

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, 2013, 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"). 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 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. 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, 2013;
 - (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.

INDEPENDENT AUDITORS' REPORT

To the Members of Applect Learning Systems Private Limited

Report on the Financial Statements

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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;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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 03, 2013

Amitesh Dutta
Partner
Membership Number 58507

APPLECT LEARNING SYSTEMS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No	Figures as at March 31, 2013 (Rs.' 000)	Figures as at March 31, 2012 (Rs. '000)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	356	281
(b) Reserves and Surplus	4	265,529	173,531
(2) Non-Current Liabilities			
(a) Long-term provisions	5	2,273	901
(3) Current Liabilities			
(a) Trade payables	6	10,841	11,944
(b) Other current liabilities	7	104,341	34,221
(c) Short-term provisions	5	923	301
Total		384,263	221,179
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	30,841	10,626
(ii) Intangible assets	8	3,205	2,317
(b) Long term loans and advances	9	16,724	4,555
(c) Other non-current assets	10	279	21,386
(2) Current assets			
(a) Inventories	11	-	189
(b) Cash and bank balances	12	319,433	170,221
(c) Short-term loans and advances	9	10,938	6,565
(d) Other current assets	10	2,843	5,320
Total		384,263	221,179

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.

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

Pavan Chauhan Ritesh Hemrajani
Director Director

Place : Gurgaon
Date : May 03, 2013

Place : Delhi
Date : May 03, 2013

APPLECT LEARNING SYSTEMS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No	Year ended March 31, 2013	Year ended March 31, 2012
		(Rs.'000)	(Rs.'000)
I. Revenue from operations	13	98,228	40,699
II. Other Income	14	8,847	10,589
III. Total Revenue (I +II)		107,075	51,288
<u>IV. Expenses:</u>			
Increase/(Decrease) in Inventories	15	189	(189)
Employee Benefits Expense	16	143,867	46,278
Finance Costs	17	140	1,088
Depreciation and Amortisation	18	11,773	4,503
Advertising and Promotion cost	19	95,256	20,999
Administration and Other expenses	20	55,265	21,203
Network, Internet and Other direct charges	21	17,852	6,485
Total Expenses		324,342	100,367
V. Loss before tax (III - IV)		(217,267)	(49,079)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII. Loss for the year from continuing operations (V-VI)		(217,267)	(49,079)
VIII. Loss for the year (VII)		(217,267)	(49,079)
IX. Earnings per equity share: Nominal Value of Share Rs 10/- (Previous Year Rs 10/-)	27		
(1) Basic		(8,007)	(2,035)
(2) Diluted		(8,007)	(2,035)

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.

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

Pavan Chauhan
Director

Ritesh Hemrajani
Director

Place : Gurgaon
Date : May 03, 2013

Place : Delhi
Date : May 03, 2013

APPLECT LEARNING SYSTEMS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

S. No.	PARTICULARS	For the Year Ended	For the Year Ended
		31st March 2013	31st March 2012
		(Rs. '000)	(Rs. '000)
A.	Cash Flow From Operating Activities:		
	Loss before tax	(217,267)	(49,079)
	Adjustments for:		
	Interest Income	(8,846)	(10,589)
	Depreciation and Amortisation	11,773	4,503
	Preference Dividend / Interest on debentures	-	781
	(Profit)/Loss on sale of assets	(1)	-
	Employee Stock Option Scheme Compensation Expense	9,311	38
	Operating Loss before working capital changes	(205,030)	(54,346)
	Adjustments for changes in working capital:		
	(Increase)/Decrease in Loans and Advances and Other Current Assets	(3,992)	(5,022)
	Increase/(Decrease) in Trade payables and other liabilities	71,015	28,733
	Cash generated from operations	(138,007)	(30,635)
	Direct Taxes (Paid) / Received	(934)	(1,125)
	Net Cash used in Operating Activities	(138,941)	(31,760)
B.	Cash Flow From Investing Activities:		
	Purchase of Fixed Assets	(32,883)	(11,821)
	Proceed from Sale of Fixed Assets	8	-
	Interest received	12,210	5,532
	Net Cash used in Investing Activities	(20,665)	(6,289)
C.	Cash Flow From Financing Activities:		
	Proceeds including securities premium from issue of equity shares	300,025	254,592
	Redemption/(Conversion in to equity shares) of debentures	-	(50,000)
	Preference Dividend	-	-
	Interest on debentures	-	(781)
	Loan given to Applect ESOP trust	(11,427)	(16)
	Net Cash from Financing Activities	288,598	203,795
	Net Increase/(Decrease) in Cash and Cash Equivalents	128,992	165,746
	Opening balance of Cash and Cash Equivalents (April 01, 2012 / April 01, 2011)	190,720	24,974
	Closing balance of Cash and Cash Equivalents	319,712	190,720
	Cash and cash equivalents comprise of:		
	Balance with Banks		
	-in current accounts	19,433	37,576
	-in fixed deposits	300,279	153,144
	Total	319,712	190,720

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.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse & Co.
Firm Registration Number:0500325
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number: 58507

Pavan Chauhan
Director

Ritesh Hemrajani
Director

Place : Gurgaon
Date : May 03, 2013

Place :- Delhi
Date : May 03, 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. General Information

Appect Learning Systems Private Limited (the Company) was incorporated on April 04, 2001 under the Companies Act, 1956 (the 'Act') and is engaged in the business of providing online coaching services.

