		-	-	-	
HDFC Cash Management Fund -Treasury Advantage Plan - Wholesale Daily Dividend	-	-	-		3,909,467	10.08	39.41	
HDFC Cash Management Fund Savings Plan Direct Plan Daily Dividend Reinvestment	20,836,480	10.64	221.63		-	-	-	
Birla Sun Life Saving Fund -Instl-Daily Dividend Reinvestment	-	-	-		6,08,798	100.30	60.94	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	As at March 31, 2014				As at March 31, 2013			
	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)	Number of Unit	Amount per unit (In ₹)	(₹' Mn)	(₹' Mn)
Templeton India Ultra Short Bond Fund Super Institutional Plan Daily Dividend	-	-	-		13,679,356	10.02	137.03	
Kotak Flexi Debt Scheme Institutional - Daily Dividend	-	-	-		3,620,713	10.05	36.38	
Axis Liquid Fund-Direct Plan-Daily Dividend Reinvestment (CF DR)	39,859	1,000.11	39.87		-	-	-	
Axis Banking Debt Fund - Direct Plan - Daily Dividend Reinvestment(BDDRR)	28,752	1,002.77	28.83		-	-	-	
IDFC Ultra Short Term Fund Daily Dividend	-	-	-		98,906	10.01	0.99	
Kotak Liquid Scheme Plan A-Direct Plan-Daily Dividend	20,538	1,222.81	25.11		-	-	-	
IDFC Cash Fund-Daily Dividend (Direct Plan)	220,353	1,000.34	220.43		-	-	-	
Templeton India Treasury Management Account Super Institutional Plan Direct Daily Dividend Reinvestment	208,319	1,001.07	208.54		-	-	-	
LD72SD SBI Premier Liquid Fund-Direct Plan-Daily Dividend	160,477	1,003.25	160.99		-	-	-	
DSP Blackrock Liquidity Fund-Direct Plan-Daily Dividend	122,323	1,000.32	122.36		-	-	-	
DSP Blackrock Liquidity Fund-Institutional Plan - Daily Dividend	-	-	-	1298.70	27,572	1000.32	27.58	378.86
				4,295.01				1,343.07
Aggregate amount of unquoted investments				4,321.02				1,343.07
Aggregate provision for dimunition in value of investments				26.01				-
** Long-term Investments as per AS-13 Investments with original maturity of more than 12 months				2,996.31				964.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

15. TRADE RECEIVABLES

Particulars	Non-current		Current	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured considered good	-	-	-	0.30
- Doubtful	-	-	55.17	48.24
	-	-	55.17	48.54
Less: Provision for doubtful receivables			(55.17)	(48.24)
Total (A)	-	-	-	0.30
Other Receivables				
- Unsecured considered good	-	-	91.67	94.91
- Doubtful	-	-	5.87	-
	-	-	97.54	94.91
Less: Provision for doubtful receivables	-	-	(5.87)	-
Total (B)	-	-	91.67	94.91
Total (A) + (B)	-	-	91.67	95.21

16. CASH AND BANK BALANCES

Particulars	Non-Current		Current	
	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)	As at March 31, 2014 (₹ Mn)	As at March 31, 2013 (₹ Mn)
Cash and cash equivalents				
Cash in hand	-	-	5.08	2.96
Balances with banks:				
-in current accounts	-	-	430.60	202.42
-in fixed deposit accounts with original maturity of less than 3 months	-	-	269.22	309.19
Other Bank Balances				
-in fixed deposit accounts with original maturity of more than 12 months	7.67	253.00	470.36	927.83
Non current portion transferred to non current assets	(7.67)	(253.00)	-	-
-in fixed deposit accounts with original maturity of more than 3 months but less than 12 months*	-	-	1,896.31	1,771.57
Unpaid application money received by the company for allotment of securities and due for refund	-	-	-	0.12
Unclaimed dividend	-	-	0.14	0.09
* Includes ₹ 65.48 million (previous year ₹ 55.00 million) as margin money with bank				
	-	-	3,071.71	3,214.18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

17. REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Sale of services	5,662.62	4,699.52
Other operating revenues	9.62	23.69
	5,672.24	4,723.21

18. OTHER INCOME

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Interest received/receivable on fixed deposits with banks	268.98	263.20
Interest on debentures	-	5.09
Dividend income from mutual funds	90.39	87.35
Profit on sale of investment (net)*	128.51	116.05
Profit on sale of fixed assets (net)	1.36	0.24
Miscellaneous income**	12.65	3.34
	501.89	475.27

*Includes ₹ 14.88 million (previous year Nil) received from HSBC Gilt fund against loss on sale of investment booked in FY 2008-09. The amount has been received in accordance with an order passed by Hon'ble Supreme Court of India during the current year.

**Includes ₹ 11.49 million paid by HSBC towards interest on refund from HSBC Gilt fund for the period 2008-2014. (previous year Nil)

19. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Salaries, wages and bonus	2,013.42	1,550.78
Contributions to provident and other funds	53.50	53.87
Sales incentives and commissions	292.99	213.66
Staff welfare and benefits	135.59	101.10
Employee stock option scheme compensation	97.43	23.99
Other employee expenses	60.45	39.92
	2,653.38	1,983.32

20. FINANCE COSTS

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Interest on fixed loans	1.00	0.95
Bank charges	28.85	26.90
	29.85	27.85

21. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Depreciation of tangible assets	186.76	105.72
Amortisation of intangible assets	24.83	12.08
	211.59	117.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

22. ADVERTISING AND PROMOTION COST

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Advertisement expenses	824.75	716.23
Promotion & marketing expenses	36.55	34.11
	861.30	750.34

23. ADMINISTRATION AND OTHER EXPENSES

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Electricity and water	66.47	52.71
Rent *	310.68	212.77
Repairs and maintenance (building)	30.43	18.28
Repairs and maintenance (machinery)	26.17	20.37
Legal and professional charges	105.37	43.84
Rates & taxes	0.03	0.08
Insurance	4.19	2.77
Communication expenses	87.39	71.43
Travel & conveyance	147.93	79.71
Bad debts /provision for doubtful debts	23.31	14.37
Miscellaneous expenses**	178.71	99.24
	980.68	615.57

*Includes ₹ 51.11 Mn towards lease equalisation charge (₹ 34.68 Mn pertaining to prior periods) (previous year ₹. Nil)

**Includes goodwill written off/(reversed) ₹ 17.10 Mn (previous year ₹(28.14) Mn)

24. NETWORK, INTERNET AND OTHER DIRECT CHARGES

Particulars	Year ended March 31, 2014 (₹ Mn)	Year ended March 31, 2013 (₹ Mn)
Internet and server charges	192.55	150.01
Others	17.92	13.95
	210.47	163.96

25. Info Edge (India) Ltd. (the Company) has seven subsidiaries and four associate companies, as given in the following table:

Name of the Company	Percentage of Equity ownership interest as on March 31, 2014	Percentage of Preference ownership interest as on March 31, 2014	Relationship	Date of Incorporation	Country of Incorporation	Date of Investment
Naukri Internet Services Pvt. Ltd. (NISPL)*	99.98	-	Subsidiary	December 9, 1999	India	January 30, 2002
Jeevansathi Internet Services Pvt. Ltd. (JISPL)*	98.00	-	Subsidiary	December 9, 1999	India	September 13, 2004
Info (Edge) India Mauritius Ltd. (IEIML) (Under Liquidation)#	99.99	-	Subsidiary	October 30, 2007	Mauritius	January 18, 2008
Allcheckdeals India Pvt. Ltd.* (ACDIPL)	99.47	-	Subsidiary	August 1, 2008	India	January 12, 2009
Applect Learning Systems Pvt. Ltd. (ALSPL)***	54.16	-	Subsidiary	April 4, 2001	India	June 12, 2008
Makesense Technologies Pvt. Ltd.*	99.99	-	Subsidiary	September 21, 2010	India	March, 22 2013
Zomato Media Pvt Ltd. (Formerly known as DC Foodiebay Online Services Pvt. Ltd.) (ZMPL)	56.35	-	Subsidiary	January 18, 2010	India	July 31, 2010
Etechaces Marketing & Consulting Pvt. Ltd. (EMCPL)	43.80	20.54	Associate	June 04, 2008	India	April 27, 2010
Kinobeo Software Pvt. Ltd. (KSPL)**	-	100	Associate	January 05, 2007	India	March 31, 2012
Happily Unmarried Marketing Pvt. Ltd. (HUMPL)**	2.33	100	Associate	August 17, 2007	India	December 27, 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Name of the Company	Percentage of Equity ownership interest as on March 31, 2014	Percentage of Preference ownership interest as on March 31, 2014	Relationship	Date of Incorporation	Country of Incorporation	Date of Investment
Canvera Digital Technologies Pvt. Ltd. (CDTPL)**	4.98	99.53	Associate	February 05, 2007	India	November 7, 2012

* The remaining shares are held by the nominees of the Company.

** By virtue of power to participate in the financial and/or operating policies.

*** Losses applicable to the minority shareholders of Appect Learning Systems Pvt. Ltd. are not adjusted against Info Edge's interest considering the fact that the minority has a binding obligation and the ability to make good the losses, based on the assessment as at the year end.

The Company is under liquidation therefore Info Edge India Ltd. does not have any control on the Company. Hence the same has not been considered for consolidation.

26. Particulars of Investment in Equity Shares of Associate as on March 31, 2014:

Amount (₹ Mn)

Particulars	HUMPL		CDTPL	
	FY 13-14	FY 12-13	FY 13-14	FY 12-13
Cost of Investment at the beginning of the year	0.94	-	2.61	-
Add: Investment made during the year	2.22	1.27	36.39	4.15
Add: (Share)/Reversal of post-acquisition (loss)/profits (Net)	(0.34)	(0.04)	(4.69)	(0.02)
Less: Goodwill (written off)/written back	(0.55)	(0.29)	(16.55)	(1.51)
Carrying Value at the end of the year	2.27	0.94	17.76	2.62
Goodwill (included in Carrying value of investment)	1.25	0.94	17.76	2.62

Amount (₹ Mn)

Particulars	ZMPL*	
	FY 13-14	FY 12-13
Cost of Investment at the beginning of the year	-	12.73
Add: Investment made during the year	-	813.60
Add: (Share)/Reversal of post-acquisition (loss)/profits (Net)	-	4.33
Less: Goodwill (written off)/written back	-	29.94
Amount adjusted for conversion of Associate into Subsidiary	-	(860.60)
Carrying Value at the end of the year	-	-

* Zomato Media Pvt. Ltd. was an associate as on March 31, 2012 and became a subsidiary during 2012-13

27. CAPITAL COMMITMENTS/ ADVANCES

As on March 31, 2014 there is a capital advance of ₹ 71.96 Mn (previous Year ₹ 58.58 Mn) outstanding against capital account contracts. This primarily includes the following:

- ₹ 55.18 Mn (previous year ₹ 58.28 Mn) relating to the project for construction of office building on leasehold land in respect of which extension for construction based on sanctioned plan have been taken from the relevant authorities. The management is alternatively exploring possibilities of sale of the land/ project on a lump sum basis.
- ₹ 6.72 Mn towards desktop and office equipment (previous Year ₹ 0.27 Mn).
- ₹ 8.56 Mn towards building (previous Year Nil).
- ₹ 1.50 Mn towards other assets (previous Year ₹ 0.03 Mn).

28. OPERATING LEASE

Operating leases where the Company is a lessee:

The Group has entered into lease transactions mainly for leasing of office premises for periods between 1 to 11 years. The terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to ₹ 311.13 Mn (included in Note 23 – Administration and Other Expenses ₹ 310.68 Mn and in Note 19 – Employee Benefits Expenses ₹ 0.45 Mn [(Previous Year ₹ 213.02 Mn) (included in Note 23 – Administration and Other Expenses ₹ 212.77 Mn and in Note 19 – Employee Benefits Expense ₹ 0.25 Mn)].

29. Basic and Diluted Earnings per share (EPS):

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit attributable to Equity Shareholders (₹ Mn)	896.65	915.94
Weighted average number of Equity Shares outstanding during the year (Nos.)	109,181,024	109,181,024
Basic & Diluted Earnings Per Equity Share of ₹ 10 each	8.21	8.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

30. (1) Related Party Disclosures

- A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Group as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 (as amended) (“accounting standards”) and where control exists for the year ended March 31, 2014:

Associates

Nogle Technologies Pvt. Ltd. (NTPL)*
 eTechAces Marketing & Consulting Pvt. Ltd. (EMCPL)
 Ninety Nine Labels Pvt. Ltd. (99LABELS) (till May 21, 2013)*
 Kinobeo Software Pvt. Ltd. (MYDALA)
 Happily Unmarried Marketing Pvt. Ltd.(HUMPL)
 Canvera Digital Technologies Pvt. Ltd.(CDTPL)

Key Management Personnel (KMP) & Relatives

Mr. Sanjeev Bikhchandani
 Ms. Surabhi Bikhchandani (Spouse of Mr. Sanjeev Bikhchandani)
 Mr. Sushil Bikhchandani (Brother of Mr. Sanjeev Bikhchandani)
 Mr. Hitesh Oberoi
 Ms. Divya Batra (Sister of Mr. Hitesh Oberoi)
 Mr. Ambarish Raghuvanshi

Enterprises over which KMP & Relatives have significant influence

Minik Enterprises (Proprietorship concern of Mr. Sushil Bikhchandani)
 Endeavour Holding Trust

Independent Directors- Non Executive

Arun Duggal
 Ashish Gupta
 Bala Deshpande
 Naresh Gupta
 Saurabh Srivastava

Non-Executive Directors

Kapil Kapoor

* During the year, the Company has ceased to exercise significant influence.

- B) Details of transactions with related party for the year ended March 31, 2014 in the ordinary course of business:

Amount (₹ Mn)

Sr. No	Nature of relationship / transaction	Associate Companies	KMP & Relatives	Independent Directors- Non Executive	Non-Executive Directors	Enterprises over which KMP & Relatives have significant influence	Total
1	Remuneration Paid: Sanjeev Bikhchandani ₹ 17.76 Hitesh Oberoi ₹ 17.81 Ambarish Raghuvanshi ₹ 12.96 Surabhi Bikhchandani ₹ 1.40	-	49.93	-	-	-	49.93
2	Advances given for business purposes: Sanjeev Bikhchandani ₹ 0.02 Hitesh Oberoi ₹ 0.02	-	0.04	-	-	-	0.04
3	Receipt of services: Minik Enterprises ₹ 1.47 Divya Batra ₹ 0.53	-	0.53	-	-	1.47	2.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Sr. No	Nature of relationship / transaction	Associate Companies	KMP & Relatives	Independent Directors- Non Executive	Non-Executive Directors	Enterprises over which KMP & Relatives have significant influence	Total
4	Dividend Paid: Sanjeev Bikhchandani ₹ 74.74 Hitesh Oberoi ₹ 14.80 Ambarish Raghuvanshi ₹ 4.01 Surabhi Bikhchandani ₹ 2.99 Arun Duggal ₹ 0.16 Bala Deshpande ₹ 0.21 Kapil Kapoor ₹ 7.61 Endeavour Holding Trust ₹ 17.47	-	96.54	0.37	7.61	17.47	121.99
5	Investment in Equity shares: CDTPL ₹ 36.39 HUMPL ₹ 2.23	38.62	-	-	-	-	38.62
6	Investment in Preference Shares NTPL ₹ 4.00 CDTPL ₹ 180.00	184.00	-	-	-	-	184.00
7	Sitting Fees paid: Arun Duggal ₹ 0.20 Ashish Gupta ₹ 0.16 Bala Deshpande ₹ 0.10 Kapil Kapoor ₹ 0.10 Naresh Gupta ₹ 0.16 Saurabh Srivastava ₹ 0.16	-	-	0.78	0.10	-	0.88
8	Commission payable: Arun Duggal ₹ 0.78 Ashish Gupta ₹ 0.70 Bala Deshpande ₹ 0.70 Naresh Gupta ₹ 0.70 Saurabh Srivastava ₹ 0.72	-	-	3.60	-	-	3.60
9	Services Rendered: MYDALA ₹ 0.11 EMCPL ₹ 0.28	0.39	-	-	-	-	0.39

- There are no balance due from any of the related parties.
- Amounts paid to / on behalf of Info Edge Employee Stock Option Trust during the year are as below:
 - Dividend paid ₹ 0.77 Mn
 - Advances paid (net) ₹ NIL
- Amount due to Info Edge Employee Stock Option Trust as on March 31, 2014 is ₹ 0.3 Mn.
- Amount due from Allcheckdeals Employee Stock Option Trust as on March 31, 2014 is ₹ 0.39 Mn.
- Amount given to Applect Employees Stock Option Plan Trust during the Year is ₹ 0.21 Mn.
- Amount due from Applect Employees Stock Option Plan Trust as on March 31, 2014 is ₹ 11.65 Mn.

30 (2) Related Party Disclosures**A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Group as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 (as amended) ("Accounting standards") and where control exists for the year ended March 31, 2013:****Associates**

Nogle Technologies Pvt. Ltd. (NTPL)
Ninety Nine Labels Pvt. Ltd (99LABELS)
Kinobeo Software Pvt. Ltd (MYDALA)
etecahces Marketing & Consulting Pvt. Ltd. (EMCPL)
Happily Unmarried Marketing Pvt. Ltd. (HUMPL)
Canvera Digital Technologies Pvt. Ltd. (CDTPL)

Key Management Personnel (KMP) & Relatives

Mr. Sanjeev Bikhchandani
Ms Surabhi Bikhchandani (Spouse of Mr. Sanjeev Bikhchandani)
Mr. Sushil Bikhchandani (Brother of Mr. Sanjeev Bikhchandani)
Mr. Hitesh Oberoi

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Ms. Divya Batra (Sister of Mr. Hitesh Oberoi)

Mr. Ambarish Raghuvanshi

Enterprises over which KMP & Relatives have significant influence

Minik Enterprises (Proprietorship concern of Mr. Sushil Bikhchandani)

Endeavour Holding Trust

Oyster Learning (Proprietor - Ms Rimy Oberoi)

Independent Directors- Non Executive

Arun Duggal

Ashish Gupta

Bala Deshpande

Naresh Gupta

Saurabh Srivastava

Non-Executive Directors

Kapil Kapoor

B) Details of transactions with related party for the year ended March 31, 2013 in the ordinary course of business:

Amount (₹ Mn)

Sr. No	Nature of relationship / transaction	Associate Companies	KMP & Relatives	Independent Directors- Non Executive	Non-Executive Directors	Enterprises over which KMP & Relatives have significant influence	Total
1	Remuneration Paid: Sanjeev Bikhchandani ₹ 16.07 Hitesh Oberoi ₹ 15.84 Ambarish Raghuvanshi ₹ 11.81 Surabhi Bikhchandani ₹ 1.25	-	44.97	-	-	-	44.97
2	Advances Given for business purposes (net): Sanjeev Bikhchandani ₹ 0.03 Hitesh Oberoi ₹ 0.02	-	0.05	-	-	-	0.05
3	Receipt of services: Minik Enterprises ₹ 1.36 Divya Batra ₹ 0.52	-	0.52	-	-	1.36	1.88
4	Dividend Paid: Sanjeev Bikhchandani ₹ 38.47 Hitesh Oberoi ₹ 7.60 Ambarish Raghuvanshi ₹ 2.07 Surabhi Bikhchandani ₹ 1.49 Arun Duggal ₹ 0.08 Bala Deshpande ₹ 0.10 Kapil Kapoor ₹ 3.81	-	49.64	0.18	3.81	-	53.63
5	Investment in Equity shares: CDTPL ₹ 4.15 HUMPL ₹ 1.27	5.42	-	-	-	-	5.42
6	Investment in Preference Shares NTPL ₹ 2.00 EMCPL ₹ 24.97 HUMPL ₹ 50.00 CDTPL ₹ 350.00	426.97	-	-	-	-	426.97
7	Investment in Debentures 99labels ₹ 50.00	50.00	-	-	-	-	50.00
8	Sitting Fees paid: Arun Duggal ₹ 0.10 Ashish Gupta ₹ 0.12 Bala Deshpande ₹ 0.06 Kapil Kapoor ₹ 0.06 Naresh Gupta ₹ 0.16 Saurabh Srivastava ₹ 0.12	-	-	0.56	0.06	-	0.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Sr. No	Nature of relationship / transaction	Associate Companies	KMP & Relatives	Independent Directors- Non Executive	Non-Executive Directors	Enterprises over which KMP & Relatives have significant influence	Total
9	Commission payable: Arun Duggal ₹ 0.66 Ashish Gupta ₹ 0.71 Bala Deshpande ₹ 0.71 Naresh Gupta ₹ 0.80 Saurabh Srivastava ₹ 0.63	-	-	3.51	-	-	3.51
10	Services Rendered: EMCPL ₹ 0.29 MYDALA ₹ 0.10	0.39	-	-	-	-	0.39
11	Advance towards Shares : NTPL ₹ 4.00	4.00	-	-	-	-	4.00
12	Interest on Debentures Receivable: 99labels ₹ 5.08	5.08	-	-	-	-	5.08
13	Loss on Sale of Debenture: 99labels ₹ 105.42	105.42	-	-	-	-	105.42

1. Amounts paid to / on behalf of Info Edge Employee Stock Option Trust during the year are as below:

- (c) Dividend paid ₹ 0.99 Mn
(d) Advances paid (net) ₹ Nil

2. Amount due to Info Edge Employee Stock Option Trust as on March 31, 2013 is ₹ 0.02 Mn.
3. Amount due from Allcheckdeals Employee Stock Option Trust as on March 31, 2013 is ₹ 0.40 Mn.
4. Amount given to Applect Employees Stock Option Plan Trust during the Year is ₹ 11.42 Mn.
5. Amount due from Applect Employees Stock Option Plan Trust as on March 31, 2013 is ₹ 11.63 Mn.

C) Amount due to/from related parties as at March 31, 2013

Amount (₹ Mn)

Sr. No	Nature of relationship / transaction	Associate Companies	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
	Debit balances				
1	Outstanding Advances/Receivables	4.01	-	-	4.01
	Maximum amount outstanding during the year	4.01	-	-	4.01

31. (1) Employee Stock Option Scheme 2007

The Company has set up a trust to administer the ESOP scheme under which options have been granted to employees. Under this scheme the employees can purchase equity shares by exercising the options as vested at the price specified in the grant. The options granted till March 31, 2014 have a vesting period of maximum of 3 years from the date of grant.

- Number of SAR/options granted, exercised and forfeited during the year:-

Particulars	2013-14		2012-13	
	Number	Weighted Average Price (₹)	Number	Weighted Average Price (₹)
Options/SAR outstanding at beginning of year	3,387,095	227.91	1,863,326	416.96
Add:				
Options/SAR granted *	640,500	335.27	343,500	343.18
Bonus Issued during the year	-	-	1,820,494	210.37
Less:				
Options/SAR exercised	735,400	197.16	531,825	163.15
Options/SAR forfeited	96,024	304.99	108,400	283.25
Options/SAR outstanding at the end of year	3,196,171	254.15	3,387,095	416.96
Options/SAR exercisable at the end of year	2,033,516	208.29	2,197,360	196.98

* During the year the Company granted 640,500 (Previous Year 343,500) Stock Appreciation Rights (SAR) with a maximum exercise period of five years (Previous Year Five Years).

The options outstanding at the end of year had exercise prices in the range of ₹ 2.50/- to ₹ 627.75/- (Previous Year ₹ 2.5/- to ₹ 384/-) and a weighted average remaining contractual life of 3.06 years (Previous Year 3.61 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Exercise Amount Range (₹)	Options outstanding as at March 31, 2014	Options outstanding as at March 31, 2013
2.5-300	2,023,514	2,110,195
301-600	1,126,157	1,276,900
601-750	46,500	-
Grand Total	3,196,171	3,387,095

In accordance with the above mentioned ESOP Scheme, ₹ 1.91 Mn (Previous Year ₹ 14.68 Mn) has been charged to the Statement of Profit and Loss in relation to the options vested during the year ended March 31, 2014 as Employee Stock Option Scheme Compensation.

31. (2) ACD ESOP Plan 2009

The Company has set up a trust to administer the ESOP scheme under which options have been granted to employees. Under this scheme the employees can purchase equity shares by exercising the options as vested at the price specified in the grant. The options granted till March 31, 2014 had a vesting period of maximum of 3 years from the date of grant.

- Number of options granted, exercised and forfeited during the year:-

Particulars	2013-14		2012-13	
	Number	Weighted Average Price (₹)	Number	Weighted Average Price (₹)
Options outstanding at beginning of year	15,100	10	15,100	10
Add:				
Options granted	-	-	-	-
Less:				
Options exercised	-	-	-	-
Options cancelled	12,800	-	-	-
Options outstanding at the end of year	2,300	10	15,100	10
Option exercisable at the end of year	-	-	-	-

In accordance with the above mentioned ESOP Scheme, ₹ Nil (Previous Year Nil) has been charged to the Statement of Profit and Loss in relation to the options vested during the year ended March 31, 2014 as Employee Stock Option Scheme Compensation.

31. (3) Applect Learning Systems Pvt. Ltd. - ESOP Scheme 2009

The board vide its resolution dated 29-Dec-09 approved ESOP 2009 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the compensation Committee of the Board of Directors.

The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

- Number of options granted, exercised and forfeited during the year:-

Particulars	2013-14		2012-13	
	Number	Weighted Average Price (₹)	Number	Weighted Average Price (₹)
Options outstanding at beginning of year	1,970	10	745	10
Add:				
Options granted	3,265	10	1,585	10
Less:				
Options exercised	3,265	10	294	10
Options forfeited	690	10	66	10
Options outstanding at the end of year	1,280	10	1,970	10
Option exercisable at the end of year	1,280	10	1,970	10

In accordance with the above mentioned ESOP Scheme, ₹69,424 thousand (previous Year ₹931 thousand) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended March 31, 2014 as Employee Stock Option Scheme Compensation.

32. (A) In respect of options vested during the year, had the fair value method been used, the profit for the year would be lower by ₹ 71.27 Mn (previous year ₹ 76.32 Mn) and the EPS would be ₹ 7.56 (previous year ₹ 7.69).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- (B) (1) the fair value of each option is estimated on the date of grant using the Black Scholes model with the below listed assumptions:

Employee Stock Option Scheme 2007	2013-14		2012-13	
	ESOP 2007	ESOP 2007 SAR	ESOP 2007	ESOP 2007 SAR
Weighted average fair value of the options at the grant dates	-	106.93	322.25	130.90
Dividend Yield (%)	-	0.18%	0.10%	0.10%
Risk free rate	-	7.92%	8.06%	8.06%
Expected life (years)	-	3.31	4.00	3.68
Expected volatility	-	28.75%	32.15%	32.15%
Weighted average share price	-	335.45	331.00	364.51

(2) Employees Stock Option Scheme 2009 (ESOP)*	2013-14	2012-13
Weighted average fair value of the options at the grant dates	21,079.62	15,353.92
Risk free rate	9.06%	8.83%

*For Applect Learning Systems Pvt. Ltd.

33. The Company has received legal notices of claims/lawsuits filed against it relating to infringement of Intellectual Property Rights (IPR) in relation to the business activities carried on by it. In the opinion of the management, no material liability is likely to arise on account of such claims/law suits.
34. The Company has considered business segment as the primary segment. The Company is primarily in the business of internet based service delivery operating in four service verticals through web portals in respective vertical namely Naukri.com for recruitment related services, Jeevansathi.com for matrimony related services, 99acres.com for real estate related services, Shiksha.com/Meritnation.com for education related services and Zomato.com for online food services. The other activities comprise of placement search services and real estate broking services. The segment revenues, results and assets of the other activities do not constitute reportable segment under Accounting Standard 17 on Segment Reporting and accordingly no disclosure of business segment information is required to be disclosed.

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Amount (₹ Mn)

Particulars	FY 2013-14				FY 2012-13			
	Domestic	Overseas	Unallocated	Total	Domestic	Overseas	Unallocated	Total
Revenue from customers	5035.41	627.21	-	5,662.62	4261.92	437.60	-	4,699.52
Segment assets	4171.34	305.60	6,122.93	10599.87	4873.62	21.86	3,359.38	8,254.85
Capital expenditure during the period	169.85	5.98	-	175.83	532.20	1.16	-	533.36

Notes:-

- Domestic segment includes sales and services to customers located in India
 - Overseas segment includes sales and services rendered to customers located outside India
 - Unallocated assets include dividend bank accounts, investments, Interest accrued and Deferred Tax asset.
 - Segment assets includes fixed assets, trade receivables, cash and bank balances (except dividend bank account), loans & advances and other current assets
 - Capital expenditure during the year includes fixed assets (tangible and intangible assets) and net additions to capital work in progress.
35. As at March 31, 2014 the Company had ₹ Nil (Previous Year ₹ 0.12 Mn) outstanding with ICICI bank towards unpaid application money received by the Company for allotment of securities and due for refund and ₹ 0.07 Mn (Previous Year ₹ 0.07 Mn) outstanding with Kotak Mahindra Bank & ₹ 0.07 Mn (Previous year ₹ 0.02 Mn) outstanding with Yes Bank as unclaimed dividend. These amounts are not available for use by the Company and will be credited to Investor Education & Protection Fund as and when due.
36. The aggregate managerial remuneration under section 198 of the Companies Act, 1956 to the Directors including Managing Director is:

Amount (₹ Mn)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Whole Time Directors (including Managing Director)		
Salary	28.20	28.04
Reimbursements	1.33	1.27
Bonus	19.00	14.41
Total Remuneration (A)	48.53	43.72
Non Whole Time Directors:		
Commission	3.60	3.51
Sitting Fee	0.88	0.62
Total Remuneration (B)	4.48	4.13
Total Managerial Remuneration Paid/Payable (A+B)	53.01	47.85

The above amounts exclude company's contribution / provision for gratuity and leave encashment for the year, which is determined annually on actuarial basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

37. (A) Employee Benefits

The Company has classified the various benefits provided to employees as under:

A. Defined Contribution Plans

Amount (₹ Mn)

a) Provident Fund

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss –

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Employers' Contribution to Provident Fund*	37.10	29.79

*Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 19)

B. State Plans

Amount (₹ Mn)

a) Employers' Contribution to Employee State Insurance

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss –

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Employers' Contribution to Employee State Insurance*	6.78	5.57

*Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 19)

C. Defined Benefit Plans

a) Contribution to Gratuity Funds – Life Insurance Corporation of India (with respect to parent & a subsidiary/Allcheckdeals India Pvt Ltd.)

b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	
	2013-14	2012-13
Discount Rate (per annum)	8.5% to 9.00%	8% to 8.25%
Rate of increase in Compensation levels	10% in first 5 years, & 7% thereafter	15% in first year, 10% in next 5 years, & 7% thereafter

Particulars	Employee's Gratuity Fund	
	2013-14	2012-13
Discount Rate (per annum)	8.5% to 9.00%	8% to 8.25%
Rate of increase in Compensation levels	10% in first 5 years, & 7% thereafter	15% in first year, 10% in next 5 years, & 7% thereafter
Rate of Return on Plan Assets	7.5%	7.5%
Expected Average remaining working lives of employees (years)	9.30 to 32.04	10.09 to 32.73

(A) Changes in the Present Value of Obligation	Employees' Gratuity Fund Amount (₹ Mn)	Employees' Gratuity Fund Amount (₹ Mn)
	2013-14	2012-13
Present Value of Obligation as at beginning of the year*	96.49	79.72
Interest Cost	9.04	7.59
Past Service Cost	-	-
Current Service Cost	22.07	18.73
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Benefits paid	(7.61)	(7.05)
Actuarial (gain)/ loss on obligations	(14.02)	(2.50)
Present Value of Obligation as at the end of the year	105.97	96.49

(B) Changes in the Fair value of Plan Assets	Employees' Gratuity Fund Amount (₹ Mn)	Employees' Gratuity Fund Amount (₹ Mn)
	2013-14	2012-13
Fair Value of Plan Assets at the beginning of the year	75.65	62.88
Expected Return on Plan Assets	5.88	4.99
Actuarial Gains and (Losses)	1.72	0.41
Contributions	17.14	14.43
Benefits Paid	(7.52)	(7.05)
Fair Value of Plan Assets at the end of the year	92.87	75.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	Employees' Gratuity Fund Amount (₹ Mn)	Employees' Gratuity Fund Amount (₹ Mn)
	2013-14	2012-13
Present Value of funded Obligation at the beginning of the year*	(98.88)	(92.80)
Fair Value of Plan Assets as at the end of the period	92.87	75.65
Funded Status	-	-
Present Value of unfunded Obligation	(7.09)	(3.69)
Unrecognized Actuarial (gains) / losses	-	-
Unfunded Net Asset / (Liability) Recognized in Balance Sheet**	(13.10)	(20.84)
**Included in Provision for Gratuity (Refer Note 6)		

(D) Expense recognized in the Statement of Profit and Loss	Employees' Gratuity Fund Amount (₹ Mn)	Employees' Gratuity Fund Amount (₹ Mn)
	2013-14	2012-13
Current Service Cost	22.08	18.73
Past Service Cost	-	-
Interest Cost	9.04	7.59
Expected Return on Plan Assets	(5.88)	(4.99)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net actuarial (gain)/ loss recognized in the period	(15.74)	(2.90)
Total Expenses recognized in the Statement of Profit and Loss #	9.50	18.43
#Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 19)		

In respect of leave encashment/compensated absence the present value of obligation is ₹ 20.54 Mn (Previous Year ₹ 20.81 Mn) as at March 31, 2014 included in provision for employee benefits (Refer Note 6). The expense recognized in the Statement of Profit and Loss is ₹ 13.90 Mn (Previous Year ₹ 16.06 Mn) included in Staff Welfare and Benefits under Employee Benefits Expense (Refer Note 19).

38. The exceptional item in the year ended March 31, 2014 represents provision for diminution in the carrying value of investment of ₹ 26.01 Mn in Nogle Technologies Pvt Ltd. (represented by investments in equity shares of ₹ 0.01 Mn and Preference shares of ₹ 26.00 Mn). The exceptional item in the year ended March 31, 2013 represents provision for diminution in the carrying value of investment in Preference shares of ₹ 131.50 Mn in Ninety Nine Labels Pvt. Ltd. and also loss on sale of debentures (inclusive of accrued interest) ₹ 105.42 Mn held in Ninety Nine Labels Pvt. Ltd.
39. The accounts of some of the subsidiaries and the associate companies considered in consolidation have been prepared on a going concern basis despite significant erosion in their net worth. The applicability of the going concern assumption is considered to be appropriate on the basis of the business activities of these companies, together with the factors likely to affect their future development and performance along with their financial position and projected cash flows. These have been reviewed by the respective Board of Directors and they have a reasonable expectation that these companies have adequate resources to continue in operational existence for the foreseeable future.
40. For the purpose of consolidation of financial statements of the Company as regards the investments in
- Associate companies:** Unaudited Profit after tax of etecahces Marketing & Consulting Pvt. Ltd. has been considered. It is unlikely that the audited results would be materially different from unaudited financial statements.
 - Subsidiary Companies:** Unaudited consolidated financial statement of Zomato Media Pvt. Ltd.(Zomato) have been considered, however Zomato standalone results have been consolidated by considering the audited results for the year. The subsidiaries of Zomato have negligible impact on the consolidated financial statements and hence have been considered on an unaudited basis. It is unlikely that the audited results would be materially different from unaudited results.
41. Previous year figures have been regrouped/rearranged to confirm to the current year classification.

For Price Waterhouse & Co., Bangalore
Firm Registration Number 007567S
Chartered Accountants

Amitesh Dutta
Partner
Membership Number 058507

Place : Noida
Date : May 14, 2014

For and on behalf of Board of Directors

Hitesh Oberoi
Managing Director

Sanjeev Bikhchandani
Director

Place : Noida
Date : May 14, 2014

Ambarish Raghuvanshi
Director & CFO

M.M. Jain
Company Secretary

DIRECTOR'S REPORT

Dear Shareholders,

We are pleased to present Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March 2014.

Financial Results

Your Company has earned a profit after tax of ₹81 Thousand in financial year 2013-14 as compared to ₹79 Thousand in financial year 2012-13.

Directors

During the year, there was no change in the Directors of the Company.

Auditors

M/s Sharma Goel & Company, Chartered Accountants hold office until the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Personnel

The Company had no employee covered under section 217(2A) of the Companies Act 1956.

Conversation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As the Company is not engaged in manufacturing activities, the particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable. The Company has no foreign collaboration and has not exported or imported any goods or services.

Directors Responsibility Statement

The observation of Auditors and notes on Accounts is self-explanatory. Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors placed on record the following statements:

- That in the preparation of the Annual Accounts the applicable Accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors had selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- That the Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the Annual Accounts on a going concern basis.

Acknowledgement

Your Company conveys their special gratitude to all stakeholders for their cooperation.

For and on behalf of the Board

Place: Noida
Date: May 5, 2014

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NAUKRI INTERNET SERVICES PRIVATE LIMITED.

1. Report on the Financial Statements

We have audited the accompanying financial statements of Naukri Internet Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other legal and Regulatory Requirements

- i) The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, is not applicable.
- ii) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sharma Goel & Co. LLP
Chartered Accountants
FRN:000643N

Rajesh Mittal
Partner

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	100	100
(b) Reserves and Surplus	4	579	498
(2) Current Liabilities			
(a) Short term provisions	5	245	208
(b) Trade Payables	6	100	83
TOTAL		1,024	889
II. Assets			
(1) Non-current assets			
(a) Non-current investments	7	-	-
(2) Current assets			
(a) Cash and cash equivalents	8	796	706
(b) Short-term loans and advances	9	228	183
TOTAL		1,024	889

Significant Accounting Policies

2

This is the Balance Sheet referred to in our report of even date.

The Schedules referred to above form an integral part of these accounts

Rajesh Mittal
Partner
Membership No.- 095681

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Place: New Delhi
Date: May 5, 2014

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDING MARCH 31, 2014

Particulars	Note No	Year Ended March 31, 2014 Amount (₹' 000)	Year Ended March 31, 2013 Amount (₹' 000)
I. Revenue from operations	10	100	100
II. Other Income	11	39	37
III. Total Revenue (I +II)		139	137
IV. Expenses:			
Administration and Other expenses	12	21	13
Total Expenses		21	13
V. Profit before tax (III - IV)		118	124
VI. Tax expense:			
(1) Current tax		37	45
(2) Tax of earlier years			
VII. Profit(Loss) from the perid from continuing operations (V-VI)		81	79
VIII. Profit/(Loss) from discontinuing operations		-	-
IX. Tax expense of discontinuing operations		-	-
X. Profit/(Loss) from Discontinuing operations (VIII - IX)		-	-
XI. Profit/(Loss) for the period (VII + X)		81	79
XII. Earning per equity share:	14		
(1) Basic		8.14	7.93
(2) Diluted		8.14	7.93

Significant Accounting Policies

2

This is the Profit and Loss Account referred to in our report of even date

The Schedules referred to above form an integral part of these accounts

Rajesh Mittal
Partner
Membership No.- 095681

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Place: New Delhi
Date: May 5, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

S.No.	Particulars	For the year ended March 31, 2014 Amount (₹' 000)	For the year ended March 31, 2013 Amount (₹' 000)
A.	Cash flow from operating activities:		
	Net profit before tax	118	124
	Adjustments for:		
	Interest received on Fixed Deposits	(39)	(37)
	Operating profit before working capital changes	79	87
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in Sundry Debtors	-	-
	- (INCREASE)/DECREASE in Loans, Advances and Other Current Assets	-	-
	- INCREASE/(DECREASE) in Current Liabilities and Provisions	16	8
	Cash generated from operating activities	95	95
	- Taxes (Paid) / Received (Net of TDS)	(44)	(38)
	Net cash from operating activities	51	57
B.	Cash flow from Investing activities:		
	Interest received on Fixed Deposits	39	37
	Investment in Eq share of Makesense Technologies Pvt. Ltd.	-	-
	Net cash used in investing activities	39	37
C.	Cash flow from financing activities:		
	Net cash from in financing activities	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents	90	94
	Opening Balance of Cash and cash equivalents	706	612
	Closing Balance of Cash and cash equivalents	796	706
	Cash and cash equivalents comprise		
	Cash in hand	-	-
	Balance with Scheduled Banks		
	-in current accounts	328	269
	-in fixed deposits	468	437
	Total	796	706

Notes :

- 1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement, prescribed under Companies (Accounting Standards) Rules, 2006 as notified by the Central Government vide its notification
- 2 Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board of Directors

Rajesh Mittal
Partner
Membership No.- 095681

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Place: New Delhi
Date: May 5, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Corporate Information

Naukri Internet Services Private Limited (the company) is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a wholly owned subsidiary of Info Edge (India) Ltd.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

These financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 (the 'Act') and the relevant provisions of the Act.

2.2 Investments

Long-term investments are carried at cost less provision for permanent diminution in value of such investments. Current investments are carried at lower of cost and fair value.

2.3 Revenue Recognition

Naukri Internet Services Pvt. Ltd. has entered into an agreement with Info Edge (India) Ltd. dated 13th September 2005 whereby the management and day to day running of the operation of the former company will be done by the later and in lieu of it the later will be paying a annual license fee of ₹ 100,000/- to Naukri Internet Services Pvt. Ltd. as License fee for usage of its domain name(s), trade mark(s) etc.

2.4 Taxes on Income

As a measure of prudence the Deferred Tax Assets (Net) in terms of Accounting Standard No. 22 specified in Companies (Accounting Standard) Rules, 2006 have not been recognized in the absence of their being virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such deferred tax assets could be realized

2.5 Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year

2.6 Provisions and Contingencies

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

2.7 Interest Income

Interest income is recognized on the time basis determined by the amount outstanding including the tax credits and the rate applicable and where no significant uncertainty as to measurability or collectibility exists.

2.8 Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

3. SHARE CAPITAL

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
AUTHORISED 10,000 Equity Shares of ₹10/- each (Previous Year - 10,000 Equity Shares of ₹ 10/- each)	100	100
ISSUED, SUBSCRIBED & PAID-UP 10,000 Equity Shares of ₹ 10/- each, fully paid up (Previous Year - 10,000 Equity Shares of ₹ 10/- each)	100	100
	100	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	No of Shares	Amount (₹'000)	No of Shares	Amount (₹'000)
Equity Shares				
At the beginning of the period	10,000	100	10,000	100
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000	100	10,000	100

b. Terms/Rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

c. Details of shareholders holding more than 5% shares in the company

Particulars	FY 2013-14		FY 2012-13	
	No of Shares	% Holding	No of Shares	% Holding
Equity Shares of ₹ 10 each fully paid Info Edge (India) Ltd	9,998	99.98%	9,998	99.98%
	9,998	99.98%	9,998	99.98%

4. RESERVES AND SURPLUS

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
Profit & Loss Account		
Opening Balance	498	419
Add: Net Profit after tax transferred from statement of Profit and Loss	81	79
	579	498

5. SHORT TERM PROVISIONS

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
Provision for Income Tax	245	208
	245	208

6. TRADE PAYABLES

Particulars	Long Term		Short Term	
	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
Audit Fees Payable	-	-	100	83
	-	-	100	83

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7. NON CURRENT INVESTMENTS

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
Shares in Allcheckdeals India Pvt Ltd 1 (Previous Year 1) Equity Share of ₹ 10/- fully paid up)	-	-
Shares in Makesense Technologies Pvt. Ltd. 1 (Previous Year 0) Equity Share of ₹ 10/- fully paid up)	-	-
	-	-

8. CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
Cash & Cash Equivalents		
(a) Cash in Hand	-	-
(b) Balance with Bank in Current Account	328	269
(b) Balance with Bank in Fixed Deposit	468	437
	796	706

9. SHORT TERM LOANS AND ADVANCES

Particulars	Long Term		Short Term	
	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
(Unsecured considered good)				
Recoverable from Holding Company	-	-	-	-
Advance Tax	-	-	228	183
	-	-	228	183

10. REVENUE FROM OPERATIONS

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
License Fees	100	100
	100	100

11. OTHER INCOME

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
Interest Received on fixed deposits	39	37
	39	37

12. ADMINISTRATION AND OTHER EXPENSES

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
Auditor's Remuneration	17	9
Professional Charges	4	4
ROC Charges	-	-
Bank Charges	-	-
	21	13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

13. AUDITORS REMUNERATION

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
As Auditors	15	8
Out of Pocket Expenses & Service Tax	2	1
	17	9

14. BASIC & DILUTED EARNINGS PER SHARE (EPS)

Particulars	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
Profit attributable to Equity Shareholders (₹)	81	79
Weighted average number of Equity Shares outstanding during the year (Nos.)	10,000	10,000
Basic & Diluted Earnings Per Equity Share of ₹10 each (₹)	8.14	7.93

15. The Company is not engaged in either manufacturing or trading of goods. Accordingly disclosures relating to Quantitative information as required under Part II of Schedule VI to the Act, with regard to finished goods / raw materials and components consumed are not applicable.

16. (1) Related Party Disclosures

A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 and where control exists for the year ended March 31, 2014:

Holding Company

Info Edge (India) Limited

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

B) Details of transactions with related party for the year ended March 31, 2014 in the ordinary course of business:

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
1. License Fees	100	-	-	100
2. Advances received for business purposes	-	-	-	-

C) Amount due to/from related parties as at March 31, 2014

Amount (₹' 000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Debit Balances				
Outstanding Advances	-	-	-	-
Maximum Amount outstanding during the year	63	-	-	63
Credit Balances				
Outstanding Payable	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

16. (2) Related Party Disclosures

- A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 and where control exists for the year ended March 31, 2013:

Holding Company

Info Edge (India) Limited

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

- B) Details of transactions with related party for the year ended March 31, 2013 in the ordinary course of business:

Amount (₹' 000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
1. License Fees	100	-	-	100
2. Advances received for business purposes		-	-	-

- C) Amount due to/from related parties as at March 31, 2013

Amount (₹' 000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Debit Balances				
Outstanding Advances	-	-	-	-
Maximum Amount outstanding during the year	49	-	-	49
Credit Balances				
Outstanding Payable	-	-	-	-

17. No disclosure is required under Accounting Standard 17 on Segment Reporting specified in Companies (Accounting Standard) Rules, 2006 as the Company is having the income from license fees received for the usage of its domain name, trademark etc.

18. Employee Benefits

The requirements of AS-15 on Employee Benefits specified in Companies (Accounting Standard) Rules, 2006 are not applicable on the company since there was no employee employed by the company during the year.