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. 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 normal 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 cost of acquisition along with related taxes, duties and incidental expenses related to these assets.

Intangible fixed assets are stated at their cost of acquisition.

Profit/Loss on disposal of fixed assets is recognized in the Statement of Profit & Loss.

2.3. Depreciation

Fixed assets are depreciated under written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

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 Rs 5,000 are fully depreciated in the year of acquisition.

2.4. Inventories

Inventories are stated at lower of cost or net realisable value. Cost is determined using weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.5. 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.

2.6. Revenue Recognition

The Company primarily earns revenue from online coaching services.

Revenue from online coaching is received in the form of subscription fee which is recognized over the period that coaching is imparted.

Revenue is shown net of service tax and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

2.7. 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 plan 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.

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

Termination benefits are recognized as an expense immediately.

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 on a straight line basis over the lease term.

2.9. Taxes on Income

Tax expense comprises of current tax and deferred tax. 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. 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.

2.11. 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 payments 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.

2.12. 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 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.

2.14 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, 2013 (Rs.'000)	As at March 31, 2012 (Rs.'000)
AUTHORIZED CAPITAL		
247,000 Equity Shares of Rs. 10/- Each (Previous Year 247,000 Equity shares of Rs. 10 each)	2,470	2,470
30,000 Preference Shares of Rs. 1/- Each (Previous Year 30,000 Preference shares of Rs.1 each)	30	30
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
35,638 Equity Shares of Rs. 10/- Each fully paid up (Previous Year 26,600 Equity shares of Rs. 10 Each fully paid up)	356	266
Nil 0.1% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)	-	15
(Previous Year 0.1% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) 15,000 of Rs. 1/- Each)		
	356	281

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

Particulars	As at March 31, 2013 No of Shares	As at March 31, 2013 (Rs.'000)	As at March 31, 2012 No of Shares	As at March 31, 2012 (Rs.'000)
Equity Shares				
At the beginning of the period	26,600	266	19,655	197
Add: Issued during the period	9,038	90	6,945	69
Outstanding at the end of the period	35,638	356	26,600	266

Particulars	As at March 31, 2013 No of Shares	As at March 31, 2013 (Rs.'000)	As at March 31, 2012 No of Shares	As at March 31, 2012 (Rs.'000)
Preference Shares				
At the beginning of the period	15,000	15	-	-
During the period				
Add: Issued	-	-	15,000	15
Less: Converted/Redeemed	(15,000)	(15)	-	-
Outstanding at the end of the period	-	-	15,000	15

b. (1) Terms/Rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. 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.

b. (2) Terms/ Rights attached to preference shares

The company has only one class of 0.1% OCCRPS having a par value of Rs 1 per share, each holder of preference shares is entitled to one vote per share 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 0.1% per annum payable in Indian Rupees.

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 Ordinary 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. 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	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
Equity Shares allotted as fully paid bonus shares by capitalisation of securities premium	-	-	-	-	-
Equity Shares allotted as fully paid up pursuant to contracts for consideration other than cash	-	-	-	-	-
Equity Shares bought back by the company	-	-	-	-	-

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

Particulars	FY 2012-13		FY 2011-12	
	No of Shares	% Holding	No of Shares	% Holding
Equity Shares of Rs 10 each fully paid				
Info Edge (India) Ltd.	19,300	54.16%	13,210	49.66%
ESOP - Apblect	7,479	20.99%	4,203	15.80%
Ritesh Hemrajani	2,509	7.04%	3,040	11.43%
Pavan Chauhan	5,987	16.80%	5,987	22.51%
	35,275	98.98%	26,440	99.40%

Particulars	FY 2012-13		FY 2011-12	
	No of Shares	% Holding	No of Shares	% Holding
0.1% OCCRPS of Rs. 1 each Fully Paid up				
Info Edge (India) Ltd.	-	-	15,000	100.00%
	-	-	15,000	100.00%

e. Details of share held by Holding Company

Name of Holding company	FY 2012-13		FY 2011-12	
	No. of Shares	In %	No. of Shares	In %
Equity Shares Of Rs 10 each				
Info Edge (India) Ltd.	19,300	54.16%	13,210	49.66%
	19,300	54.16%	13,210	49.66%

Name of Holding company	FY 2012-13		FY 2011-12	
	No. of Shares	In %	No. of Shares	In %
0.1% OCCRPS of Rs. 1 each Fully Paid up				
Info Edge (India) Ltd.	-	-	15,000	100.00%
	-	-	15,000	100.00%

f) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

i) 2,087 Equity shares of Rs.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 (Rs.150,000,000/- 0.1% OCCRPS 15,000 Preference Shares)