19. Previous year's figures have been regrouped / recast to confirm to current year's presentation.

Rajesh Mittal
Partner
Membership No.- 095681
For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date: May 5, 2014

DIRECTOR'S REPORT

Dear Shareholders,

We are pleased to present Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March 2014.

Financial Results

Your Company has earned a profit after tax of ₹55 Thousand in financial year 2013-14 as compared to ₹59 Thousand in financial year 2012-13.

Directors

During the year there was no change in the Directors of the Company.

Auditors

M/s Sharma Goel & Company, Chartered Accountants hold office until the conclusion of forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Personnel

The Company had no employee covered under section 217(2A) of the Companies Act, 1956.

Conversation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As the Company is not engaged in manufacturing activities, the particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable. The Company has no foreign collaboration and has not exported or imported any goods or services.

Directors Responsibility Statement

The observation of Auditors and notes on Accounts is self explanatory. Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors placed on record the following statements:

- That in the preparation of the Annual Accounts the applicable Accounting standards had been followed along with proper explanation relating to material departures;
- That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- That the Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors had prepared the annual account on a going concern basis.

Acknowledgement

Your Company conveys their special gratitude to all stakeholders for their cooperation.

For and on behalf of the Board

Place: Noida
Date: May 5, 2014

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

INDEPENDENT AUDITOR'S REPORT

To the Members of Jeevansathi Internet Services Private Limited.

1. Report on the Financial Statements

We have audited the accompanying financial statements of Jeevansathi Internet Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other legal and Regulatory Requirements

- i) The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, is not applicable.
- ii) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sharma Goel & Co. LLP
Chartered Accountants
FRN:000643N

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	100	100
(b) Reserves and Surplus	4	87	32
(2) Current Liabilities			
(a) Other current liabilities	5	-	-
(b) Trade Payables	6	97	80
(c) Short Term Provisions	7	176	152
TOTAL		460	364
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	1	1
(2) Current assets			
(a) Cash and cash equivalents	9	275	207
(b) Short-term loans and advances	10	184	156
TOTAL		460	364

Significant Accounting Policies

2

This is the Balance Sheet referred to in our report of even date

The notes are an integral part of these financial statements.

Rajesh Mittal
Partner
Membership No.- 095681

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Place: New Delhi
Date: May 5, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING MARCH 31, 2014

Particulars	Note No	Year Ended March 31, 2014 Amount (₹'000)	Year Ended March 31, 2013 Amount (₹'000)
I. Revenue from operations	11	100	100
II. Other Income	12	1	-
III. Total Revenue (I +II)		101	100
IV. Expenses:			
Administration and Other expenses	13	22	14
Depreciation	8	-	1
Total Expenses		22	15
V. Profit before tax (III - IV)		79	86
VI. Tax expense:			
(1) Current tax		24	27
VII. Profit(Loss) for the period from continuing operations (V-VI)		55	59
VIII. Profit/(Loss) from discontinuing operations		-	-
IX. Tax expense of discontinuing operations		-	-
X. Profit/(Loss) from Discontinuing operations (VIII - IX)		-	-
XI. Profit/(Loss) for the period (VII + X)		55	59
XII. Earning per equity share:	14		
(1) Basic		5.54	5.85
(2) Diluted		5.54	5.85

Significant Accounting Policies

2

This is the Statement of Profit and Loss referred to in our report of even date

The notes are an integral part of these financial statements.

Rajesh Mittal
Partner
Membership No.- 095681

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Place: New Delhi
Date: May 5, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

S.No.	Particulars	For the year ended March 31, 2014 Amount (₹'000)	For the year ended March 31, 2013 Amount (₹'000)
A.	Cash flow from operating activities:		
	Net profit before tax	79	86
	Adjustments for:		
	Depreciation	-	1
	Interest received on income tax refund	(1)	-
	Excess provision written back	-	-
	Operating profit before working capital changes	78	87
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in Sundry Debtors	-	-
	- (INCREASE)/DECREASE in Loans, Advances and Other Current Assets	-	-
	- INCREASE/(DECREASE) in Current Liabilities and Provisions	17	8
	Cash generated from operating activities	95	95
	- Taxes (Paid) / Received (Net of TDS)	(27)	(31)
	Net cash from operating activities	68	64
B.	Cash flow from Investing activities:		
	Interest received on Fixed Deposits	-	-
	Net cash used in investing activities	-	-
C.	Cash flow from financing activities:		
	Net cash used in financing activities	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents	68	64
	Opening Balance of Cash and cash equivalents	207	143
	Closing Balance of Cash and cash equivalents	275	207
	Cash and cash equivalents comprise		
	Cash in hand	-	-
	Balance with Scheduled Banks		
	-in current accounts	275	207
	Total	275	207

Notes :

- 1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement, prescribed under Companies (Accounting Standards) Rules, 2006 as notified by the Central Government vide its notification
- 2 Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board of Directors

Rajesh Mittal
Partner
Membership No.- 095681

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Place: New Delhi
Date: May 5, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. General Information

Jeevansathi Internet Services Private Limited (the company) is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a wholly owned subsidiary of Info Edge (India) Ltd.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

These financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 (the 'Act') and the relevant provisions of the Act.

2.2 Fixed Assets

Fixed Assets are stated at cost of acquisition along with related taxes, duties and incidental expenses related to these assets.

2.3 Revenue Recognition

Jeevansathi Internet Services Pvt. Ltd. has entered into an agreement with Info Edge (India) Ltd. dated 13th September 2005 whereby the management and day to day running of the operation of the former company will be done by the later and in lieu of it the later will be paying a annual license fee of ₹ 100,000/- to Jeevansathi Internet Services Pvt. Ltd. as License fee for usage of its domain name(s), trade mark(s) etc.

2.4 Taxes on Income

As a measure of prudence the Deferred Tax Assets (Net) in terms of Accounting Standard No. 22 specified in Companies (Accounting Standard) Rules, 2006 have not been recognized in the absence of their being virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such deferred tax assets could be realized.

2.4 Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

2.5 Provisions and Contingencies

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

2.5 Depreciation

Depreciation has been provided on fixed assets on written down value method as per the rates prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

2.5 Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

3. SHARE CAPITAL

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
AUTHORISED 10,000 Equity Shares of ₹10/- each (Previous Year - 10,000 Equity Shares of ₹ 10/- each)	100	100
ISSUED, SUBSCRIBED & PAID-UP 10,000 Equity Shares of ₹ 10/- each, fully paid up (Previous Year - 10,000 Equity Shares of ₹ 10/- each)	100	100
	100	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

Particulars	As at	As at	As at	As at
	March 31, 2014 No of Shares	March 31, 2014 Amount (₹'000)	March 31, 2013 No of Shares	March 31, 2013 Amount (₹'000)
Equity Shares				
At the beginning of the period	10,000	100	10,000	100
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000	100	10,000	100

b. Terms/Rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

c. Details of shareholders holding more than 5% shares in the company

Particulars	FY 2013-14		FY 2012-13	
	No of Shares	% Holding	No of Shares	% Holding
Equity Shares of ₹ 10 each fully paid				
Info Edge (India) Ltd	9,800	98.00%	9,800	98.00%
	9,800	98.00%	9,800	98.00%

4. RESERVES AND SURPLUS

Particulars	As at	As at
	March 31, 2014 Amount (₹'000)	March 31, 2013 Amount (₹'000)
Statement of Profit & Loss		
Opening Balance	32	(27)
Add: Net Profit after tax transferred from statement of Profit and Loss	55	59
	87	32

5. OTHER CURRENT LIABILITIES

Particulars	Long Term		Short Term	
	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Payable to Holding Company	-	-	-	-
	-	-	-	-

6. TRADE PAYABLES

Particulars	Long Term		Short Term	
	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Audit Fees Payable	-	-	97	80
	-	-	97	80

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

7. PROVISIONS

Particulars	Long Term		Short Term	
	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Provision for Income Tax	-	-	176	152
	-	-	176	152

8. FIXED ASSETS

Amount (₹' 000)

Description	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at April 1, 2013	Additions during the year	Deletions during the year	As at March 31, 2014	Up to April 1, 2013	Depreciation/ Amortisation for the year	Accumulated Depreciation on Deletions	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Computers and Software	297	-	-	297	296	-	-	296	1	1
Total	297	-	-	297	296	-	-	296	1	1
Total	297	-	-	297	295	1	-	296	1	

9. CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Cash & Cash Equivalents		
(a) Cash in Hand	-	-
(b) Balance with Bank in Current Account	275	207
	275	207

10. SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
(Unsecured, considered good)		
Advance Tax	184	156
	184	156

11. REVENUE FROM OPERATIONS

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
License Fees	100	100
	100	100

12. OTHER INCOME

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Income Tax Refund	1	-
Excess Provision written back	-	-
	1	-

13. ADMINISTRATION AND OTHER EXPENSES

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Auditor's Remuneration	17	9
Professional Charges	5	4
	22	13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

14. BASIC & DILUTED EARNINGS PER SHARE (EPS)

Particulars	As at March 31, 2014	As at March 31, 2013
Profit attributable to Equity Shareholders (₹'000)	55	59
Weighted average number of Equity Shares outstanding during the year (Nos.)	10,000	10,000
Basic & Diluted Earnings Per Equity Share of ₹10 each (₹)	5.54	5.85

15. AUDITORS REMUNERATION

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
As Auditors	15	8
Out of Pocket Expenses & Service Tax	2	1
	17	9

16. The Company is not engaged in either manufacturing or trading of goods. Accordingly disclosures relating to Quantitative information as required under Part II of Schedule VI to the Act, with regard to finished goods / raw materials and components consumed are not applicable.

17. (1) Related Party Disclosures

A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 and where control exists for the year ended March 31, 2014:

Holding Company

Info Edge (India) Limited

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

B) Details of transactions with related party for the year ended March 31, 2014 in the ordinary course of business:

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
1. License Fees	100	-	-	100
2. Advances received for business purposes	-	-	-	-

C) Amount due to/from related parties as at March 31, 2014

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Debit Balances				
Outstanding Advances	-	-	-	-
Maximum Amount outstanding during the year	72	-	-	72
Credit Balances				
Outstanding Payable	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

17. (2) Related Party Disclosures

- A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 and where control exists for the year ended March 31, 2013:

Holding Company

Info Edge (India) Limited

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

- B) Details of transactions with related party for the year ended March 31, 2013 in the ordinary course of business:

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
1. License Fees	100	-	-	100
2. Advances received for business purposes	-	-	-	-

- C) Amount due to/from related parties as at March 31, 2013

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Debit Balances				
Outstanding Advances	-	-	-	-
Maximum Amount outstanding during the year	50	-	-	50
Credit Balances				
Outstanding Payable	-	-	-	-

18. No disclosure is required under Accounting Standard 17 on Segment Reporting specified in Companies (Accounting Standard) Rules, 2006 as the Company is having the income from license fees received for the usage of its domain name, trademark etc.

19. Employee Benefits

The requirements of AS-15 on Employee Benefits specified in Companies (Accounting Standard) Rules, 2006 are not applicable on the company since there was no employee employed by the company during the year.

20. Previous year's figures have been regrouped / recast to confirm to current year's presentation.

Rajesh Mittal
Partner
Membership No.- 095681
For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date: May 5, 2014

DIRECTOR'S REPORT

Dear Shareholders,

We are pleased to present the Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March 2014.

Financial Results

The Company made a loss of ₹3,304 Thousand in Financial year 2013-14 as compared to loss of ₹9,338 Thousand in Financial year 2012-13.

Directors

There was no change in Directors during the year.

Auditors' Report & Auditors

The observation of Auditors and notes on Accounts are self explanatory. M/s Price Waterhouse & Co., Chartered Accountants Statutory Auditors, being eligible, offer themselves for re-appointment.

Personnel

The Company had no employee covered under Section 217(2A) of the Companies Act 1956.

Conversation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As the Company is not engaged in manufacturing activities, the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable. The Company has no foreign collaboration and has not exported or imported any goods or services.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the directors placed on record the following statements:

- That in the preparation of the Annual Accounts the applicable accounting standards had been followed along with proper explanation relating to material departures;
- That the directors had selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- That the directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors had prepared the Annual Account on a going concern basis.

Acknowledgement

Your Company conveys their special gratitude to all stakeholders for their cooperation.

For and on behalf of the Board

Place: Noida
Date: May 14, 2014

Hitesh Oberoi
(Directors)

Ambarish Raghuvanshi
(Director)

INDEPENDENT AUDITORS' REPORT

To the Members of Allcheckdeals India Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Allcheckdeals India Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act")/ notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act/ notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse & CO.
Firm Registration Number: 050032S
Chartered Accountants

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph [7] of the Independent Auditors' Report of even date to the members of Allcheckdeals India Private Limited on the financial statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) [(b), (c) and (d)] of the said Order are not applicable to the Company.
 - (b) The Company has taken unsecured loans, from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 14,500,000 and ₹ 14,500,000, respectively. There are no firms /other parties covered in the register maintained under Section 301 of the Act.
 - (c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts, as stipulated, and is also regular in payment of interest as applicable.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- x. The accumulated losses of the Company exceed fifty percent of its net worth as at March 31, 2014 and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

ALLCHECKDEALS INDIA PRIVATE LIMITED

- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. The Company has not raised any funds on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co.
Firm Registration Number: 050032S
Chartered Accountants

Noida
May 14, 2014

Amitesh Dutta
Partner
Membership Number 58507

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note	As at March 31, 2014 (₹' 000)	As at March 31, 2013 (₹' 000)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	70,475	70,475
(b) Reserves and Surplus	4	(90,702)	(87,398)
(2) Current Liabilities			
(a) Short term borrowings	5	14,500	14,500
(b) Trade payables	6	77,795	79,879
(c) Other current liabilities	7	13,877	18,314
(d) Short-term provisions	8	2,419	3,738
Total		88,364	99,508
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,639	3,388
(b) Long term loans and advances	10	5,753	6,469
(2) Current assets			
(a) Trade receivables	11	19,739	35,206
(b) Cash and Bank balances	12	9,655	16,852
(c) Short-term loans and advances	10	51,578	37,593
Total		88,364	99,508

The notes are an integral part of these financial statements.

For Price Waterhouse & Co.
Firm Registration Number 050032S
Chartered Accountants

Amitesh Dutta
Partner
Membership Number 058507

Place :Noida
Date :May 14. 2014

For and on behalf of the Board of Directors

Hitesh Oberoi
Director

Ambarish Raghuvanshi
Director

Place :Noida
Date :May 14. 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note	Year ended March 31, 2014	Year ended March 31, 2013
		(₹' 000)	(₹' 000)
I. Revenue from operations	13	107,469	141,771
II. Other Income	14	6,307	199
III. Total Revenue (I +II)		113,776	141,970
<u>IV. Expenses:</u>			
Employee Benefits Expense	15	52,011	70,078
Finance Costs	16	28	46
Depreciation	17	1,818	2,353
Advertising and Promotion cost	18	13,429	30,006
Administration and Other expenses	19	48,961	46,270
Network, Internet and Other direct charges	20	833	2,555
Total Expenses		117,080	151,308
V. Loss before tax (III - IV)		(3,304)	(9,338)
VI. Tax expense:		-	-
VII. Loss for the year from continuing operations (V-VI)		(3,304)	(9,338)
VIII. Loss for the year (VII)		(3,304)	(9,338)
IX. Earnings per equity share: Nominal Value of Share ₹ 10/- (Previous Year ₹ 10/-)	24		
(1) Basic		(0.47)	(1.33)
(2) Diluted		(0.47)	(1.33)

The notes are an integral part of these financial statements.

For Price Waterhouse & Co.
Firm Registration Number 050032S
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number 058507

Hitesh Oberoi
Director

Ambarish Raghuvanshi
Director

Place :Noida
Date :May 14. 2014

Place :Noida
Date :May 14. 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

S.No.	Particulars	For the year ended March 31, 2014 (₹' 000)	For the year ended March 31, 2013 (₹' 000)
A.	Cash flow from operating activities:		
	Net loss before tax	(3,304)	(9,338)
	Adjustments for:		
	Depreciation	1,818	2,353
	Lease Equalisation	3	
	Interest Income	(575)	(188)
	Other operating revenues	(2,230)	(111)
	Provision for Bad & Doubtful Debts	11,882	6,643
	Provision for Gratuity & Leave Encashment	(227)	(292)
	TDS on revenue receipts	(12,605)	(17,480)
	Operating loss before working capital changes	(5,238)	(18,413)
	Adjustments for changes in working capital :		
	- Decrease in Trade receivables	3,585	3,194
	- (Increase)/Decrease in Loans and advances & Other Current Assets	881	(433)
	- Increase/(Decrease) in Current Liabilities and Provisions	(5,386)	19,013
	Cash generated from/ used in operating activities	(6,158)	3,362
	- Taxes (Paid) / Received (Net of TDS)	(1,544)	(554)
	Net cash generated from/ used in operating activities	(7,702)	2,808
B.	Cash flow from Investing activities:		
	Purchase of fixed assets	(70)	(2,596)
	Maturity of Fixed deposits	66	(1,255)
	Interest Received	575	188
	Net cash generated from/ used in investing activities	571	(3,663)
C.	Cash flow from financing activities:		
	Proceed from short term borrowings	25,500	19,500
	Repayment of short term borrowings	(25,500)	(5,000)
	Net cash from/used in financing activities	-	14,500
	Net Increase/(Decrease) in Cash & Cash Equivalents	(7,131)	13,645
	Opening Balance of Cash and cash equivalents (April 01, 2013/April 01, 2012)	15,462	1,817
	Closing Balance of Cash and cash equivalents	8,331	15,462
	Cash and cash equivalents comprise of:		
	Cash in hand	21	67
	Balance with Scheduled Banks		
	-in current accounts	3,768	14,892
	-in fixed deposits with original maturity of less than 3 months	4,542	503
	Total cash and cash equivalents	8,331	15,462
	-in Fixed deposits with original maturity exceeding 3 months but less than 12 months	-	169
	-in Fixed deposits with original maturity exceeding 12 months	1,324	1,221
	Total	9,655	16,852

Notes :

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement, prescribed under Companies (Accounting Standards) Rules, 2006 as notified by the Central Government vide its notification dated December 7, 2006.
- Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse & Co.
Firm Registration Number 050032S
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number 58507

Hitesh Oberoi
Director

Ambarish Raghuvanshi
Director

Place :Noida
Date :May 14, 2014

Place :Noida
Date :May 14, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**1. GENERAL INFORMATION**

Allcheckdeals India Private Limited (the Company) was incorporated on August 01, 2008 under the Companies Act, 1956 (the 'Act') and is engaged in the business of providing services in relation to property bookings placed with builders / real estate developers.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

2.2 Fixed Assets

Tangible fixed assets are stated at acquisition cost, net of accumulated depreciation.

Intangible assets are stated at acquisition cost, net of accumulated amortisation.

Cost includes original cost of acquisition, including related taxes, duties and incidental expenses related to such acquisition and installation.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit & Loss.

2.3 Depreciation

Fixed Assets are depreciated under Straight Line Method over the estimated useful life of the assets, which are as follows:

Asset	Estimated life (Years)
Plant & Machinery	5
Vehicle	4
Computers & Software	3
Office Equipment	3

Assets costing less than or equal to ₹5,000 are fully depreciated @ 100% pro-rata from date of acquisition.

The effective rates of depreciation based on the estimated useful life are above the minimum rate as prescribed by Schedule XIV of the Act.

2.4 Revenue Recognition

Commission income on property bookings placed with builders/developers is accrued once the related services have been rendered by the Company.

The income is shown net of service tax and is not recognized in instances where there is uncertainty with regard to ultimate collection. In such cases income is recognized on reasonable certainty of collection.

2.5 Employee Benefits

The Company has Defined Contribution plan for post employment benefits namely Provident Fund which is recognized by the income tax authorities. These funds are administered through the Regional Provident Fund Commissioner and the Company's contributions thereto are charged to revenue every year. The Company's contribution to state plans namely Employee State Insurance Fund is charged to revenue every year.

The Company has Defined Benefit plans namely compensated absence and gratuity for employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year. The Gratuity Fund is recognized by the income tax authorities and is administered through Life Insurance Corporation of India under its Group Gratuity Scheme.

Termination benefits are recognized as an expense immediately.

Gains and losses arising out of actuarial valuations are recognized immediately in the Statement of Profit and Loss as income or expense.

2.6 Leased Assets

i) Assets acquired on lease where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease amount paid is allocated between the liability and the interest cost, so as to maintain a constant periodic rate of interest on the outstanding liability for each period.

ii) Leases of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as expense in the Statement of Profit and Loss on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.7 Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. Deferred tax assets are recognized and carried forward only to the extent there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

2.8 Earnings Per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

2.9 Employee Stock Option Based Compensation

Stock options granted to the employees who accepted the grant under the Company's Stock Option Plan are accounted in accordance with the Guidance Note on Accounting for Employee Share based payment issued by Institute of Chartered Accountants of India. The Company follows the intrinsic value method and accordingly, the excess, if any, of the fair value of the underlying equity shares as of the date of the grant of the option over the exercise price of the option, is recognized as employee compensation cost and amortized on straight line basis over the vesting period.

2.10 Foreign Currency Transactions

Transactions in foreign currency are accounted for at the rate prevailing on the date of the transaction. Gains/Loss arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognized in the statement of Profit and Loss. Foreign currency monetary assets and liabilities are restated at the exchange rate prevailing at the year end and the overall net gain/loss is adjusted to the Statement of Profit and Loss.

2.11 Provisions and Contingencies

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

3. SHARE CAPITAL

Particulars	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)
AUTHORIZED CAPITAL 8,000,000 Equity Shares of ₹ 10/- each (Previous year - 8,000,000 Equity Shares of ₹ 10/- each)	80,000	80,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 7,047,500 Equity shares of ₹10/- each fully paid up * (Previous Year - 7,047,500 Equity shares of ₹10/- each) [* 7,009,999 equity shares (Previous Year 7,009,999 shares) of ₹ 10/- each are held by Info Edge (India) Limited, the holding Company and its nominee]	70,475	70,475
	70,475	70,475

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

Particulars	As at March 31, 2014 No of Shares	As at March 31, 2014 (₹'000)	As at March 31, 2013 No of Shares	As at March 31, 2013 (₹'000)
Equity Shares				
At the beginning of the period	7,047,500	70,475	7,047,500	70,475
Add: Issued during the period	-	-	-	-
Outstanding at the end of the period	7,047,500	70,475	7,047,500	70,475

b. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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

Particulars	FY 2013-14		FY 2012-13	
	No of Shares	% Holding	No of Shares	% Holding
Equity Shares of ₹ 10 each fully paid Info Edge (India) Limited	7,009,999	99.47%	7,009,999	99.47%
	7,009,999	99.47%	7,009,999	99.47%

4. RESERVES AND SURPLUS

Particulars	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)	As at March 31, 2013 (₹'000)
Surplus in Statement of Profit and Loss			
Opening Balance	(87,398)		(78,060)
Add: Net loss after tax transferred from Statement of Profit and Loss	(3,304)	(90,702)	(9,338)
		(90,702)	(87,398)

5. SHORT TERM BORROWINGS

Particulars	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)
Unsecured :		
From Holding Company	14,500	14,500
	14,500	14,500

6. TRADE PAYABLES

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)
Trade Payables				
- total outstanding dues of micro, small and medium enterprises	-	-	-	-
- total outstanding dues of creditors other than micro, small and medium enterprises	-	-	77,795	79,879
	-	-	77,795	79,879

Based on information available with The Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)
Amount payable to Holding Company	9,423	14,088
Book overdraft	-	-
Others		
- Service Tax Payable	2,166	2,098
- TDS Payable	2,122	1,820
- Others	166	308
	13,877	18,314

8. PROVISIONS

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)
Provision for Employee Benefits				
Provision for Compensated Absence	-	-	533	896
Provision for Gratuity	-	-	306	170
Other Provisions				
Accrued Bonus	-	-	1,580	2,672
	-	-	2,419	3,738

9. FIXED ASSETS

(₹' 000)

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2013	Additions during the year	Deletions during the year	As at March 31, 2014	Up to April 1, 2013	Depreciation for the year	Accumulated Depreciation on Deletions	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
OWN ASSETS										
Tangible Assets										
Computers and Software	7,432	7	69	7,370	4,194	1,671	69	5,796	1,574	3,238
Office Equipment	1,931	62	-	1,993	1,798	142	-	1,940	53	132
Plant & Machinery	29	-	-	29	11	6	-	17	12	18
Total	9,392	69	69	9,392	6,003	1,819	69	7,753	1,639	3,388
Previous Year	6,796	2,596	-	9,392	3,650	2,353	-	6,003	3,388	

10. LOANS & ADVANCES

Particulars	Long-Term		Short-Term	
	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)
(Unsecured, considered good)				
Security Deposits	5,205	5,465	-	-
Others				
- Advance recoverable in cash or in kind or for value to be received	548	1,004	846	1,186
- Advance recoverable from ESOP Trust	-	-	399	399
- Balance with Service Tax Authorities	-	-	950	774
- Advance Tax	-	-	67,641	53,492
- Less: Provision for Tax	-	-	(18,259)	(18,259)
- Advance Tax - Fringe Benefits	-	-	6	6
- Less: Provision for Tax - Fringe Benefits	-	-	(5)	(5)
	5,753	6,469	51,578	37,593

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

11. TRADE RECEIVABLES

Particulars	Non-Current		Current	
	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured, considered good	-	-	-	230
- Doubtful	-	-	44,893	40,874
Provision for doubtful receivables	-	-	(44,893)	(40,874)
Total (A)	-	-	-	230
Other Receivables				
- Unsecured, considered good	-	-	19,739	34,976
- Doubtful	-	-	2,807	-
Provision for doubtful receivables	-	-	(2,807)	-
Total (B)	-	-	19,739	34,976
Grand Total (A) + (B)	-	-	19,739	35,206

12. CASH AND BANK BALANCES

Particulars	Non-Current		Current	
	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)	As at March 31, 2014 (₹'000)	As at March 31, 2013 (₹'000)
Cash & Cash Equivalents				
Cash In Hand	-	-	21	67
Bank Balances:				
-in Current Account	-	-	3,768	14,892
-in Fixed Deposit Accounts with original maturity of less than 3 months	-	-	4,542	503
Other Bank Balances				
-in Fixed Deposit Accounts with original maturity for more than 12 months	-	-	1,324	1,221
Non Current portion transferred to non current assets	-	-	-	-
-Balances in Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months	-	-	-	169
	-	-	9,655	16,852

13. REVENUE FROM OPERATIONS

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Sale of Services	105,239	141,660
Other Operating Revenues	2,230	111
	107,469	141,771

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

14. OTHER INCOME

Particulars	Long Term		Short Term	
	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Interest Received/Receivable on Fixed Deposits with Banks	114	104	461	84
Miscellaneous Income	-	-	5,732	11
	114	104	6,193	95

15. EMPLOYEE BENEFITS EXPENSE

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Salaries, Wages and Bonus	38,430	50,741
Contributions to Provident and other funds	1,734	2,011
Sales Incentives and Commissions	7,935	11,910
Staff Welfare and Benefits	3,196	4,395
Other Employee Expenses	716	1,021
	52,011	70,078

16. FINANCE COSTS

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Bank Charges & Others	28	46
	28	46

17. DEPRECIATION

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Depreciation of Tangible Assets	1,818	2,353
	1,818	2,353

18. ADVERTISING AND PROMOTION COST

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Advertisement Expenses	13,120	28,487
Promotion & Marketing Expenses	309	1,519
	13,429	30,006

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

19. ADMINISTRATION AND OTHER EXPENSES

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Electricity and Water	2,427	2,432
Rent *	12,978	9,560
Repairs and Maintenance (Building)	909	995
Repairs and Maintenance (Machinery)	382	424
Legal and Professional Charges	917	672
Rates & Taxes	-	1
Insurance	29	9
Communication expenses	2,372	3,263
Travel & Conveyance	3,905	5,615
Provision for Doubtful Debts	11,882	6,643
Miscellaneous expenses	4,295	5,774
Infrastructure & Business Support Expenses	8,865	10,882
	48,961	46,270

* it includes ₹ 2853 thousand towards lease equalisation charge (₹ 2503 thousand pertaining to prior periods) (previous year ₹ Nil)

20. NETWORK, INTERNET AND OTHER DIRECT CHARGES

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Internet and Server Charges	432	552
Others	401	2,003
	833	2,555

21. Operating Leases where the Company is a lessee:

The Company has entered into lease transaction mainly for leasing of office premise for a period of 5 to 9 years. The terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to ₹ 12,978 Thousand (Previous Period ₹ 9,560 Thousand) included in Note 19 – Administration and Other Expenses.

22. Expenditure in Foreign Currency

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
Domain Registration charges	108	25
Total	108	25

23. Auditor's Remuneration

Particulars	Year Ended March 31, 2014 (₹'000)	Year Ended March 31, 2013 (₹'000)
As Auditors	250	250
As Tax Auditors	50	50
Out of Pocket Expenses & Service Tax	56	20
Total	356	320

24. Basic and Diluted Earnings per share (EPS):

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Loss attributable to Equity Shareholders (₹' 000)	(3,304)	(9,338)
Weighted average number of Equity Shares outstanding during the year (Nos.)	7,047,500	7,047,500
Basic & Diluted Earnings Per Equity Share of ₹10 each (₹)	(0.47)	(1.33)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

25. (1) Related Party Disclosures

- A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by The Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 (as amended) (“accounting standards”) and where control exists for the year ended March 31, 2014:

Holding Company

Info Edge (India) Limited (IEIL)

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

Fellow Subsidiaries

Jeevansathi Internet Services Private Limited (JISPL)

Naukri Internet Services Private Limited (NISPL)

Info Edge (India) Mauritius Limited (IEIML) (Under Liquidation)

Applect Learning Systems Pvt. Ltd. (ALSPL)

DC Foodiebay Online Services Pvt Ltd

Makesense Technologies Pvt. Ltd.

- B) Details of transactions with related party for the year ended March 31, 2014 in the ordinary course of business:

Amount (₹' 000)

Sr. No.	Nature of relationship / transaction	Holding Company	Total
1	Service Rendered (inclusive of service tax) IEIL ₹. 6,440	6,440	6,440
2	Receipt of Service (inclusive of service tax) IEIL ₹. 9,961	9,961	9,961
3	Loan taken IEIL ₹. 25,500	25,500	25,500
4	Loan repaid IEIL ₹. 25,500	25,500	25,500

Amount due from Allcheckdeals Employee Stock Option Trust as on March 31, 2014 is ₹399 thousand (Previous year ₹399 thousand)

- C) Amount due to/from related parties as at March 31, 2014

Amount (₹' 000)

Sr. No	Nature of relationship / transaction	Holding Company	Total
	Credit balances		
1	Outstanding Payable	23,923	23,923

25. (2) Related Party Disclosures

- A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by The Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 (as amended) (“accounting standards”) and where control exists for the year ended March 31, 2013:

Holding Company

Info Edge (India) Limited (IEIL)

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

Fellow Subsidiaries

Jeevansathi Internet Services Private Limited (JISPL)

Naukri Internet Services Private Limited (NISPL)

Info Edge (India) Mauritius Limited (IEIML)

Info Edge USA Inc.

Etechaces Marketing & Consulting Pvt. Ltd. (EMCPL)

Applect Learning Systems Pvt. Ltd. (ALSPL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

B) Details of transactions with related party for the year ended March 31, 2013 in the ordinary course of business:

Amount (₹' 000)

Sr. No	Nature of relationship / transaction	Holding Company	Total
1	Advance received for business purposes (net): IEIL ₹ 14,074	14,074	14,074
2	Receipt of Service (inclusive of service tax) IEIL ₹ 3,333	3,333	3,333
3	Issue of Equity Shares IEIL ₹ 12,227	12,227	12,227

Amount due from Allcheckdeals Employee Stock Option Trust as on March 31, 2013 is ₹399 Thousand (Previous Year ₹399 Thousand).

C) Amount due to/from related parties as at March 31, 2013

Amount (₹' 000)

Sr. No	Nature of relationship / transaction	Holding Company	Total
	Credit balances		
1	Outstanding Payable	28,588	28,588

26. Employee Stock Option Scheme

- 1) The Company has set up a trust to administer the ESOP scheme under which options have been granted to employees. Under this scheme the employees can purchase equity shares by exercising the options as vested at the price specified in the grant. The options granted till March 31st 2014 have a vesting period of maximum of 3 years from the date of grant.

- Number of options granted, exercised and forfeited during the year:-

Particulars	2013-14		2012-13	
	Number	Weighted Average Price (₹)	Number	Weighted Average Price (₹)
Options outstanding at beginning of year	15,100	10	15,100	10
Add: Options granted	-	-	-	-
Less: Options exercised Options cancelled	- 12,800	-	-	-
Options outstanding at the end of year	2,300	10	15,100	10
Option exercisable at the end of year	-	-	-	-

In accordance with the above mentioned ESOP Scheme, ₹NIL (Previous Year ₹NIL) has been charged to the Statement of Profit and Loss in relation to the options vested during the year ended March 31, 2014 as Employee Stock Option Scheme Compensation.

- 2) No options have vested during the current year ended March 31, 2014. (NIL during Previous Year).
27. No disclosure is required under Accounting Standard 17 on Segment Reporting specified in Companies (Accounting Standard) Rules, 2006 as the Company is operating in single business/ geographical segment of earning commission income on property bookings.
28. The aggregate managerial remuneration under section 198 of the Companies Act, 1956 to the Directors including Managing Director is NIL (NIL during Previous Year):

29. Employee Benefits

The Company has classified the various benefits provided to employees as under:

A. Defined Contribution Plans

- a) Provident Fund

During the year, The Company has recognised the following amounts in the Statement of Profit and Loss –

Amount (₹'000)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employers' Contribution to Provident Fund *	1,321	1,677

*Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 15)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

B. State Plans

- a) Employer's Contribution to Employee State Insurance

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss – (Amount ₹'000)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employers' Contribution to Employee State Insurance *	100	158

*Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 15)

C. Defined Benefit Plans

- a) Contribution to Gratuity Funds – Life Insurance Corporation of India, Group Gratuity Scheme
- b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	
	Year ended March 31, 2014	Year ended March 31, 2013
Discount Rate (per annum)	9.00%	8.25%
Rate of increase in Compensation levels		15% in first year,
	10% for the first 5 years,	10% in next 5 years,
	& 7% thereafter	& 7% thereafter

Particulars	Employee's Gratuity Fund	
	Year ended March 31, 2014	Year ended March 31, 2013
Discount Rate (per annum)	9.00%	8.25%
Rate of increase in Compensation levels		15% in first year,
	10% for first 5 years,	10% in next 5 years,
	& 7% thereafter	& 7% thereafter
Rate of Return on Plan Assets	7.50%	7.50%
Expected Average remaining working lives of employees (years)	9.3	10.09

(A) Changes in the Present Value of Obligation	₹'000	₹'000
	Employee's Gratuity Fund Year ended March 31, 2014	Employee's Gratuity Fund Year ended March 31, 2013
Present Value of Obligation at the beginning of the year	1,496	1,364
Interest Cost	180	172
Past Service Cost	Nil	Nil
Current Service Cost	721	746
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Benefits paid	(713)	Nil
Actuarial (gain)/ loss on obligations	(478)	(786)
Present Value of Obligation at the end of the year	1,206	1,496

(B) Changes in the Fair value of Plan Assets	₹'000	₹'000
	Employee's Gratuity Fund Year ended March 31, 2014	Employee's Gratuity Fund Year ended March 31, 2013
Fair Value of Plan Assets at the beginning of the year	1,326	996
Expected Return on Plan Assets	131	107
Actuarial Gains and (Losses)	(14)	(144)
Contributions	170	367
Benefits Paid	(713)	Nil
Fair Value of Plan Assets at the end of the year	900	1,326

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	₹'000	₹'000
	Employee's Gratuity Fund Year ended March 31, 2014	Employee's Gratuity Fund Year ended March 31, 2013
Present Value of funded Obligation at the end of the year	1,206	1,496
Fair Value of Plan Assets as at the end of the year	900	1,326
Funded Status		
Present Value of unfunded Obligation at the end of the year	Nil	Nil
Unrecognized Actuarial (gains) / losses	Nil	Nil
Unfunded Liability Recognized in Balance Sheet*	306	170

*included in Provision for Employee Benefits (Refer Note 8)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	₹'000	₹'000
(D) Expense recognized in the Statement of Profit and Loss	Employee's Gratuity Fund	Employee's Gratuity Fund
	Year ended March 31, 2014	Year ended March 31, 2013
Current Service Cost	721	746
Past Service Cost	Nil	Nil
Interest Cost	180	172
Expected Return on Plan Assets	(131)	(107)
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Net actuarial (gain)/ loss recognized in the year	(464)	(641)
Total Expenses recognized in the Statement of Profit and Loss #	306	170

#Included in Contribution to Provident and Other Funds under Employee Benefits Expense (Refer Note 15)

In respect of leave encashment/compensated absence the present value of obligation as at March 31, 2014 is ₹532 Thousand* (Previous Year 896 Thousand). The expense recognized in the Statement of Profit and Loss is ₹ 750 Thousand** (Previous Year ₹840 Thousand)

*included in Provision for Employee Benefits (Refer Note 8)

**Included in Staff Welfare and Benefits under Employee Benefits Expense (Refer Note 15)

(E) Amounts recognised in current year and previous four years	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010
Gratuity					
Defined Benefit Obligation	1,206	1,496	1,364	932	714
Plan Asset	900	1,326	996	768	-
Surplus/(Deficit)	(306)	(170)	(368)	(164)	(714)
Experience adjustments in plan liabilities	Nil	Nil	Nil	Nil	Nil
Experience adjustments in plan assets	Nil	Nil	Nil	Nil	Nil

(F) Expected Contribution to the fund in the next year	Year ended March 31, 2014 Amount (₹'000)	Year ended March 31, 2013 Amount (₹'000)
Gratuity	306	170

(G) Major Category of Plan Asset as a % of total Plan Assets	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
Category of Assets (% Allocation)	Percentage (%)		Amount (₹'000)	
Insurer Managed Funds	100.00	100.00	900	1,326
Others	-	-	-	-
Total	100.00	100.00	900	1,326

30. The Company's business activities, together with the factors likely to affect its future development and performance along with the financial position of the Company and its projected cash flows have been reviewed by the Board of Directors and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, although the net worth has eroded at the year-end. The Company is also assured of financial and operational support by its parent company. Basis all of the above, The Company has continued to adopt the going concern basis of accounting in preparing the financial statements.

31. Previous year figures have been regrouped/rearranged to confirm to the current year classification.

For Price Waterhouse & Co.
Firm Registration Number 050032S
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number 058507

Hitesh Oberoi
Director

Ambarish Raghuvanshi
Director

Place :Noida
Date :May 14. 2014

Place:Noida
Date :May 14. 2014

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report on the operations of the Company together with audited Profit and Loss Account for the year ending 31st March, 2014 and the Balance Sheet as on that date.

Financial Results**(Amount in ₹000)**

Particulars	For the Year Ended 31st March 14	For the Year Ended 31st March 13
Revenue (Including Other Income)	224,635	107,075
Profit & Loss (Before Depreciation)	(263,449)	(205,493)
Depreciation	14,198	11,773
Profit & Loss (After Depreciation)	(277,647)	(217,267)
Provision for Tax (Including deferred Tax)		
Profit & Loss carried to balance sheet	(277,647)	(217,267)

Dividend

The Company did not declare any dividend for strengthening the financial position of the Company

Directors

There is no change in the Board of Directors of the Company during the year.

Auditors Report

Observation made by the Auditors in their Report are self explanatory and therefore, do not call for any further comments under section 217(3) of the Companies Act, 1956.

Statutory Auditors

M/s Price Waterhouse & Co., Chartered Accountants are the retiring auditors and are eligible to be re-appointed as Statutory Auditors to hold their office from the conclusion of the forthcoming Annual General Meeting to the conclusion of the next Annual General Meeting. They also have confirmed that if they would be appointed as statutory auditors of the Company, their appointment would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

Directors Responsibility Statement

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956, your directors declare as follows:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors had prepared the annual accounts on a going concern basis.

Particulars of Employees

None of the employees of your Company is getting salary in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

The Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

Particulars relating to conservation of energy, technology absorption are NIL

Foreign Earning: NIL

APPLECT LEARNING SYSTEMS PRIVATE LIMITED

Foreign Outgo:

Details of the foreign Outgo during the financial Year 2013-14

Particulars	Amount (in ₹000)
Expense	
Server Hire Charges	4,111
Others Expense	674
TOTAL (A)	4,785

Acknowledgement

Your board places on record its gratitude to Company's valued Customers, Dealers, Central and State Government and Bankers for their continued support and confidence in the Company.

For and on behalf of the Board

Place: New Delhi

Dated: May 14, 2014

CHAIRMAN

INDEPENDENT AUDITORS' REPORT

To the Members of Applect Learning Systems Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Applect Learning Systems Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") / notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act/ notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Price Waterhouse & Co.
Firm Registration Number:050032S
Chartered Accountants

Gurgaon
May 14, 2014

Amitesh Dutta
Partner
Membership Number F058507

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Applect Learning Systems Private Limited on the financial statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 4(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted/taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii)[(b),(c) and (d) /(f) and (g)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under section 301 of the Act.
(b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lakhs in respect of any party during the year.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business except that the coverage needs to be strengthened.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, service tax and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- x. The accumulated losses of the Company exceeds fifty percent of its net worth as at March 31, 2014 and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company
- xvi. The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- xvii. The Company has not raised any funds on short term basis. Accordingly, the provisions of Clause 4(xvii) of the Order are not applicable to the Company.

APPLECT LEARNING SYSTEMS PRIVATE LIMITED

- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse & Co.
Firm Registration Number: 050032S
Chartered Accountants

Gurgaon
May 14, 2014

Amitesh Dutta
Partner
Membership Number F058507

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	324	281
Reserves and surplus	4	145,761	254,027
Non-Current Liabilities			
Long-term provisions	5	4,049	2,273
Other long term liabilities	7	7,249	3,654
Current Liabilities			
Trade payables	6	10,928	10,841
Other current liabilities	7	131,084	100,687
Short-term provisions	5	1,055	923
Total		300,450	372,686
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	8	27,946	30,841
Intangible assets	8	2,772	3,205
Long-term loans and advances	9	10,589	5,147
Other non-current assets	10	7,995	279
Current assets			
Cash and bank balances	11	227,146	319,433
Short-term loans and advances	9	12,954	10,938
Other current assets	10	11,048	2,843
Total		300,450	372,686

The notes are an integral part of these financial statements.

For Price Waterhouse & Co.
Firm Registration Number: 050032S
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number: F058507

Pavan Chauhan
Director

Ritesh Hemrajani
Director

Place : Gurgaon
Date : May 14, 2014

Place : New Delhi
Date : May 14, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from operations	12	202,784	98,228
Other Income	13	21,851	8,847
Total revenue		224,635	107,075
Expenses:			
Changes in inventories of Stock-in-Trade	14	-	189
Employee benefits expense	15	229,265	134,556
Employee Stock Option Scheme Compensation	24	69,424	9,311
Finance Costs		50	140
Depreciation and amortisation expense	16	14,198	11,773
Advertising and Promotion expenses	17	78,471	95,256
Administration and Other expenses	18	94,952	55,265
Network, Internet and Other direct expenses	19	15,922	17,852
Total expenses		502,282	324,342
Loss before tax		(277,647)	(217,267)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Loss for the year from continuing operations		(277,647)	(217,267)
Loss for the year		(277,647)	(217,267)
Loss per equity share: Nominal value per share ₹ 10/- (March 31, 2013: ₹ 10/-)	22		
Basic		(9,498)	(9,558)
Diluted		(7,698)	(8,007)

The notes are an integral part of these financial statements.

For Price Waterhouse & Co.
Firm Registration Number: 050032S
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number:F058507

Pavan Chauhan
Director

Ritesh Hemrajani
Director

Place : Gurgaon
Date : May 14, 2014

Place : New Delhi
Date : May 14, 2014

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2014

S. No.	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A.	Cash flow from Operating activities		
	Loss for the year	(277,647)	(217,267)
	Adjustments for:		
	Depreciation and amortisation expense	14,198	11,773
	Profit on sale of assets	-	(1)
	Employee stock option scheme	69,424	9,311
	Interest income	(21,840)	(8,846)
	Operating loss before working capital changes	(215,865)	(205,030)
	Changes in working capital:		
	(Increase) in loans and advances and Other assets	(5,264)	(3,992)
	Increase in Trade payables, Provisions and Other liabilities	35,987	71,015
	Cash generated from operations	(185,142)	(138,007)
	Taxes paid	(2,194)	(934)
	Net cash used in Operating activities	(187,336)	(138,941)
B.	Cash flow from Investing activities:		
	Purchase of tangible/intangible assets	(10,870)	(32,883)
	Proceeds from sale of fixed assets	-	8
	Interest received	13,310	12,210
	Net cash from (used in) Investing activities	2,440	(20,665)
C.	Cash flow from Financing activities:		
	Proceeds including securities premium from issue of equity shares	-	300,025
	Proceeds from issue of 0.1% OCCRPS	100,000	-
	Advance given to Applect ESOP trust	-	(11,427)
	Net cash from Financing activities	100,000	288,598
	Net Increase/(Decrease) in cash and cash equivalents	(84,896)	128,992
	Cash & cash equivalents at the beginning of the year	319,712	190,720
	Cash & cash equivalents at the end of the year	234,816	319,712
	Cash and cash equivalents comprise of:		
	Balance with Banks		
	-in current accounts	6,372	19,433
	-in fixed deposits	228,444	300,279
	Total	234,816	319,712

Notes:

1. The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard(AS) - 3 on Cash Flow Statements, prescribed under Companies (Accounting Standards) Rules 2006, as notified by the Central Government vide its notification dated December 7, 2006.

2. Figures in brackets indicate cash outflow.

For Price Waterhouse & Co.
Firm Registration Number:050032S
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number: F058507

Pavan Chauhan
Director

Ritesh Hemrajani
Director

Place : Gurgaon
Date : May 14, 2014

Place : New Delhi
Date : May 14, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. GENERAL INFORMATION

Applect Learning Systems Private Limited (the Company) was incorporated on April 04, 2001 under the Companies Act, 1956 (the 'Act') and is primarily engaged in the business of providing online & offline educational services.

2. Summary of significant accounting policies**2.1 Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

2.2 Fixed assets

Tangible fixed assets are stated at acquisition cost, net of accumulated depreciation.

Intangible assets are stated at acquisition cost, net of accumulated amortisation.

Cost includes original cost of acquisition, including related taxes, duties and incidental expenses related to such acquisition and installation.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit & Loss.

2.3 Depreciation and amortisation

Depreciation / Amortisation on fixed assets is provided on written down value method at the following rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956:

Asset	Rates
Tangible assets	
Leasehold improvement	Lease period
Plant & Machinery	13.91%
Furniture and Fixtures	18.10%
Office Equipment	13.91%
Computers	40.00%
Intangible assets	
Computer Software	40.00%

Depreciation on addition to fixed assets is provided on pro-rata basis from the date of acquisition of the assets. Depreciation on sale/ deduction from fixed assets is provided upto the date preceding the date of sale, deduction, discardment, as the case may be.

Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Assets costing less than or equal to ₹ 5,000 are fully depreciated in the year of acquisition.

2.4 Foreign Currency Transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

All monetary assets and liabilities in foreign currencies are restated at the end of accounting period and the exchange differences are recognized in the Statement of Profit and Loss.

Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities are restated at the exchange rate prevailing at the year end and the overall net gain/loss is adjusted to the Statement of Profit and Loss.

2.5 Revenue Recognition

The Company primarily earns revenue from online and offline coaching services.

Revenue from online and offline coaching is received in the form of subscription fees which is recognized over the period that coaching is imparted. Revenue is shown net of service tax and is not recognized in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognized on reasonable certainty of collection.

2.6 Other Income

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.7 Employee Benefits

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit & Loss.

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Employees' s State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit & Loss.

2.8 Employee Share-based Payments

Equity settled stock options granted under "Applect Learning Systems Private Limited Option Plan 2009" are accounted for as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The intrinsic value of the option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognized as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense, equal to the amortized portion of value of lapsed portion and credit to deferred employee compensation expense equal to the unamortized portion.

2.9 Current and deferred tax

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax reflects the effect of temporary timing differences between the assets and liabilities recognized for financial reporting purposes and the amounts that are recognized for current tax purposes. Deferred tax assets are recognized and carried forward only to the extent there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

2.10 Provisions and Contingent Liabilities

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

2.12 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all the periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

2.13 Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

3. Share Capital

	As at	
	March 31, 2014	March 31, 2013
Authorized:		
247,000 (March 31, 2013: 247,000) Equity Shares of ₹10/- each	2,470	2,470
30,000 (March 31, 2013: 30,000) Preference Shares of Re. 1/- each	30	30
Issued, Subscribed and Paid up:		
35,638 (March 31, 2013: 35,638) Equity Shares of ₹10/- each fully paid up	356	356
Less: Amount recoverable from Applect Employees Stock Option Plan Trust *	(42)	(75)
	314	281
10,000 (March 31, 2013: Nil) 0.1% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Re. 1/- each	10	-
	324	281

* Pertains to advance given to the Applect Employees Stock Option Plan Trust for subscription to shares allotted by the Company to be issued to employees in pursuance of the Employee Stock Option Plan. This presentation does not impact the total number of shares issued.

a) Reconciliation of number of shares

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Balance as at the beginning of the year	35,638	356	26,600	266
Add: Shares issued during the year	-	-	9,038	90
Balance as at the end of the year	35,638	356	35,638	356

	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Preference Shares				
Balance as at the beginning of the year	-	-	15,000	15
Add: Shares issued during the year	10,000	10	-	-
Less: Converted/redeemed during the year	-	-	(15,000)	(15)
Balance as at the end of the year	10,000	10	-	-

b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in Annual General Meeting.

Preference Shares: The Company has only one class of 0.1% OCCRPS having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held only if any proposed resolution directly affects any rights or the interest of the holder including resolution for winding up or reduction of share capital. Each OCCRPS is entitled to a preferential dividend of 0.1% per annum payable in Indian Rupees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Ranking: The OCCRPS shall rank senior to all classes of shares currently existing or established hereafter, with respect to distributions and shall rank pari passu with the equity shares in all other respects including voting rights and adjustments for any stock splits, bonuses, sub-division, recapitalization, issuance of bonus shares, non-cash dividends/ distributions to holders of shares, reclassification, conversion, buyback, cancellation, consolidation or merger.

Dividends:

- (i) Each OCCRPS is entitled to a preferential dividend rate of 0.1% (Zero point one per cent.) per annum (the "Preferential Dividend"). The Preferential Dividend is cumulative and shall accrue from year to year, whether or not paid. All accrued dividends shall be paid in full (together with dividends accrued from prior years) prior and in preference to any dividend or distribution.
- (ii) Dividends due and payable on any other shares of the Company will be subordinate to any dividend payable on the OCCRPS. Under no circumstances shall any amounts be paid or dividends declared on any shares other than the OCCRPS, until all dividends and other amounts due and owing on the OCCRPS shall have been paid in full.
- (iii) In addition, the OCCRPS shall fully participate with the Ordinary Shares in all dividends declared by the Company.

c) Shares held by the holding company

	As at	
	March 31, 2014	March 31, 2013
Equity Shares		
19,300 Shares (March 31, 2013: 19,300 Shares) held by Info Edge (India) Limited	19,300	19,300
	19,300	19,300
	As at	
	March 31, 2014	March 31, 2013
Preference Shares		
10,000 0.1% OCCRPS (March 31, 2013: Nil) held by Info Edge (India) Limited	10,000	-
	10,000	-

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	FY 2013-14		FY 2012-13	
	No of Shares	% Holding	No of Shares	% Holding
Equity Shares of ₹.10 each fully paid up				
Info Edge (India) Ltd.	19,300	54.16%	19,300	54.16%
Pavan Chauhan	9,252	25.96%	5,987	16.80%
ESOP - Applect	4,214	11.82%	7,479	20.98%
Ritesh Hemrajani	2,509	7.04%	2,509	7.04%
	35,275	98.98%	35,275	98.98%
	FY 2013-14		FY 2012-13	
	No of Shares	% Holding	No of Shares	% Holding
0.1% OCCRPS of Re.1 each fully paid up				
Info Edge (India) Ltd.	10,000	100.00%	-	-
	10,000	100.00%	-	-

e) Aggregate number of shares allotted as fully paid up by way of bonus shares, shares issued for consideration other than cash and shares bought back (during 5 years immediately preceding March 31, 2014): Nil

f) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash: Nil

[March 31, 2013: 2,087 Equity shares of ₹.10 each (Face Value) at ₹.71,863.50 each (Security Premium) were issued on 19-Feb-2013 to share holders in settlement of their dues (₹.150,000 thousands 0.1% OCCRPS 15,000 Preference Shares)]

g) Terms of securities convertible into equity shares

A total of 1,334 (One thousand three hundred and thirty four) fully paid equity shares shall be allotted and issued to the holder in the event it exercises its option to convert the whole of this 10,000 (Ten thousand) 0.1% OCCRPS. The holder may choose to convert the 0.1% OCCRPS in full or in parts and accordingly proportionate number of equity shares shall be allotted and issued at such times. No fractional shares shall be issued upon conversion of 0.1% OCCRPS and the number of equity shares to be issued shall be rounded to the nearest whole share, with the fair market value of any fractional shares paid to the holder in cash.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**4. Reserves and Surplus**

	As at		As at	
	March 31, 2014		March 31, 2013	
Stock Options Outstanding Account				
Options granted till date	9,380		115	
Add: Transfer during the year	602	9,982	9,265	9,380
Stock Options Exercised				
Balance at the beginning of the year	45		-	
Add: Transfer during the year	68,822	68,867	45	45
Securities Premium Account				
Balance at the beginning of the year	620,126		320,172	
Add : Security premium credited on share issue	99,990		299,954	
Less: Amount recoverable from Applect Employees Stock Option Plan Trust *	(11,535)	708,581	(11,502)	608,624
Statement of Profit and Loss				
Balance at the beginning of the year	(364,022)		(146,755)	
Add: Loss for the year	(277,647)	(641,669)	(217,267)	(364,022)
Reserves and Surplus as at the end of the year		145,761		254,027

* Pertains to advance given to the Applect Employees Stock Option Plan Trust for subscription to shares allotted by the Company to be issued to employees in pursuance of the Employee Stock Option Plan.

5. Provisions

	Long-Term		Short-Term	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for Employee Benefits				
Provision for Compensated Absences	875	367	98	51
Provision for Gratuity	3,174	1,906	53	72
Other Provisions				
Accrued Bonus	-	-	904	800
Total	4,049	2,273	1,055	923

6. Trade Payables

	Long-Term		Short-Term	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Trade Payables				
- total outstanding dues of micro, small and medium enterprises	-	-	-	-
- total outstanding dues of creditors other than micro, small and medium enterprises	-	-	10,928	10,841
	-	-	10,928	10,841

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7. Other Liabilities

	Long-Term		Current	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Income received in advance (Deferred Sales Revenue)	7,249	3,654	98,008	79,131
Salary & Reimbursements	-	-	16,376	12,420
Expenses Payable	-	-	14,245	7,097
TDS Payable			1,971	1,563
Service Tax Payable			-	37
EPF - Employee Contribution			440	357
ESIC - Employee Contribution			44	82
	7,249	3,654	131,084	100,687

8. Fixed Assets

	Gross Block				Depreciation				Net Block	
	April 1, 2013	Additions	Disposals	March 31, 2014	April 1, 2013	For the year	Disposal/ Adjustments	March 31, 2014	March 31, 2014	March 31, 2013
Tangible Assets (Own assets)										
Leasehold improvement	17,542	-	-	17,542	3,608	4,537	-	8,145	9,397	13,934
Plant and Machinery	2,740	282	-	3,022	616	325	-	941	2,081	2,124
Furniture and Fixtures	2,364	23	-	2,387	2,212	50	-	2,262	125	152
Office equipment	6,512	1,305	-	7,817	2,469	774	-	3,243	4,574	4,043
Computers	20,906	8,308	-	29,214	10,318	7,127	-	17,445	11,769	10,588
	50,064	9,918	-	59,982	19,223	12,813	-	32,036	27,946	30,841
Intangible Assets Own Assets (Acquired)										
Computer Software	6,284	952	-	7,236	3,079	1,385	-	4,464	2,772	3,205
	6,284	952	-	7,236	3,079	1,385	-	4,464	2,772	3,205
Total	56,348	10,870	-	67,218	22,302	14,198	-	36,500	30,718	34,046
March 31, 2013	23,491	32,883	26	56,348	10,548	11,773	19	22,302	34,046	12,943

9. Loans and Advances

	Long-Term		Short-Term	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
(Unsecured, considered good)				
Security Deposits	8,047	5,091	-	-
Advance recoverable in cash or in kind	-	-	6,632	5,156
Capital Advances	2,464	-	-	-
Advance recoverable from Applect Employees Stock Option Plan Trust	78	56	-	-
Balance with Service Tax Authorities	-	-	417	2,071
Advance Income Tax [Net of provision of ₹.1,394 Thousands (March 31, 2013: ₹.1,394 Thousands)]	-	-	5,899	3,705
Advance Fringe Benefits Tax	-	-	6	6
	10,589	5,147	12,954	10,938

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**10. Other Assets**

	Non-Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
(Unsecured Considered Good)				
Non Current portion of Fixed Deposits transferred from Cash & Bank Balances	7,670	279	-	-
Interest Accrued on Fixed Deposits	325	-	11,048	2,843
	7,995	279	11,048	2,843

11. Cash and Bank balances

	Non-Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Cash & Cash Equivalents				
Bank Balances				
In current Accounts	-	-	6,372	19,433
In Fixed deposits with maturity of less than 3 months	-	-	130,335	293,500
Other Bank Balances				
In Fixed deposit with maturity for more than 3 months but less than 12 months	-	-	90,439	6,500
In Fixed Deposit Accounts with original maturity for more than 12 months	7,670	279	-	-
Non Current portion transferred to non current assets	(7,670)	(279)	-	-
	-	-	227,146	319,433

12. Revenue

	Year ended	
	March 31, 2014	March 31, 2013
Sale of Services (Net of Service Tax)	202,784	98,228
	202,784	98,228

13. Other Income

	Year ended	
	March 31, 2014	March 31, 2013
Interest received / receivable on fixed deposits with banks	21,840	8,846
Net profit on sale of fixed assets	-	1
Miscellaneous Income	11	-
	21,851	8,847

14. Changes in inventory of finished goods

	Year ended	
	March 31, 2014	March 31, 2013
Stock at the end of the year	-	-
Less: Stock at the beginning of the year	-	189
(Decrease) In Inventory	-	(189)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

15. Employee Benefits Expense

	Year ended	
	March 31, 2014	March 31, 2013
Salary and Other Allowances	163,460	92,317
Bonus	8,022	3,678
House Rent Allowance	35,382	22,920
Gratuity	1,346	1,154
Compensated Absences	832	393
Contribution to Provident & Other Funds	5,744	3,702
ESI Employer Contribution	1,979	1,659
Staff Welfare Expenses	12,500	8,733
	229,265	134,556

16. Depreciation and Amortisation Expense

	Year ended	
	March 31, 2014	March 31, 2013
Depreciation of Tangible Assets	12,813	10,233
Amortisation of Intangible Assets	1,385	1,540
	14,198	11,773

17. Advertisement and Promotion Expenses

	Year ended	
	March 31, 2014	March 31, 2013
Advertisement Expenses	78,471	95,195
Promotion & Marketing Expenses	-	61
	78,471	95,256

18. Administration and Other Expenses

	Year ended	
	March 31, 2014	March 31, 2013
Books & Periodicals	261	100
Commission	5,971	6,022
Communication Expenses	16,349	10,942
Domain Name Expenses	324	134
Electricity & Water Expenses	9,777	4,749
Fee & Subscription	180	225
Foreign Exchange Fluctuation	70	268
Insurance	48	25
Legal and Professional Charges	7,111	3,352
Miscellaneous Expenses *	827	473
Office Expenses	5,236	1,985
Postage & Courier	3,661	2,042
Printed Educational Material	3,577	3,186
Printing & Stationery	1,451	951
Rates and Taxes	23	16
Recruitment & Training Expenses	4,345	2,924
Rent **	24,256	11,737
Repairs - Buildings	2,867	771
Repairs - Others	2,518	1,141
Payment to Auditors		
As Auditor:-		
Statutory Audit Fee	400	320
Tax Audit Fee	100	80
Reimbursement of Expenses	70	20
Transaction Charges	3,593	2,771
Travel & Conveyance	1,434	611
Web Development Expenses	503	420
	94,952	55,265

* Miscellaneous Expenses includes ₹.73 thousand on account of expenses incurred for prior period (March 31, 2013: ₹.67 thousand).

** Rent includes ₹.2,028 thousand on account of expenses incurred for prior period (March 31, 2013: ₹.Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**19. Network, Internet and Other Direct Expenses**

	Year ended	
	March 31, 2014	March 31, 2013
Server Charges	13,836	16,724
Broadband & Internet Expense	2,086	1,128
	15,922	17,852

20. Leases:**Operating Leases where Company is a lessee:**

The Company has entered into lease transactions mainly for leasing of office premise for a period between 3 to 6 years. The terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The operating lease payments recognized in the Statement of Profit and Loss amount to ₹.24,256 thousand (March 31, 2013: ₹.11,737 thousand) included in Note 18 - Administration and Other expenses.

21. Expenditure in Foreign Currency

	Year ended	
	March 31, 2014	March 31, 2013
Server Hire Charges	4,111	11,390
Other Expenses	674	323
Total	4,785	11,713

22. Earnings (Loss) per share:

Particulars	Year Ended	
	March 31, 2014	March 31, 2013
Loss attributable to Equity Shareholders (₹'000)	(277,647)	(217,267)
Loss per share		
Basic		
Weighted average number of equity shares outstanding	29,232	22,730
Basic Loss Per Equity Share (₹)	(9,498)	(9,558)
Diluted		
Weighted average number of equity shares outstanding	29,232	22,730
Add: Weighted average number of potential equity shares outstanding *	6,406	4,407
Add: Weighted average number of potential equity shares outstanding (Preference shares) **	428	-
Weighted average number of shares outstanding for diluted Loss per share	36,066	27,137
Diluted Loss Per Equity Share (₹)	(7,698)	(8,007)
Face value per share (₹)	10	10

* Pertains to shares allotted to the Applect Employees Stock Option Plan Trust for issuance to employees in pursuance of the Employee Stock Option Plan.

** Pertains to 10,000 0.1% OCCRPS equivalent to 1,334 Equity shares allotted to the parent on December 05, 2013 as per Fifth Investment Agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

23. (1) Related Party Disclosures: March 31, 2014

- A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 and where control exists for the year ended March 31, 2014:**

Holding Company

Info Edge (India) Limited (IEIL)

Key Management Personnel (KMP)

Mr. Ritesh Hemrajani (Director)

Mr. Pavan Chauhan (Director)

Mr. Sudhir Bhargava (Director)

- B) Details of transactions with related party for the year ended March 31, 2014 in the ordinary course of business:**

Sr. No	Nature of relationship / transaction	Amount in ₹Thousands		
		Holding Company	KMP	Total
1	Recruitment & Training Expenses (includes ₹108 thousands pertaining to future period)	(2,328)	-	(2,328)
2	Subscription of 10,000 0.1% Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) of Re.1/- each at a premium of ₹.9,999 per share	100,000	-	100,000

- C) Amount due to/from related parties as at March 31, 2014**

Sr. No	Nature of relationship / transaction	Amount in ₹Thousands		
		Holding Company	KMP	Total
1	Credit balances			
	Outstanding Payable	371	-	371
	Maximum amount outstanding during the year	100,000	-	100,000

1. Loan given to Applect Employees Stock Option Plan Trust during the year ₹.21 thousand.
2. Amount due from Applect Employees Stock Option Plan Trust as on March 31, 2014 is ₹.11,654 thousand, including advance given to the Trust for subscription to shares issued by the Company.
3. The directors do not take any remuneration.

23. (2) Related Party Disclosures: March 31, 2013

- A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 and where control exists for the year ended March 31, 2013:**

Holding Company

Info Edge (India) Limited (IEIL)

Key Management Personnel (KMP)

Mr. Ritesh Hemrajani (Director)

Mr. Pavan Chauhan (Director)

Mr. Sudhir Bhargava (Director)

- B) Details of transactions with related party for the year ended March 31, 2013 in the ordinary course of business:**

Sr. No	Nature of relationship / transaction	Amount in ₹Thousands		
		Holding Company	KMP	Total
1	Shares subscription (Including Share Premium)	300,000	-	300,000
2	Recruitment & Training Expenses (includes ₹ NIL pertaining to future period)	(133)	-	(133)
3	15,000 0.1% Optionally Convertible Cumulative Redeemable Preference shares (OCCRPS) converted into 2,087 Equity Shares of ₹.10/- each at a premium of ₹.71,863.50 per share.	150,000	-	150,000
4	Amount (given to) / received from Mr. Ritesh Hemrajani as Advance / (payments) for business purpose	-	100	100

1. Loan given to Applect Employees Stock Option Plan Trust during the year ₹.11,426 thousand
2. Amount due from Applect Employees Stock Option Plan Trust as on March 31, 2013 is ₹.11,632 thousand, including advance given to the Trust for subscription to shares issued by the Company.
3. The directors do not take any remuneration.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**C) Amount due to/from related parties as at March 31, 2013**

Sr. No	Nature of relationship / transaction	Amount in ₹Thousands		
		Holding Company	KMP	Total
1	Debit balances			
	Outstanding Advances/Receivables	-	-	-
	Maximum amount outstanding during the year (Mr. Ritesh Hemrajani)	-	100	100
2	Credit balances			
	Outstanding Payable	-	-	-
	Maximum amount outstanding during the year	300,148	-	300,148

24. Employee Stock Option Scheme 2009 (ESOP)

The board vide its resolution dated 29-Dec-09 approved ESOP 2009 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the compensation Committee of the Board of Directors.

The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

- Number of options granted, exercised and forfeited during the year:-

Particulars	2013-14		2012-13	
	Number	Weighted Average Exercise Price (₹)	Number	Weighted Average Exercise Price (₹)
Options outstanding at beginning of year	1,970	10	745	10
Add:				
Options granted during the year	3,265	10	1,585	10
Less:				
Options exercised during the year	3,265	10	294	10
Options forfeited during the year	690	10	66	10
Options outstanding at the end of year	1,280	10	1,970	10
Option exercisable at the end of year	1,280	10	1,970	10

In accordance with the above mentioned ESOP Scheme, ₹.69,424 thousand (Previous Year ₹.9,311 thousand) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended March 31, 2014 as Employee Stock Option Scheme Compensation.

The options outstanding at the end of year had exercise price of ₹.10/- (March 31, 2013: ₹.10) and a weighted average remaining contractual life of 4.28 years (Previous Year 5.54 years).

(A) - In respect of options vested during the year, had the fair value method been used, the loss for the year would be higher by ₹.33 thousand. [March 31, 2013: Loss for the year would be higher by ₹.13 thousand.]

(B) - The fair value of each option is estimated on the date of grant using the Black Scholes model with the below listed assumptions:

ESOP Plan 2009	2013-14	2012-13
Weighted average fair value of the options at the grant dates	21,079.62	15,343.92
Risk free rate	9.06%	8.83%

25. The Company is mainly in the business of internet based service delivery. The turnover from offline coaching business being less than 10% of the total turnover of the Company, there are no reportable business segments as per the requirements of Accounting Standards - 17 on "Segment Reporting" prescribed under Companies (Accounting Standards) Rules, 2006 as notified by the Central Government vide its notification dated December 7, 2006. Further, the Company operates only in one geographical segment and there are no export sales.

26. Employee Benefits

The Company has classified the various benefits provided to employees as under:

A. Defined Contribution Plans

a) Provident Fund

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employers' Contribution to Provident Fund*	5,744	3,702

*Included in Contribution to Provident & Other Funds under Employee Benefit Expense (Refer Note 15)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**B. State Plans**

- a) Employer's Contribution to Employee State Insurance

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employers' Contribution to Employee State Insurance *	1,979	1,659

*Included in Contribution to Provident & Other Funds under Employee Benefit Expense (Refer Note 15)

C. Defined Benefit Plans

- a) Gratuity payable to employees
b) Compensated Absences for Employees

(A) Actuarial Assumptions	FY 2013-14	FY 2012-13
Discount Rate (per annum)	8.50%	8.00%
Rate of increase in Compensation levels	6.00%	5.50%
Expected average remaining working lives of employees (years)	32.04	32.73
Attrition Rate	1 - 3%	1 - 3%

(B) Changes in the Present Value of Obligation	Employee's Gratuity Fund		Compensated Absences	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Present Value of Obligation at the beginning of the year	1,978	824	418	91
Interest Cost	158	66	33	7
Past Service Cost	-	-	-	-
Current Service Cost	1,407	1,028	466	179
Curtailments	-	-	-	-
Settlements	-	-	-	-
Benefits paid	(97)	-	(277)	(65)
Actuarial (gain)/ loss on obligations	(219)	60	333	206
Present Value of Obligation at the end of the year*	3,227	1,978	973	418

*Included in Provision for Employee benefits (Refer Note 5)

(C) Expense recognized in the Statement of Profit & Loss	Employee's Gratuity Fund		Compensated Absences	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Current Service Cost	1,407	1,028	466	179
Past Service Cost	-	-	-	-
Interest Cost	158	66	33	7
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain) / loss on Obligations	(219)	60	333	206
Settlements	-	-	-	-
Curtailments	-	-	-	-
Total Expenses recognized in the Statement Profit and Loss*	1,346	1,154	832	392

*Included in Employee Benefit Expense (Refer Note 15)

(D) Assets and Liabilities recognized in the balance sheet :	Employee's Gratuity Fund		Compensated Absences	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
Present value of unfunded Obligation as at March 31, 2014	3,227	1,978	973	418
Unrecognized Actuarial (gains)/losses	-	-	-	-
Unfunded Net Asset / (Liability) Recognized in Balance Sheet*	3,227	1,978	973	418

*Included in Provision for Employee benefits (Refer Note 5)

(E) Amounts recognized in current year and previous four years	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Gratuity					
Defined Benefit Obligation	3,227	1,978	824	488	301
Plan Assets	-	-	-	-	-
Net Assets / (Liability)	(3,227)	(1,978)	(824)	(488)	(301)
Compensated Absences					
Defined Benefit Obligation	973	418	91	46	58
Plan Assets	-	-	-	-	-
Net Assets / (Liability)	(973)	(418)	(91)	(46)	(58)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(F) Expected Contribution to the fund in the next year	Year ended March 31, 2014	Year ended March 31, 2013
Gratuity	2,854	1,932
Compensated Absences	517	210

27. Details of Bank Balances:**A. Bank Balances with scheduled Banks:****-In Current Accounts**

Balance with Banks in India	As at March 31, 2014	As at March 31, 2013
ICICI Bank Ltd.	5,650	13,595
State Bank of India	593	5,838
HDC Bank Ltd.	129	-
Total	6,372	19,433

-In Fixed deposits

Balance with Banks in India	As at March 31, 2014	As at March 31, 2013
ICICI Bank Ltd.	150,284	279
State Bank of India	78,160	300,000
Total	228,444	300,279

The above comprises of :-

Particulars	As at March 31, 2014	As at March 31, 2013
- Fixed Deposit Accounts with original maturity of less than 3 months	130,335	293,500
- Fixed Deposit Accounts with original maturity for more than 12 months	7,670	279
- Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months	90,439	6,500
Total	228,444	300,279

28. The Company's business activities, together with the factors likely to affect its future development and performance along with the financial position of the Company and its projected cash flows have been reviewed by the Board of Directors and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Company has continued to adopt the going concern basis of accounting in preparing the financial statements.

29. The Previous year figures have figures have been regrouped & rearranged to conform to this year's classification, wherever necessary.

For Price Waterhouse & Co.
Firm Registration Number: 050032S
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number F058507

Pavan Chauhan
Director

Ritesh Hemrajani
Director

Place : Gurgaon
Date : May 14, 2014

Place: New Delhi
Date : May 14, 2014

DIRECTOR'S REPORT

Dear Sir/Madam

Your Directors feel immense pleasure in presenting their 4th Annual Report together with Audited Statement of Accounts of the Company for the year ended on 31st March, 2014. The summarized financial results for the year ended 31st March, 2014 are as under:-

FINANCIAL RESULTS:

Particular	For the Financial Year ended on 31 st March, 2014 (Amount in ₹)	For the Financial Year ended on 31 st March, 2013 (Amount in ₹)
Total Revenue Earned(Including Other Income)	36,11,99,244	12,29,19,531
Less: Total Expenses	73,29,09,578	22,24,32,274
Loss before tax	(37,17,10,334)	(9,95,12,743)
Tax expense	0.00	0.00
Loss after taxation but before prior period items	(37,17,10,334)	(9,95,12,743)
Prior Period Items	13,14,966	8,05,692
Loss carried over to balance sheet	(37,30,25,300)	(10,03,18,435)

PERFORMANCE:

During the year under consideration, the Company has achieved a considerable turnover amounting to ₹.36, 11,99,244/- in comparison to ₹.12,29,19,531/- during the immediately previous financial year. However, due to high operating and revenue expenses, the Company has incurred a net loss of ₹ 37,17,10,334/-. In the immediately previous financial year, the loss was ₹ 9,95,12,743/-. Your Board of Directors is hopeful that the revenue and profitability of the Company shall increase in the near future.

GROWTH AND DEVELOPMENT

During the year the Company for the purpose of enhancing the growth and establishment of the business of the Company around the world has established its subsidiary in Brazil & Qatar. During the year Company has also opened foreign branches in South Africa, Philippines, Turkey and New Zealand.

DIVIDEND:

The directors do not recommend any payment of dividend due to heavy loss during the year.

ALLOTMENT OF EQUITY SHARES

During the year under review, allotment of equity shares was made at 7,295 equity shares of the face value of Re.1/- each were issued and allotted to Mr. Deepinder Goyal (Trustee of Foodiebay Employee ESOP Trust) and Mr. Vikas Gaur at par dated 18th October, 2013.

ALLOTMENT OF PREFERENCE SHARES

During the year under review, 78,791, 0.0001% Optionally Convertible Cumulative Preference Shares of the face value of Re.10/- each were issued and allotted to Info Edge India Limited and SCI Growth Investment II at a premium of ₹ 26969.94 per share dated 6th November, 2013. It has been considered a very good achievement by the company through this transaction has got FDI investment amounting to INR 155,31,27,500.

DEPOSITS:

The Company has not accepted any deposit from the public within the meaning of section 73 the Companies Act, 2013.

DIRECTORS:

As per provisions of section 152 of the Companies Act, 2013 Mr. Deepinder Goyal, who liable to retire by rotation, and being eligible, offers himself for re-appointment, be and is hereby purposed for re-appointment at the ensuing Annual General Meeting.

Mr Mohit Anand Bhatnagar, was inducted on the board on 06.11.2013 as additional director and again Ms. Ireena Vittal was also appointed additional director on the board of directors of the company w.e.f. 22/04/2014. Both the directors were appointed as additional directors, hold office upto the date of this Annual General Meeting and it has been recommended to be regularized in the ensuing Annual General Meeting.

AUDITORS:

M/s S. R. Baltiboi & Associates LLP, Chartered Accountants, having office at Golf view Corporate Tower-B, Sector-42, Sector Road, Gurgaon, Haryana- 122002, retires as auditors of the Company at the conclusion of the ensuing Annual General Meeting, being eligible have offered himself for re-appointment. The Board of Directors recommend for their re-appointment in the ensuing Annual General Meeting.

AUDITOR'S REPORT:

The observations made in the Auditor's Report are self-explanatory and therefore do not call for further comments under Section 134 of the Companies Act, 2013. Regarding delay in statutory payments namely Employee Provident Fund, Employee State Insurance Fund and Professional Tax, it was due to mistake in calculation and will be paid soon and precautions will be taken to avoid the delay in future.

PARTICULARS OF EMPLOYEES U/S 217 (2A) OF THE COMPANIES ACT, 1956:

There were no employees during the year in respect of whom information is required under section 134 of the Companies act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT /TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars required under Section 134(3) (m) regarding conservation of energy, technology absorption is NIL during the year under review.

Foreign Exchange Earning (Accrual basis) is ₹.94, 462,606/- during the year under review in comparison with ₹ 3,058,735 Foreign Exchange earning during the immediately preceding Financial Year. The Foreign Exchange Expenditure (Accrual basis) is ₹.312,265,691/- in comparison to ₹.3,14,37,081/- during the immediately preceding Financial Year.

DIRECTORS RESPONSIBILITY STATEMENT:

Under the provision of section 134 (3) (c) of the Companies Act 2013 the Director States As under-

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and loss of the Company for the year ended on that date;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

ACKNOWLEDGEMENTS:

Your directors take on record their sincere appreciation to the contributions made by the employees through their hard work, dedication and co-operation towards the success of your company. Your directors are also very thankful for consistent co-operation and assistance received from its shareholders, business associates, customers, vendors, bankers and government authorities in India and abroad.

For and on behalf of the Board of Directors
of **Zomato Media Private Limited**

Date: 29.04.2014
Place: New Delhi

(Pankaj Chaddah)
Director
DIN: 02625858
House No. 499, Sector 31,
Gurgaon, Haryana-122001,

(Deepinder Goyal)
Director
DIN: 02613583
WZ-192, Street No. 4
Varinder Nagar,
New Delhi, 110058

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZOMATO MEDIA PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Zomato Media Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2014, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular referred 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - (d) The report on the account of the Turkey branch audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us.
 - (e) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act 1956 read with General Circular 8/2014 dated 4 April 2014, issued by Ministry of Corporate Affairs.
 - (f) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Other Matter

We did not audit total assets of ₹ 41,320,490 as at 31 March 2014, total revenues of ₹ 875,348 and net cash outflows amounting to ₹ 13,804,828 for the year then ended, included in the accompanying financial statements in respect of Turkey branch not visited by us, whose financial statements and other financial information have been audited by other auditors and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of Turkey branch is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

Firm's Registration Number: 101049W

per **Yogesh Midha**

Partner

Membership Number: 94941

Place of Signature: Gurgaon

Date: 22/04/2014

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph [1] of report on other legal and regulatory requirements of our report of even date

Re: Zomato Media Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable interval during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to the information and explanations given to us, the Company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost record under clause (d) of sub-section (1) of section 209 the Company Act, for the product of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, cess and other material statutory dues applicable to it *though there has been slight delays in cases of provident fund and significant delays in case of employee state insurance and professional tax*. The provisions of investor education and protection fund, sales-tax, customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, *undisputed dues in respect of professional tax which are outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:*

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of payment
The Professional Tax Act	Professional tax	11,082	Apr-13	20-May-13	Not yet deposited
	Professional tax	13,848	May-13	20-June-13	
	Professional tax	15,436	June-13	20-July-13	
	Professional tax	15,975	July-13	20-Aug-13	
	Professional tax	16,040	Aug-13	20-Sept-13	

- (c) According to the information and explanation given to us, there are no dues of income tax, provident fund, service tax and cess and other material statutory dues applicable which have not been deposited on account of any dispute.
- (x) The Company has been register for a period less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

ZOMATO MEDIA PRIVATE LIMITED

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order, (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Associates LLP
Firm registration number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941

Place: Gurgaon
Date: 22/04/2014

BALANCE SHEET AS AT 31 MARCH 2014

Particulars	Notes	31 March, 2014 (Amount in ₹)	31 March, 2013 (Amount in ₹)
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,079,727	284,522
Reserves and surplus	4	2,330,765,910	564,619,763
		2,331,845,637	564,904,285
Non - current liabilities			
Trade payables	5	5,137,659	562,688
Long term provisions	6	3,771,403	1,704,875
		8,909,062	2,267,563
Current liabilities			
Short term borrowings	7	271,233	-
Trade payables	8	34,223,839	8,785,034
Other current liabilities	8	34,187,952	6,636,583
Short term provisions	6	88,042	4,692
		68,771,066	15,426,309
TOTAL		2,409,525,765	582,598,157
Assets			
Non - current assets			
Fixed assets			
Tangible assets	9	30,801,462	14,033,444
Intangible assets	10	4,299,749	2,964,683
Capital work in progress		2,016,113	-
Non-current investments	11	32,791,281	50,000,000
Loans and advances	12	31,528,768	3,444,139
Other non current assets	13	-	162,703,965
		101,437,373	233,146,231
Current assets			
Current investments	14	1,764,458,874	150,069,016
Inventories	15	-	3,524,133
Trade receivables	16	21,968,432	15,427,920
Cash and bank balances	17	491,202,216	166,844,556
Loans and advances	12	28,209,359	13,052,836
Other current assets	13	2,249,511	533,465
		2,308,088,392	349,451,926
TOTAL		2,409,525,765	582,598,157

Summary of significant accounting policies

2.1

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

As per our report of even date

For and on behalf of the Board of Directors of

For S.R Batliboi & Associates LLP
Firm registration number: 101049W
Chartered Accountants

Zomato Media Private Limited

per Yogesh Midha
Partner
Membership No.: 94941

Pankaj Chaddah
(Director)

Deepinder Goyal
(Director)

Place: Gurgaon
Date: 22/04/2014

Rakesh Kumar
(Director Finance)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

Particulars	Notes	31 March, 2014 (Amount in ₹)	31 March, 2013 (Amount in ₹)
Income			
Revenue from operations (net)	18	306,027,727	113,762,592
Other income	19	55,171,517	9,156,939
Total revenue (I)		361,199,244	122,919,531
Expenses			
Purchase of traded goods	20	-	4,065,683
(Increase)/ decrease in inventories of traded goods	20	-	(3,524,133)
Employee benefits expense	21	324,332,554	92,004,274
Depreciation & amortization expense	22	21,673,594	9,194,688
Finance costs	23	1,461,415	82,339
Other expenses	24	385,442,015	120,609,423
Loss before tax		(371,710,334)	(99,512,743)
Tax expense		-	-
- Current Tax		-	-
Total tax expense		-	-
Loss after taxation but before prior period items		(371,710,334)	(99,512,743)
Prior period items	25	1,314,966	805,692
Loss for the year		(373,025,300)	(100,318,435)
Earnings per equity share (nominal value of share Re. 1 (31 March 2013: Re. 1))	26		
Basic/ diluted (loss) per equity share		(1,296.13)	(535.92)
Computed on the basis of total loss for the year			

Summary of significant accounting policies

2.1

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

As per our report of even date

For S R Batliboi & Associates LLP
Firm registration number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941

Place: Gurgaon
Date: 22/04/2014

For and on behalf of the Board of Directors of

Zomato Media Private Limited

Pankaj Chaddah
(Director)

Deepinder Goyal
(Director)

Rakesh Kumar
(Director Finance)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

PARTICULARS	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Cash flow from operating activities		
(Loss) before tax	(373,025,300)	(100,318,435)
Non-cash adjustment to reconcile loss before tax to net cash flow		
Depreciation and amortization	21,673,594	9,194,688
(Profit)/loss on sale of fixed assets	124,417	(103,399)
Shares based benefit expenses (refer note 36)	26,095,532	-
Bad debts written off	1,452,992	1,873,583
Security deposits written-off	107,000	-
Provision for doubtful debts and advances	4,166,984	2,391,104
Interest income	(20,313,793)	(8,885,372)
Income from current investment	(8,328,500)	-
Profit on sale on current investment	(23,198,002)	-
Dividend income	(3,209,742)	(69,016)
Operating loss before working capital changes	(374,454,818)	(95,916,847)
Movement in working capital :		
Increase in trade payables	30,013,776	7,868,379
Increase in provisions	2,149,878	1,231,490
Increase in other current liabilities	25,284,813	2,245,009
Increase in trade receivables	(11,832,128)	(14,165,792)
Decrease/ (increase) in inventories	3,524,133	(3,524,133)
Increase in loans & advances	(31,030,572)	(7,371,163)
Cash used in operation	(356,344,918)	(109,633,057)
Direct taxes paid (net of refund)	(4,306,713)	(2,792,343)
Net cash from/(used) in operating activities (A)	(360,651,631)	(112,425,400)
Cash flow from investing activities		
Purchase of fixed assets including capital work-in-progress and capital advance	(48,429,997)	(18,841,484)
Proceeds from sale of fixed assets	542,345	330,010
Invested in bank deposit (having original maturity of more than three months)	81,140,336	(283,299,459)
Purchase of non-current investments	17,208,719	(50,000,000)
Purchase of current investments	(1,764,458,874)	(150,069,016)
Proceed from sale/maturity of current investment	173,267,018	-
Income from current investment	8,328,500	-
Interest received	19,902,907	7,101,206
Dividend received	3,209,742	69,016
Net cash from/(used) in investing activities (B)	(1,509,289,304)	(494,709,727)
Cash flows from financing activities		
Proceed from issuance of equity share capital	7,295	440,010,527
Proceed from issuance of preference share capital including security premium	2,125,776,829	128,599,967
Proceed from short term borrowings	271,233	(11,539)
Net cash from/(used) in financing activities (C)	2,126,055,357	568,598,955
Net increase/(decrease) in cash and cash equivalents (A+B+C)	256,114,422	(38,536,172)
Foreign currency monetary item translation difference on foreign branches	(12,015,231)	(449,572)
Cash and cash equivalents at the beginning of year	43,763,902	82,749,646
Cash and cash equivalents at end of year	287,863,093	43,763,902
Components of cash and cash equivalents		
Cash on hand	1,933,110	288,599
With banks - on current account	211,118,757	28,283,974
With banks - on saving account	30,588,904	-
-on deposit account	44,222,322	15,191,329
Total cash and cash equivalents (note 17)	287,863,093	43,763,902

Summary of significant accounting policies

'2.1

As per our report of even date

For and on behalf of the Board of Directors of

For S R Batliboi & Associates LLP
Firm registration number: 101049W
Chartered Accountants

Zomato Media Private Limited

per Yogesh Midha
Partner
Membership No. 94941

Pankaj Chaddah
(Director)

Deepinder Goyal
(Director)

Place: Gurgaon
Date: 22/04/2014

Rakesh Kumar
(Director Finance)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. Corporate information

Zomato Media Private Limited ("the Company") is a private limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company is engaged in operating an internet portal providing all sorts of information, including but not limited to details of menus, contacts, discount offers, quality of service & food about restaurants & caterers, and other service providers to be availed by users of the website in making informed decisions about their dining options and related facilities and by restaurants, hotels and other caterers to advertise themselves to the target audience in India & abroad.

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies**(a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(c) Depreciation on tangible fixed assets

Depreciation is provided using the Straight Line Method as per the useful life of the assets estimated by the management or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher as under.

Fixed Assets	Rates used by the company	Schedule XIV Rates (SLM)
Air conditioner	33.33%	4.75%
Electrical Equipments	33.33%	4.75%
Furniture & Fittings	33.33%	6.33%
Computers	25.00% to 50.00%	16.21%
Motor Vehicles	9.50%	9.50%
Telephone Instruments	50.00%	4.75%

Depreciation on the assets purchased during the year is provided on pro rata basis from the date of purchase of fixed assets. Individual assets costing upto ₹ 5,000 are depreciated fully in year of purchase.

(d) Intangible assets

Intangible assets mainly include software, websites & trademark stated at cost, less accumulated amortization. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and are amortized using the straight-line method over a period of two years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(e) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that a group of asset may be impaired. If any indication exists, or when annual impairment testing for a group of asset is required, the company estimates the group of asset's recoverable amount. A group of asset's recoverable amount is the higher of an asset's net selling price and its value in use. Where the carrying amount of a group of assets exceeds its recoverable amount, the group of asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account.

(f) Leases**Where the company is lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(h) Inventory

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from operating an internet portal providing all sorts of information about restaurants and caterers for display of advertisements are recognized on display of advertisements.

The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest

Interest income is recognized 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) Foreign currency translation**Foreign currency transactions & balances****i. Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
2. All other exchange differences are recognized as income or as expenses in the period in which they arise.

(k) Retirement benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The company operates one defined benefit plans for its employees, viz., gratuity. Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

(l) Income taxes

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 the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(m) Segment reporting

Identification of reportable segments

The dominant source and nature of risks and returns governs the company's primary reportable segment. If the risk and returns are affected predominantly by differences in the product and services its primary reportable segment is Business Segment and if the risk and returns are affected predominantly by the fact it operates in different countries or other geographical areas its primary segment is Geographical segment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

(This space has been intentionally left blank)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3 Share capital

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Authorized shares		
400,000 (31 March 2013: 400,000) equity shares of Re. 1 each	400,000	400,000
200,000 (31 March 2013: 200,000) 0.1% optionally convertible cumulative redeemable preference shares (OCCRPS) of Re. 1 each	200,000	200,000
100,000 (31 March 2013: Nil) 0.0001 % compulsorily convertible cumulative preference shares (CCCPS) of ₹ 10 each	1,000,000	-
	1,600,000	600,000
Issued, subscribed and fully paid-up shares		
291,817 (31 March 2013: 284,522) equity shares of Re. 1 each	291,817	284,522
78,791 (31 March 2013: Nil) compulsorily convertible cumulative preference shares of ₹ 10 each	787,910	-
Total issued, subscribed and fully paid-up share capital	1,079,727	284,522

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

Equity shares

Particulars	31 March 2014		31 March 2013	
	No.	(Amount in ₹)	No.	(Amount in ₹)
At the beginning of the year	284,522	284,522	177,016	177,016
Conversion of OCCRPS into equity shares	-	-	63,506	63,506
Issued during the year	7,295	7,295	44,000	44,000
Outstanding at the end of the year	291,817	291,817	284,522	284,522

Optionally convertible cumulative redeemable preference shares

Particulars	31 March 2014		31 March 2013	
	No.	(Amount in ₹)	No.	(Amount in ₹)
At the beginning of the year	-	-	44,584	44,584
Issued during the year	-	-	18,922	18,922
Conversion into equity shares	-	-	63,506	63,506
Outstanding at the end of the year	-	-	-	-

Compulsorily convertible cumulative preference shares

Particulars	31 March 2014		31 March 2013	
	No.	(Amount in ₹)	No.	(Amount in ₹)
At the beginning of the year	-	-	-	-
Issued during the year	78,791	787,910	-	-
Conversion into equity shares	-	-	-	-
Outstanding at the end of the year	78,791	787,910	-	-

b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity is entitled to one vote per share.

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) Terms of conversion/redemption of CCCPS

- (i) During the year ended 31 March 2014, the Company issued 78,791 CCCPS of ₹.10 each fully paid-up at a premium of ₹ 26,970 per share. CCCPS carry cumulative dividend @ 0.0001% p.a. The company declares and pays dividends in Indian rupees. The preferential dividend is cumulative and shall accrue from year to year whether paid or not paid. All accrued dividends shall be paid in full (together with dividends accrued from prior years) prior to and in preference to any dividend or distribution payable upon shares of any other class or series in the same financial year. In addition to and after payment of the preference dividend, each CCCPS would be entitled to participate pari-passu in any cash or non-cash dividend paid to the holders of share of any other class (including ordinary share) or series on a pro-rata as if converted basis. Subject to the applicable laws, the CCCPS holder shall be entitled to receive notice of and vote on all matters that are submitted to the vote of the shareholders of the company (including the ordinary shares). Each CCCPS shall entitle the holder to the number of votes equal to the number of whole or fractional ordinary shares into which such CCCPS could then be converted.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

- (ii) Each holder of CCCPS are entitled to convert the CCCPS into ordinary shares at any time at the option of the holder of the CCCPS or subject to the compliance of applicable laws each CCCPS automatically be converted into ordinary share, at the conversion price then in effect, upon the earlier of (i) one day prior to the expiry of 20 years from the allotment or (ii) in connection with a listing (or any listing of shares), prior to the filing of prospectus (or equivalent document by whatever name called) by the Company to the competent authority or such later date as may be applicable under applicable laws.
- (iii) In the event of the liquidation of the company, total proceeds from the such liquidation, shall be distributed first to the holders of CCCPS, until the holders have received the minimum return.
- (iv) The company will issue ordinary share pursuant to the conversion of any CCCPS shall be that number obtained by dividing the total amount actually paid by the holder of CCCPS by the applicable conversion price at the time in effect for such CCCPS which will be as per provision of clause 75 and 76.3 of Article of Association. No fractional share shall be issued upon conversion of CCCPS and number of ordinary share to be issued shall be rounded to the nearest whole share.

d) Terms of conversion/redemption of OCCRPS

- (i) During the year ended 31 March 2013, the Company issued 18,922 OCCRPS of Re. 1 each fully paid-up at a premium of ₹ 6795 per share. OCCRPS carry cumulative dividend @ 0.1% p.a. The company declares and pays dividends in Indian rupees. The preferential dividend is cumulative and shall accrue from year to year whether or not paid. All accrued dividends shall be paid in full (together with dividends accrued from prior years) prior to and in preference to any dividend or distribution. Subject to the applicable laws, the OCCRPS holder shall be entitled to receive notice of and vote on all matters that are submitted to vote of the shareholders of the company (including the ordinary shares). Each OCCRPS shall entitle the holder to the number of votes equal to the number of whole or fractional ordinary shares into which such OCCRPS could then be converted.
- (ii) Each holder of OCCRPS are entitled to convert the OCCRPS into ordinary shares at any time in one or more tranches after the respective closing date on which such OCCRPS was issued and upto 15 years from the date of agreement (i.e. 2 September, 2011). If the holder exercises its conversion option, the company will issue 1 equity shares for each OCCRPS held.
- (iii) Any OCCRPS in respect of which company has not received any conversion notice during the conversion period, shall be automatically redeemed by the company at a price equal to the subscription amount paid for it at the end of the conversion period. In the event of the liquidation of the company, total proceeds from the such liquidation, shall be distributed first to the holders of OCCRPS, until the holders have received the minimum return.

e) Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as below:

Particulars	31 March 2014		31 March 2013	
	No.	(Amount in ₹)	No.	(Amount in ₹)
Info Edge (India) Limited 164,451 (31 March 2013: 163,827) equity shares of Re. 1/- each	164,451	164,451	163,827	163,827
	164,451	164,451	163,827	163,827

(f) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	31 March 2014		31 March 2013	
	No.	% of holding	No.	% of holding
Equity shares of Re 1 each fully paid				
Info Edge (India) Limited	164,451	56.35%	163,827	57.58%
Mr. Deepinder Goyal, Director	91,827*	31.47%	90,092*	32.00%
Mr. Pankaj Chaddah, Director	21,580	7.40%	23,013	8.00%
* This includes 27,089 (31 March 2013: 21,054) shares held on behalf of Foodiebay Employee ESOP Trust (not yet constituted)				
CCCPS of ₹ 10 each fully paid				
Info Edge (India) Limited	212,250	26.94%	-	-
SCI Growth Investment	575,660	73.06%		

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares subject to the 27,089 (31 March 2013 21054) share held by Deepinder Goyal on behalf of Foodiebay Employee ESOP Trust (not yet constituted)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

4 Reserves and surplus

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Capital reserve		
Created on issue of equity shares to the employees (note 36)	26,095,532	-
Closing balance	26,095,532	-
Securities premium account		
Balance as per the last financial statements	752,744,571	184,196,999
Add: premium on issue of equity shares	-	439,966,527
Add: premium on issue of OCCRPS	-	128,581,045
Add: premium on issue of CCCPS	2,124,988,919	-
Closing balance	2,877,733,490	752,744,571
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(187,675,236)	(87,356,739)
(Loss) for the year	(373,025,300)	(100,318,435)
Less: Appropriations		
Dividend on preference shares (amount per share Re. 0.001 (31 March 2013: Re. 0.001))	-	53
Tax on preference dividend	-	9
Total appropriations	-	62
Net (deficit) in the statement of profit and loss	(560,700,536)	(187,675,236)
Foreign Currency Monetary Item Translation Difference Account	(12,362,576)	(449,572)
Total reserves and surplus	2,330,765,910	564,619,763

5 Other long term liabilities

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Trade payables (refer note 31 for details of dues to micro and small enterprises)	5,137,659	562,688
	5,137,659	562,688

6 Provisions

Particulars	Long-term		Short-term	
	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Provision for employee benefits				
Provision for Gratuity (note 27)	3,771,403	1,704,875	88,042	4,692
	3,771,403	1,704,875	88,042	4,692

7 Short-term borrowings

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Credit from banks (unsecured)*	271,233	-
Total short term borrowings	271,233	-

* Credit from bank is repayable on demand and carries interest @ 3% per month.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

8 Other current liabilities

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Trade payables (refer note 31 for details of dues to micro and small enterprises)	34,223,839	8,785,034
Other liabilities		
Payable for capital goods	2,266,556	-
Share application money to be refunded*	56	56
Unearned revenue	25,239,320	5,396,543
Balance in current account with bank representing book overdraft	1,115	-
Others		
Service tax payable	-	6,217
Tax deducted at source payable	2,654,528	1,167,015
VAT payable	21,917	-
Provident fund payable	675,612	66,752
Employee state insurance payable	45,000	-
Work contract tax payable	80,483	-
Professional tax payable	38,331	-
Other statutory dues payable	3,165,034	-
	34,187,952	6,636,583
	68,411,791	15,421,617

*Company intends to refund this amount and it carries no interest.

9 Tangible Assets

(Amount in ₹)

Particulars	Air conditioner	Electrical Equipments	Furniture & Fittings	Computers	Motor Vehicles	Telephone Instruments	Total
Cost							
At 1 April 2012	360,846	836,272	1,593,966	7,618,055	158,025	1,354,102	11,921,266
Additions	639,130	2,320,013	1,418,145	8,044,712	410,685	2,252,417	15,085,102
Disposals	-	-	-	650,210	-	43,537	693,747
At 31 March 2013	999,976	3,156,285	3,012,111	15,012,557	568,710	3,562,982	26,312,621
Additions	712,226	1,926,831	2,967,325	26,317,780	934,517	3,272,271	36,130,950
Disposals	78,005	4,800	-	1,280,383	-	8,665	1,371,853
Adjustments*	-	3,704	17,645	68,108	14,923	16,700	121,080
At 31 March 2014	1,634,197	5,082,020	5,997,081	40,118,062	1,518,150	6,843,288	61,192,798
Depreciation							
At 1 April 2012	113,990	255,033	837,735	2,997,551	7,098	498,449	4,709,856
Charge for the year	277,315	724,400	1,025,943	4,774,800	33,018	1,200,981	8,036,457
Disposals	-	-	-	459,085	-	8,051	467,136
At 31 March 2013	391,305	979,433	1,863,678	7,313,266	40,116	1,691,379	12,279,177
Charge for the year	470,729	1,327,661	2,162,300	12,612,798	98,362	2,126,547	18,798,397
Disposals	26,854	4,800	-	670,447	-	2,991	705,092
Adjustments*	-	878	9,711	6,126	272	1,867	18,854
At 31 March 2014	835,180	2,303,172	4,035,689	19,261,743	138,750	3,816,802	30,391,336
Net Block							
At 31 March 2013	608,671	2,176,852	1,148,433	7,699,291	528,594	1,871,603	14,033,444
At 31 March 2014	799,017	2,778,848	1,961,392	20,856,319	1,379,400	3,026,486	30,801,462

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

10 Intangible assets

(Amount in ₹)

Particulars	Software	Website	Trademarks	Total
Gross Block				
At 1 April 2012	694,486	432,022	-	1,126,508
Purchase	394,913	125,174	3,010,156	3,530,243
Disposals	-	-	-	-
At 31 March 2013	1,089,399	557,196	3,010,156	4,656,751
Purchase	4,210,263	-	-	4,210,263
Disposals	-	-	-	-
At 31 March 2014	5,299,662	557,196	3,010,156	8,867,014
Amortization				
At 1 April 2012	221,953	311,884	-	533,837
Charge for the year	505,630	107,808	544,793	1,158,231
Disposals	-	-	-	-
At 31 March 2013	727,583	419,692	544,793	1,692,068
Charge for the year	1,308,088	70,129	1,496,980	2,875,197
Disposals	-	-	-	-
At 31 March 2014	2,035,671	489,821	2,041,773	4,567,265
Net Block				
At 31 March 2013	361,816	137,504	2,465,363	2,964,683
At 31 March 2014	3,263,991	67,375	968,383	4,299,749

*Adjustment represent amount of foreign fluctuation on conversion of Non-integral foreign branch.

11 Non-current investments

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instrument		
Investment in subsidiaries		
Zomato Media Portugal, Unipessoal Lda 149929 (31 March 2013: Nil) equity shares of Euro 1 each in Zomato Media Portugal, Unipessoal Lda	12,849,000	-
Zomato Midia Brasil, Ltda 749,999 (31 March 2013: Nil) equity shares of BRL 1 each in Zomato Midia Brasil, Ltda	19,942,281	-
Non-Traded investment (valued at cost unless stated otherwise)		
Unquoted mutual funds		
ICICI Prudential FMP Series(366 days) of ₹ 10 each 5,000,000 units (31 March 2013: Nil)	-	50,000,000
	32,791,281	50,000,000

12 Loans and advances

Particulars	Non-current		Current	
	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Capital advances				
Unsecured, considered good	8,565,366	226,139	-	-
(A)	8,565,366	226,139	-	-
Security deposit				
Unsecured, considered good	22,963,402	3,218,000	3,807,646	1,831,257
Doubtful	-	-	328,360	-
(B)	22,963,402	3,218,000	4,136,006	1,831,257
Provision for doubtful advance	-	-	(328,360)	-
(B)	22,963,402	3,218,000	3,807,646	1,831,257
Advances recoverable in cash or kind				
Unsecured considered good	-	-	8,408,716	5,909,490
(C)	-	-	8,408,716	5,909,490
Other loans and advances				
Advance tax/tax deducted at source	-	-	7,225,474	2,918,761
Prepaid expenses	-	-	7,463,697	2,201,317
Balances with statutory/government authorities	-	-	1,303,826	192,011
(D)	-	-	15,992,997	5,312,089
Total (A+B+C+D)	31,528,768	3,444,139	28,209,359	13,052,836

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

13 Other assets

Particulars	Non- Current		Current	
	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 17)	-	161,398,805	-	-
Others				
Interest accrued on fixed deposits	-	1,305,160	2,249,511	533,465
Total	-	162,703,965	2,249,511	533,465

14 Current investments

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Non-trade investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds		
Birla Sun life Cash Plus Liquid Funds- Growth Option of ₹ 198.14 each 1,802,001 Units (March 2013: Nil)	357,041,562	-
Birla Sun Life FTP Series KG- Growth Option (FMP Funds) of ₹ 10.14 each 10,000,000 Units (March 2013: Nil)	101,362,000	-
DSP Black Rock Liquid Fund-Direct Growth Plan of ₹ 1,769each 141,305 Units (March 2013: Nil)	250,000,000	-
HDFC Cash Management Fund Saving Plan- Growth of ₹ 26 each 5,251,901 Units (March 2013: Nil)	135,534,231	-
ICICI Prudential FMP Series(366 days) of ₹ 10.88 each 5,000,000 Units (March 2013: Nil)	54,375,500	-
ICICI Prudential FMP Series- 72-366 days- Plan T of ₹ 10 10,000,000 Units (March 2013: Nil)	101,357,000	-
ICICI Prudential Liquid - Direct Plan- Growth Option of ₹ 183 each 2,217,679 Units (March 2013: Nil)	405,613,508	-
UTI Fixed Term Income Fund Series XVII-XVI(367 day)- Growth Plan of ₹ 10.12 each 10,000,000 Units (March 2013: Nil)	101,234,000	-
UTI Money fund-Institutional Plan of ₹ 1385 each 186,288 Units (March 2013: Nil)	257,941,073	-
IDFC Ultra Short Term Fund of ₹ 10 Nil units (31 March 2013: 7,492,451)	-	75,018,170
HDFC Mutual Fund of ₹, 10 Nil units (31 March 2013: 7,444,856)	-	75,050,846
	1,764,458,874	150,069,016
Aggregate amount of unquoted investments	1,764,458,874	150,069,016

15 Inventories (valued at lower of cost and net realisable value)

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Stock of traded goods (food guide)	-	3,524,133
	-	3,524,133

16 Trade receivables

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	66,549
Doubtful	6,185,628	2,347,004
Provision for doubtful receivables	(6,185,628)	(2,347,004)
	-	66,549
Other receivables		
Unsecured, considered good	21,968,432	15,361,371
Doubtful	-	44,100
Provision for doubtful receivables	21,968,432	15,405,471
	-	(44,100)
Total	21,968,432	15,361,371
	21,968,432	15,427,920

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

17 Cash and bank balances

Particulars	Non- Current		Current	
	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	211,118,757	28,283,974
- On saving accounts	-	-	30,588,904	-
Cash on hand	-	-	1,933,110	288,599
- Deposits with maturity of less than 3 months	-	-	44,222,322	15,191,329
	-	-	287,863,093	43,763,902
Other bank balances				
- Deposits with original maturity for more than 12 months		161,398,805	-	-
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	203,339,123	123,080,654
	-	161,398,805	203,339,123	123,080,654
Amount disclosed under other non-current assets (note 13)	-	(161,398,805)	-	-
Total	-	-	491,202,216	166,844,556

18 Revenue from operations

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Sale of services		
Revenue from advertisements	305,184,617	108,893,806
Revenue from sale of events' tickets	35,174	3,367,432
Revenue from restaurant bookings	807,936	1,501,354
Revenue from operations (net)	306,027,727	113,762,592

19 Other income

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Interest income on		
- Bank deposits	20,285,380	8,885,372
- Income tax refund	28,413	-
Dividend income on current investments	3,209,742	69,016
Income from current investment	8,328,500	-
Net gain on sale of current investments	23,198,002	-
Profit on sale of fixed assets	-	103,399
Foreign exchange gain (net)	121,480	-
Miscellaneous income	-	99,152
	55,171,517	9,156,939

20 (Increase)/decrease in inventories

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Inventories at the end of the year		
Traded goods	-	3,524,133
	-	3,524,133
Inventories at the beginning of the year		
Traded goods	3,524,133	-
Less: Inventory written-off during the year (refer note 24)	(3,524,133)	-
	-	-
	-	(3,524,133)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Detail of purchase of traded goods

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Food guides	-	4,065,683
	-	4,065,683

21 Employee benefit expense

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Salaries, wages and bonus	279,107,172	85,810,314
Contribution to provident and other funds	4,080,374	682,582
Gratuity Expense (note 27)	2,149,878	1,231,490
Staff welfare expenses	12,899,598	4,279,888
Shares based benefit expenses (refer note 36)	26,095,532	-
	324,332,554	92,004,274

22 Depreciation and amortization expense

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Depreciation of tangible assets	18,798,397	8,036,457
Amortization of intangible asset	2,875,197	1,158,231
	21,673,594	9,194,688

23 Finance costs

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Bank Charges	1,457,797	82,339
Interest-others	3,618	-
	1,461,415	82,339

24 Other expenses

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Power & fuel	5,804,693	2,858,731
Rent	59,221,492	19,012,537
Rates and taxes	4,797,082	3,044,103
Repairs and maintenance:		-
- Plant and machinery	3,618,433	1,542,591
- Building	6,079,145	945,029
Advertisement and sales promotion	110,119,973	48,457,683
Travelling and conveyance	85,252,681	21,351,423
Communication cost	36,795,970	9,192,767
Recruitment cost	1,723,242	47,403
Insurance	887,915	39,393
Commission and brokerage	1,107,868	884,009
Printing and stationary	3,369,166	880,174
Exchange difference (net)	-	3,183
Job work expenses	1,702,445	1,053,360
Legal and professional fee	53,034,284	6,408,662
Payment to auditor (refer detail below)	1,270,613	535,994
Security deposits written-off	107,000	-
Bad debts written off	1,452,992	1,873,583
Inventory written-off	3,524,133	-
Provision for doubtful debts and advances	4,166,984	2,391,104
Loss on sale of fixed assets	124,417	-
Miscellaneous expenses	1,281,487	87,694
	385,442,015	120,609,423

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Payment to auditor

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
As Auditor:		
Audit fee	1,123,600	500,000
In other capacity		
Other services (including certification)	57,682	-
Reimbursement of expenses	89,331	35,994
Total	1,270,613	535,994

25 Prior period items

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Rates & taxes	1,128,125	-
Salaries, Wages and Bonus	-	365,093
Contribution to provident and other fund	186,841	440,599
	1,314,966	805,692

26 Earnings per share (EPS)

The following reflects the (loss) and share data used in the basic EPS computations:

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Total operations for the year		
Net (loss) for calculation of basic EPS	(373,025,300)	(100,318,549)
Weighted average number of equity shares in calculating basic EPS	287,800	187,188
Basic/ diluted (loss) per equity share	(1,296.13)	(535.92)

There are potential equity shares as on 31 March 2014 and 31 March 2013 in the form of CCCPS and OCCRPS respectively. As these are anti dilutive, they are ignored in the calculation of diluted earning per share and accordingly the diluted earning per share is the same as basic earnings per share.

27 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss**Net employee benefit expense recognized in employee cost**

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Current service cost	2,244,324	1,096,807
Interest cost on benefit obligation	136,765	40,637
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the period	(231,211)	94,046
Past service cost	-	-
Net benefit expense	2,149,878	1,231,490
Actual return on plan assets	-	-

Balance sheet**Benefit asset/liability**

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Present value of defined benefit obligation	3,859,445	1,709,567
Fair value of planned assets	-	-
Plan (asset)/liability	3,859,445	1,709,567

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Opening defined benefit obligation	1,709,567	478,077
Current service cost	2,244,324	1,096,807
Interest cost	136,765	40,637
Benefit paid	-	-
Actuarial (gain) / losses on obligation	(231,211)	94,046
Closing defined benefit obligation	3,859,445	1,709,567

Changes in fair value of planned assets are as follows:

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Opening fair value of planned assets	-	-
Expected return	-	-
Contribution by the employer	-	-
Benefit paid	-	-
Actuarial gain / (losses)	-	-
Closing fair value of planned assets	-	-

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Discount rate	8.85%	8.00%
Expected rate of return on assets	NA	NA

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous period are as follows*

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)	31 March 2012 (Amount in ₹)	31 March 2011 (Amount in ₹)
Gratuity				
Defined benefit obligation	3,859,445	1,709,562	478,077	133,419
Plan assets	-	-	-	-
Surplus/(deficit)	(3,859,445)	(1,709,562)	(478,077)	(133,419)
Experience adjustments on plan liabilities	19,133	(35,832)	26,123	-
Experience adjustments on plan assets	-	-	-	-

*Since, the company has started its operations from 18 January 2010 and prepared its financial statements first time from 18 January 2010 to 31 March 2011, above mentioned disclosures for other previous one periods are not applicable.

28 Leases**Operating lease: company as lessee**

The company has operating lease for space for office premises.

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Lease payment for the period		
Lease payment for the year	59,221,492	19,012,537
	59,221,492	19,012,537
Future minimum lease payable under non-cancellable operating lease as follows		
Not later than one year	23,613,333	
Later than one year but not later than five year	64,820,000	
Later than five year	-	
	88,433,333	

The Company has not given or taken any sub-leases during the current year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

29 Segment information

Business segments

The primary reporting of the Company has been performed on the basis of Business segments. As the company has only one reportable business segment which is operating an internet portal providing all sorts of information, including but not limited to details of menus, contacts, discount offers, quality of service & food about restaurants & caterers, and other service providers to be availed by users of the website in making informed decisions about their dining options and related facilities and by restaurants, hotels and other caterers to advertise themselves to the target audience in India & abroad. Accordingly the figures in these financial statements relate to the Company's single business segment.

Geographical segments

The company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following tables present revenue, expenditure and certain asset information regarding the company's geographical segments to segment assets by geographical area in which assets are located:

Sales:

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
India	211,565,121	110,703,857
Dubai	81,162,151	
Others	13,300,455	3,058,735
Total	306,027,727	113,762,592

Assets and additions to tangible and intangible fixed assets by geographical area:

The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located:

Particulars	Carrying amount of segment assets		Addition to fixed assets and intangible assets	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
India	2,126,212,163	573,417,307	34,920,289	17,753,343
Dubai	54,421,332	-	1,515,501	-
Other	228,892,270	9,180,850	3,905,423	862,001
Total	2,409,525,765	582,598,157	40,341,213	18,615,344

30 Name of related parties and related party relationship

Holding Company	Info Edge (India) Limited (w.e.f.28th March,2013)
Associates	SCI Growth Investment II (w.e.f 6 November 2013)
Subsidiary	Zomato Midia Brasil Ltda (w.e.f 02 February 2014) Zomato Media Portugal Unipessoal Lda (w.e.f. 13 February 2014)
Key Management Personnel	Deepinder Goyal (Director) Pankaj Chaddah (Director) Sudhir Bhargava (Director) Mohit Bhatnagar(Director w.e.f 06 November 2013)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Related Party Disclosure

Nature of Transactions	Key Management Personnel		Holding company		Associates		Subsidiaries		Total	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Remuneration paid to Directors										
Pankaj Chaddah	3,347,004	2,079,603	-	-	-	-	-	-	3,347,004	2,079,603
Deepinder Goyal	4,800,000	3,362,502	-	-	-	-	-	-	4,800,000	3,362,502
Equity share capital issued										
Info Edge (India) Limited	-	-	-	96,979	-	36,083	-	-	-	133,062
Deepinder Goyal on behalf of Foodiebay Employee ESOP Trust (not yet constituted)	6,035	-	-	10,527	-	-	-	-	6,035	10,527
Preference share capital (OCCRPS) issued										
Info Edge (India) Limited	-	-	-	18,922	-	44,584	-	-	-	63,506
Preference share capital (CCCPS) issued										
Infoedge (India) Limited	-	-	212,250	-	-	-	-	-	212,250	-
SCI Growth Investments	-	-	-	-	575,660	-	-	-	575,660	-
Securities premium received										
On equity shares (Info Edge (India) Limited)	-	-	-	439,966,527	-	28,963,936	-	-	-	468,930,463
On preference shares (OCCRPS)										
(Info Edge (India) Limited)	-	-	-	128,581,045	-	134,955,374	-	-	-	263,536,419
On preference share capital (CCCPS) issued										
Infoedge (India) Limited	-	-	572,437,079	-	-	-	-	-	572,437,079	-
SCI Growth Investments	-	-	-	-	1,552,551,840	-	-	-	1,552,551,840	-
Share application money to be refunded										
(Info Edge (India) Limited)	-	-	56	56	-	-	-	-	56	56
Investment in subsidiaries										
Zomato Midia Brasil Ltda	-	-	-	-	-	-	19,942,281	-	19,942,281	-
Zomato Media Portugal Unipessoal Lda	-	-	-	-	-	-	12,849,000	-	12,849,000	-
Loan and advances										
Prepaid expenses and insurance	-	-	50,806	-	-	-	-	-	50,806	-
Payment of expenses										
Recruitment expenses										
(Info Edge (India) Limited)	-	-	740,301	2,809	-	-	-	-	740,301	2,809
Balance payable at the end of the period:										
Pankaj Chaddah	18,720	37,573	-	-	-	-	-	-	18,720	37,573
Deepinder Goyal	-	399,008	-	-	-	-	-	-	-	399,008

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31 Details of dues to micro and small as defined under MSMED Act 2006

The Company, has during the year, not received any intimation from any of its suppliers regarding their status under The Micro and Small Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end along with interest paid/payable as required under the said Act have not been given. Based on the information available with the Company there are no principal/interest amounts due to micro, small and medium enterprises.

32 Unhedged foreign currency exposure

The Company does not use derivative financial instruments such as forward exchange contracts or options to hedge its risks associated with foreign currency fluctuations or for trading/speculation purpose.

The amount of foreign currency exposure not hedged by derivative instruments or otherwise is as under:

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Trade receivable	AED 715,792 @16.27 (₹.11,642,422) GBP 2,032 @ 99.42 (₹.202,064) Peso 1,309,579 @ 1.33 (₹.1,743,966) RND 116,295 @ 5.65 (₹.656,648) NZD 1,978 @ 51.68 (₹.102,245) TRL 5,777 @ 27.25 (₹.157,448)	AED 29,175 @14.7 (₹.428,873) GBP 450 @ 82.32 (₹.37,044) - - - -
Bank	AED 341,400 @16.27 (₹.5,552,906) GBP 623,648 @ 99.42 (₹.62,001,965) Peso 22,969,816 @ 1.33 (₹.30,588,904) RND 6,267,949 @ 5.65 (₹.35,391,348) NZD 854,006 @ 51.68 (₹.44,137,506) TRL 1,451,460 @ 27.25 (₹.39,558,514)	AED 237,658 @14.7 (₹.3,493,573) - - - - - -
Cash in foreign currency	AED 37,193 @16.27 (₹.604,944) GBP 191 @ 99.42 (₹.18,939) Peso 261,848 @ 1.33 (₹.348,703) RND 49,257 @ 5.65 (₹.278,125) NZD 896 @ 51.68 (₹.46,287) TRL 285 @ 27.25 (₹.7,778)	AED 12,367 @14.7 (₹.181,796) GBP 1,161 @ 82.32 (₹.95,603) - - - -
Advance recoverable in cash or in kind or for value to be received	AED 281,236 @16.27 (₹.4,574,332) GBP 5,443 @ 99.42 (₹.541,124) RND 33,904 @ 5.65 (₹.191,436) NZD 314 @ 51.68 (₹.16,123)	AED 61,241 @14.7 (₹.900,240) GBP 9,197 @ 82.32 (₹.757,108) - -

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
	TRL 2,112 @ 27.25 (₹.57,549)	-
Other loans & advances	AED 261,192 @16.27 (₹.4,248,314)	AED 31,391 @14.7 (₹.461,446)
	GBP 35,839 @ 99.42 (₹.3,563,070)	GBP 879 @ 82.32 (₹.72,318)
	RND 281,970 @ 5.65 (₹.1,592,114)	-
	Peso 739,943 @ 1.33 (₹.985,382)	-

33 Value of imports calculated on CIF basis

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Capital goods	-	1,746,546
Total	-	1,746,546

34 Expenditure in foreign currency (accrual basis)

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Power & fuel	1,487,200	94,474
Rent	31,157,003	5,862,040
Repairs and maintenance:	-	-
- Plant and machinery	1,635,103	543,225
- Building	1,220,397	101,815
Travelling and conveyance	50,371,807	7,229,399
Communication cost	14,678,653	1,066,417
Printing and stationary	1,129,418	108,998
Legal and professional fees	48,578,828	3,065,697
Salaries, wages and bonus	107,678,393	4,818,038
Staff welfare expenses	6,904,447	810,097
Bank charges	873,082	17,985
Provision for doubtful debts	734,667	44,100
Advertisement expenses	40,994,100	7,618,956
Rates & taxes	1,882,242	-
Insurance	817,341	-
Commission and brokerage expenses	114,858	-
Recruitment cost	710,668	-
Bad debt written-off	83,435	-
Miscellaneous expenses	1,214,049	55,840
Total	312,265,691	31,437,081

35 Earning in foreign currency (accrual basis)

Particulars	31 March 2014 (Amount in ₹)	31 March 2013 (Amount in ₹)
Sales of services	94,462,606	3,058,735
Total	94,462,606	3,058,735

36 During the year, the Company has offered / allotted 1,260 equity shares at ₹ 1 each, as awards to certain employees for their significant contribution towards growth of the Company. The difference between the allotted price and fair value amounting to ₹ 26,095,532 has been charged as 'Shares based benefit expenses' in note 24, with resultant credit to Capital reserve.

37 As at 31 March 2014, the company has estimated amount of contract remaining to be executed on capital account not provided for, net of advances ₹ 13,344,634 (31 March 2013: ₹ nil)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

38 As at the year ended on March 31, 2014 and March 31, 2013, the Company is having net deferred tax assets primarily comprising of unabsorbed Depreciation and carry forward Losses under tax laws. However in the absence of virtual certainty as to its realization of Deferred Tax Assets (DTA), DTA has not been created.

39 Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification and figure for the year ended 31 March 2013 audited by firm other than S R Batliboi & Associates LLP.

As per our report of even date
For S R Batliboi & Associates LLP
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Zomato Media Private Limited

per Yogesh Midha
Partner
Membership No.: 94941

Pankaj Chaddah
(Director)

Deepinder Goyal
(Director)

Place: Gurgaon
Date: 22/04/2014

Rakesh Kumar
(Director Finance)

DIRECTOR'S REPORT

Dear Shareholders,

The Directors have pleasure in presenting the fourth Annual Report on the operations of the Company and the Audited Accounts for the period ended 31st March, 2014.

The Company was Incorporated on 21st Sept, 2010 vide Certificate of Incorporation bearing No. **U74999MH2010PTC207974**. The company's main activity is providing services and solutions in relation to placement consultancy, personnel recruitment, staffing etc, and to develop, possess, buy, sell and market certain technological solutions in area of placement consultancy including technologies like development and marketing of recruitment framework software.

FINANCIAL RESULTS

During the financial year ended March 31, 2014 the Company incurred a loss of ₹.1,93,000/-. Detailed financial results are stated in Annual Accounts.

DIVIDEND

Your Directors do not propose any dividend for the Accounting Year ended 31st March 2014.

EMPLOYEES

There were no employees who were in receipt of remuneration in excess of the sum prescribed by the Companies Act.

AUDITORS

M/s. Naresh S. Shah & Associates, Chartered Accountants (Membership No. 10585) who were appointed as Auditors at the conclusion of the last annual general meeting resigned from their office. The Company appointed M/s Sharma Goel & Co. LLP, Chartered Accountants as the Auditors of the Company till the conclusion of its ensuing Annual General Meeting . They being eligible offer themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The Company believes in conservation of energy and using latest technologies. However, no major activity is done in current year hence, no substantial /major act for conserving energy is considered necessary.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange outgo or any inflow in current year.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required Under Section 217 of the Companies Act, the directors hereby confirm that:

- i) The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable so as to give true and fair view of the state of affairs of the company at the end of the financial year and profit of the company for that period.
- ii) The Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities to the best of their knowledge.
- iii) The directors have prepared the Annual Accounts on Going Concern basis.
- iv) Management hereby declares that, none of the Directors are disqualified for being appointed as such, as required under clause (g) of Sub-Section (1) of Section 274 of Companies Act.
- v) The Balance Sheet and Profit and Loss accounts comply with, the Accounting Standards to the extent applicable, referred to in Section 211 (3C) of the Companies Act, 1956.

APPRECIATION:

The directors acknowledge with gratitude, the co-operation and assistance from all with whom the company has dealt with. The directors also place on record their appreciation for the dedicated service rendered by the officers and staff of the company.

For and on behalf of the Board

Place: Noida
Date: May 5, 2014

Ambarish Raghuvanshi Director	Sanjeev Bikhchandani Director
----------------------------------	----------------------------------

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAKESENSE TECHNOLOGIES PRIVATE LIMITED.

1. Report on the Financial Statements

We have audited the accompanying financial statements of Makesense Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other legal and Regulatory Requirements

- i) The Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, is not applicable.
- ii) As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sharma Goel & Co. LLP
Chartered Accountants
FRN:000643N

Rajesh Mittal
Partner

Membership No.095681

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Note No.	As at March 31, 2014 Amount (₹' 000)	As at March 31, 2013 Amount (₹' 000)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	5,000	5,000
(b) Reserves and Surplus	4	(4,291)	(4,098)
(2) Current Liabilities			
(a) Other current liabilities	5	2,691	2,429
(b) Trade Payables	6	17	25
Total		3,417	3,356
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	26	96
(ii) Intangible assets under development		3,350	3,248
(2) Current assets			
(a) Cash and cash equivalents	8	23	12
(b) Short-term loans and advances	9	18	-
Total		3,417	3,356

Significant Accounting Policies

2

This is the Balance Sheet referred to in our report of even date

The notes are an integral part of these financial statements.

Rajesh Mittal
Partner
Membership No. - 095681

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Place: New Delhi
Date: May 5, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING MARCH 31, 2014

Particulars	Note No	Year Ended March 31, 2014 Amount (₹'000)	Year Ended March 31, 2013 Amount (₹'000)
I. Revenue from operations		-	-
II. Other Income		-	-
III. Total Revenue (I +II)		-	-
IV. Expenses:			
Administration and Other expenses	10	85	977
Advertising and Promotion Cost	11	37	17
Network, Internet & other Direct Charges	12	-	530
Employee Benefits Expense	13	-	706
Finance Costs		1	1
Depreciation	7	70	15
Total Expenses		193	2,246
V. Profit before tax (III - IV)		(193)	(2,246)
VI. Tax expense:			
(1) Current tax		-	-
VII. Profit(Loss) from the perid from continuing operations (V-VI)		(193)	(2,246)
VIII. Profit/(Loss) from discontinuing operations		-	-
IX. Tax expense of discounting operations		-	-
X. Profit/(Loss) from Discontinuing operations (VIII - IX)		-	-
XI. Profit/(Loss) for the period (VII + X)		(193)	(2,246)
XII. Earning per equity share:	15		
(1) Basic		-0.39	-4.49
(2) Diluted		-0.39	-4.49

Significant Accounting Policies

2

This is the Statement of Profit and Loss referred to in our report of even date

Rajesh Mittal
Partner
Membership No.- 095681

The notes are an integral part of these financial statements.

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date: May 5, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Sr. No.	Particulars	For the year ended March 31, 2014 Amount (₹'000)	For the year ended March 31, 2013 Amount (₹'000)
A.	Cash flow from operating activities:		
	Net profit before tax	(193)	(2,246)
	Adjustments for:		
	Depreciation	70	-
	Interest received on income tax refund	-	-
	Excess provision written back	-	-
	Operating profit before working capital changes	(123)	(2,246)
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in Sundry Debtors	-	-
	- (INCREASE)/DECREASE in Loans, Advances and Other Current Assets	-	-
	- INCREASE/(DECREASE) in Current Liabilities and Provisions	254	(37)
	Cash generated from operating activities	131	(2,283)
	- Taxes (Paid) / Received (Net of TDS)	(19)	-
	Net cash from operating activities	112	(2,283)
B.	Cash flow from Investing activities:		
	Change in Tangible Assets	-	15
	Change in Intangible Assets	(101)	(1,151)
	Change in Miscellaneous Expenditure (Fully w/off)	-	192
	Net cash used in investing activities	(101)	(944)
C.	Cash flow from financing activities:		
	Increase in Paid Up Capital	-	4,900
	Unsecured Loan Repaid	-	(1,771)
	Net cash used in financing activities	-	3,129
	Net Increase/(Decrease) in Cash & Cash Equivalents	11	(98)
	Opening Balance of Cash and cash equivalents	12	110
	Closing Balance of Cash and cash equivalents	23	12
	Cash and cash equivalents comprise		
	Cash in hand	1	1
	Balance with Scheduled Banks		
	-in current accounts	22	11
	Total	23	12

Notes :

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 on Cash Flow Statement, prescribed under Companies (Accounting Standards) Rules, 2006 as notified by the Central Government vide its notification
- Figures in brackets indicate cash outflow.

This is the Cash Flow Statement referred to in our report of even date

Rajesh Mittal
Partner
Membership No.- 095681

For and on behalf of the Board of Directors

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date: May 5, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. General Information

Makesense Technologies Private Limited (the company) is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a wholly owned subsidiary of Info Edge (India) Ltd.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

These financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 (the 'Act') and the relevant provisions of the Act.

2.2 Tangible Assets

Fixed Assets are stated at cost of acquisition along with related taxes, duties and incidental expenses related to these assets.

2.3 Intangible Assets

Intangible assets represents various expenses incurred in developing the software and primarily includes the payments to software experts, salary of employees who contributed to software development, server/domain maintenance charges etc.

2.4 Taxes on Income

As a measure of prudence the Deferred Tax Assets (Net) in terms of Accounting Standard No. 22 specified in Companies (Accounting Standard) Rules, 2006 have not been recognized in the absence of their being virtual certainty supported by convincing evidence that sufficient future taxable income would be available against which such deferred tax assets could be realized.

2.5 Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

2.6 Provisions and Contingencies

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

2.7 Depreciation

Depreciation has been provided on fixed assets on straight line basis.

2.8 Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in India requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

3. SHARE CAPITAL

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
AUTHORISED 500,000 Equity Shares of ₹ 10/- each (Previous Year - 500,000 Equity Shares of ₹ 10/- each)	5,000	5,000
ISSUED, SUBSCRIBED & PAID-UP 10,000 Equity Shares of ₹ 10/- each, fully paid up (Previous Year - 10,000 Equity Shares of ₹ 10/- each)	5,000	5,000
	5,000	5,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

Particulars	As at	As at	As at	As at
	March 31, 2014 No of Shares	March 31, 2014 Amount (₹'000)	March 31, 2013 No of Shares	March 31, 2013 Amount (₹'000)
Equity Shares				
At the beginning of the period	500,000	5,000	10,000	100
Add: Issued during the period	-	-	490,000	4,900
Outstanding at the end of the period	500,000	5,000	500,000	5,000

b. Terms/Rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

c. Details of shareholders holding more than 5% shares in the company

Particulars	FY 2013-14		FY 2012-13	
	No of Shares	% Holding	No of Shares	% Holding
Equity Shares of ₹ 10 each fully paid				
Info Edge (India) Ltd	499,999	99.99%	499,999	99.99%
	499,999	99.99%	499,999	99.99%

4. RESERVES AND SURPLUS

Particulars	As at	As at
	March 31, 2014 Amount (₹'000)	March 31, 2013 Amount (₹'000)
Statement of Profit & Loss		
Opening Balance	(4,098)	(1,852)
Add: Net Profit after tax transferred from statement of Profit and Loss	(193)	(2,246)
	(4,291)	(4,098)

5. OTHER CURRENT LIABILITIES

Particulars	Long Term		Short Term	
	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Payable to Holding Company	-	-	2,691	2,429
	-	-	2,691	2,429

6. TRADE PAYABLES

Particulars	Long Term		Short Term	
	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Audit Fees Payable	-	-	17	25
	-	-	17	25

Based on information available with the Company, there are no dues to micro, small and medium enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

7. FIXED ASSETS

Description	Amount (₹' 000)									
	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2013	Additions during the year	Deletions during the year	As at March 31, 2014	Up to April 1, 2013	Depreciation/ Amortisation for the year	Accumulated Depreciation on Deletions	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Plant & Mach	35	-	-	35	4	15	-	19	16	31
Computers	80	-	-	80	21	49	-	70	10	59
Printer	6	-	-	6	-	6	-	6	-	6
Total	121	-	-	121	25	70	-	95	26	96
Previous Year	121	-	-	121	10	15	-	25	111	-

8. CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Cash & Cash Equivalents		
(a) Cash in Hand	1	1
(b) Balance with Bank in Current Account	22	11
	23	12

9. SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
(Unsecured, considered good)		
Service Tax Receivable	18	-
	18	-

10. ADMINISTRATION AND OTHER EXPENSES

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Repairs & Maintenance	-	6
Electricity Charges	-	121
Telephone & Mobile charges	-	44
Office Rent	-	329
Other exp	-	25
Preliminary Exps w/off	-	4
Travelling Expenses	-	59
Printing & Stationery	-	1
PRI Port Rental	-	93
PRI Telephone Line Rental	-	46
ROC Filing Fees	2	7
Misc exp w/off during the year	-	176
Legal & Professional Fees	83	66
	85	977

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

11. ADVERTISING & PROMOTION COST

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Advertising Exp	37	10
HR Conference	-	7
	37	17

12. NETWORK, INTERNET & OTHER DIRECT CHARGES

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
SMS & Dedicated long code service Pack Charges	-	37
Internet Chagres	-	115
BPO Teleservices	-	105
IVR Recording Project	-	10
Web Server & Domain Rental	-	263
	-	530

13. EMPLOYEES BENEFITS

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
Directors Remuneration	-	393
Monthly Allowance to Directors	-	269
Professional Tax	-	42
Staff Welfare	-	2
	-	706

14. AUDITORS REMUNERATION

Particulars	As at March 31, 2014 Amount (₹'000)	As at March 31, 2013 Amount (₹'000)
As Auditors	17	25
Out of Pocket Expenses & Service Tax	-	-
	17	25

15. BASIC & DILUTED EARNINGS PER SHARE (EPS)

Particulars	As at March 31, 2014	As at March 31, 2013
Profit attributable to Equity Shareholders (₹'000)	(193)	(2,246)
Weighted average number of Equity Shares outstanding during the year (Nos.)	500,000	500,000
Basic & Diluted Earnings Per Equity Share of ₹ 10 each (₹)	(0.39)	(4.49)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

16. The Company is not engaged in either manufacturing or trading of goods. Accordingly disclosures relating to Quantitative information as required under Part II of Schedule VI to the Act, with regard to finished goods / raw materials and components consumed are not applicable.

17 (1) Related Party Disclosures

A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 and where control exists for the year ended March 31, 2014:

Holding Company

Info Edge (India) Limited

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

B) Details of transactions with related party for the year ended March 31, 2013 in the ordinary course of business:

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Advances received for business purposes	149	-	-	149
	-	-	-	-

C) Amount due to/from related parties as at March 31, 2013

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Debit Balances				
Outstanding Advances	-	-	-	-
Maximum Amount outstanding during the year	2,691	-	-	2,691
Credit Balances				
Outstanding Payable	2,691	-	-	2,691

17. (2) Related Party Disclosures

A) Names of related parties with whom transactions were carried out and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 specified in Companies (Accounting Standard) Rules, 2006 and where control exists for the year ended March 31, 2013:

Holding Company

Info Edge (India) Limited

Key Management Personnel (KMP) & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

B) Details of transactions with related party for the year ended March 31, 2013 in the ordinary course of business:

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Director's Remuneration	-	393	-	393
Advances received for business purposes	2,429	-	-	2,429

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

C) Amount due to/from related parties as at March 31, 2013

Amount (₹'000)

Nature of relationship / transaction	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Debit Balances				
Outstanding Advances	-	-	-	-
Maximum Amount outstanding during the year	-	-	-	-
Credit Balances				
Outstanding Payable	2,429	-	-	2,429

18. The Company has changed its accounting policy of charging Depreciation on fixed assets with effect from 1st April 2013 to maintain the uniformity with its parent company and due to this change the company has debited additional depreciation of ₹ 37,079 relating to all years since inception in the statement of Profit & Loss A/c.
19. No disclosure is required under Accounting Standard 17 on Segment Reporting specified in Companies (Accounting Standard) Rules, 2006 as the Company is having the income from license fees received for the usage of its domain name, trademark etc.
20. **Employee Benefits**
The requirements of AS-15 on Employee Benefits specified in Companies (Accounting Standard) Rules, 2006 are not applicable on the company since there was no employee employed by the company during the year.
21. Previous year's figures have been regrouped / recast to confirm to current year's presentation.

Rajesh Mittal
Partner
Membership No.- 095681

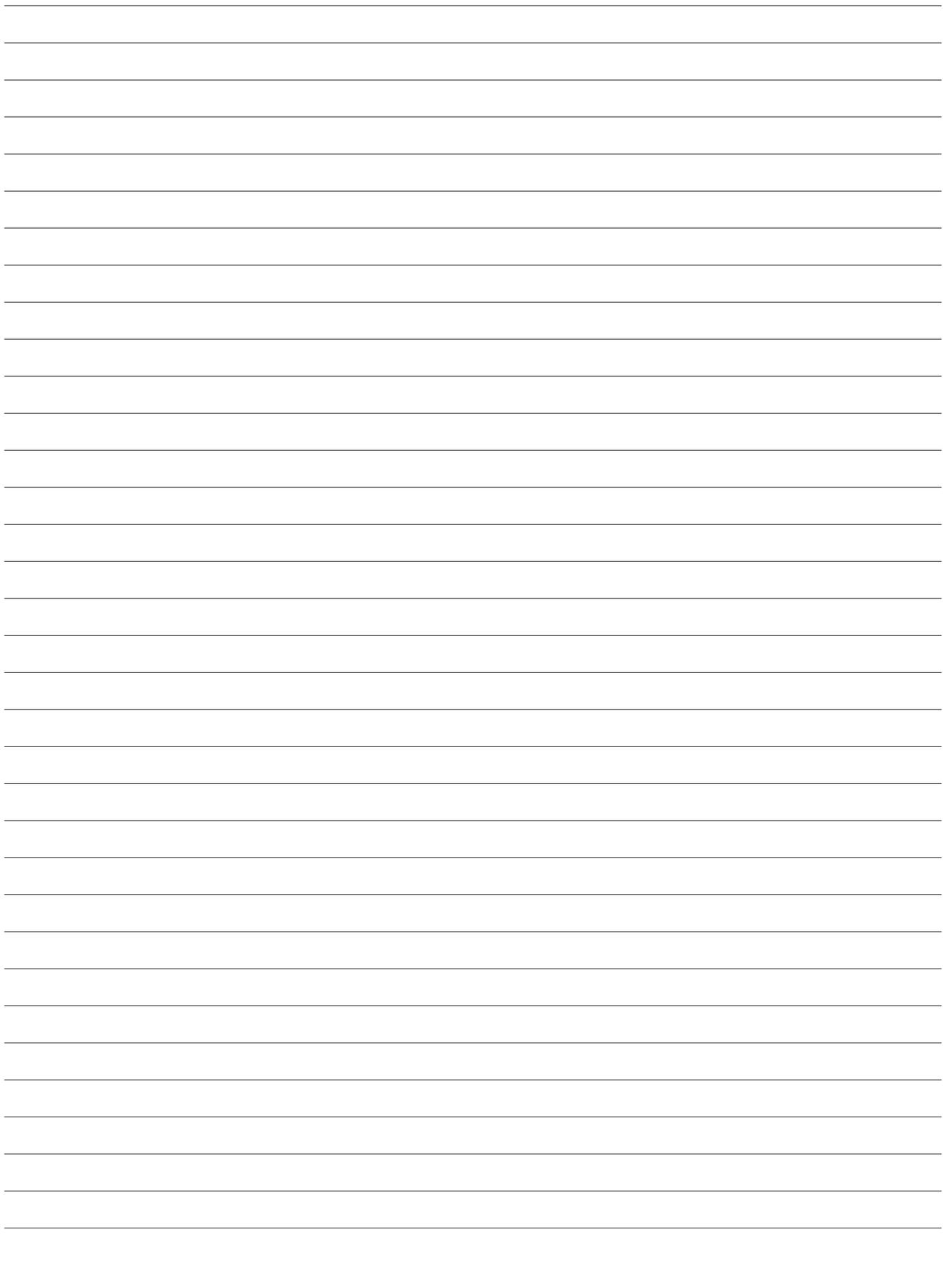
For and on behalf of the Board of Directors

For and on behalf of
Sharma Goel & Co. LLP
Chartered Accountants

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date: May 5, 2014



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INFO EDGE

INFO EDGE (INDIA) LIMITED

REGISTERED OFFICE

GF-12A, 94, Meghdoot Building,
Nehru Place, New Delhi-110 019 India

CORPORATE OFFICE

B-8, Sector-132, Noida – 201 304
Uttar Pradesh, India