[Previous Year 3,372 Equity shares of Rs.10 each (Face Value) at Rs.15,737.16 each (Security Premium) were issued on 4-Jul-2011 to debenture holders in settlement of their dues (Rs.50,000,000/- Convertible debenture and Rs. 3,099,424 /-Interest on debenture due, till date of conversion of debentures in to equity shares.)]

g). Terms of Securities convertible into Equity Shares

The 0.1% OCCRPS may be converted into Ordinary Shares at the option of the holder of the OCCRPS on the fourth anniversary of the date of issuance and allotment of the 0.1% OCCRPS The number of Ordinary Shares issuable pursuant to the conversion of any 0.1% OCCRPS ("Conversion Ratio") shall be based on the following formula:

[Subscription Amount paid for the 0.1% OCCRPS being converted / (Subscription Amount paid for the 0.1% OCCRPS being converted + Company Valuation)]

4. RESERVES AND SURPLUS

Particulars	As at March 31, 2013 (Rs.'000)	As at March 31, 2013 (Rs.'000)	As at March 31, 2012 (Rs.'000)	As at March 31, 2012 (Rs.'000)
Securities Premium Account				
Opening Balance	320,171		65,664	
Add : Security premium credited on share issue	299,955	620,126	254,507	320,171
Stock Options Outstanding Account				
Opening Balance	115		77	
Add: Transfer during the year	9,265	9,380	38	115
Stock Options Exercised				
Opening Balance	-		-	
Add: Transfer during the year	45	45	-	
Statement Of Profit and Loss				
Opening Balance	(146,755)		(97,676)	
Add: Net Loss after tax transferred from Statement of Profit and Loss	(217,267)	(364,022)	(49,079)	(146,755)
		265,529		173,531

5. PROVISIONS

Particulars	Long-Term		Short-Term	
	As at March 31, 2013 (Rs.'000)	As at March 31, 2012 (Rs.'000)	As at March 31, 2013 (Rs.'000)	As at March 31, 2012 (Rs.'000)
Provision for Employee Benefits				
Provision for Compensated Absence	367	87	51	4
Provision for Gratuity	1,906	814	72	10
Other Provisions				
Accrued Bonus	-	-	800	287
	2,273	901	923	301

6. TRADE PAYABLES

Particulars	Long-Term		Short-Term	
	As at March 31, 2013 (Rs.'000)	As at March 31, 2012 (Rs.'000)	As at March 31, 2013 (Rs.'000)	As at March 31, 2012 (Rs.'000)
Trade Payables				
- total outstanding dues of micro, small and medium enterprises	-	-	-	-
- total outstanding dues of creditors other than micro, small and medium enterprises	-	-	10,841	11,944
	-	-	10,841	11,944

1. 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, 2013.

7. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2013 (Rs.'000)	As at March 31, 2012 (Rs.'000)
Income received in advance (Deferred Sales Revenue)	82,785	26,030
Unpaid Application Money received by the company for allotment of securities and due for refund *	-	-
Unpaid dividend on 0.1% OCCRPS*	-	-
Others		
Salary & Reimbursements	12,420	4,963
Expenses Payable	7,097	1,769
TDS Payable	1,563	1,106
Service Tax Payable	37	173
EPF - Employee Contribution	357	156
ESIC - Employee Contribution	82	24
	104,341	34,221

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

NOTE - 8 : Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at April 1, 2012	Additions during the year	Deletions/Write off during the year	As at March 31, 2013	Up to April 1, 2012	Depreciation / Amortisation for the year	Accumulated Depreciation on Deletions	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
Own Assets										
Tangible Assets										
Leasehold improvement	5,203	12,339	-	17,542	2,318	1,290	-	3,608	13,934	2,885
Plant & Machinery	1,087	1,653	-	2,740	353	263	-	616	2,124	735
Furniture and Fixtures	1,160	1,195	-	2,364	1,101	1,111	-	2,212	152	68
Office Equipment	2,144	4,368	-	6,512	939	1,530	-	2,469	4,043	1,203
Computers	10,032	10,900	26	20,906	4,298	6,039	19	10,318	10,588	5,734
	19,635	30,455	26	50,064	9,009	10,233	19	19,223	30,841	10,625
Intangible Assets										
Own Assets (Acquired)										
Computer Software	3,856	2,428	-	6,284	1,539	1,540	-	3,079	3,205	2,317
	3,856	2,428	-	6,284	1,539	1,540	-	3,079	3,205	2,317
Total	23,491	32,883	26	56,348	10,548	11,773	19	22,302	34,046	12,942
Previous Year	11,670	11,821	-	23,491	6,045	4,503	-	10,548	12,943	5,625

Amount (in Rs.'000)

9. LOANS & ADVANCES

Particulars	Long-Term		Short-Term	
	As at March 31, 2013 (Rs. '000)	As at March 31, 2012 (Rs. '000)	As at March 31, 2013 (Rs. '000)	As at March 31, 2012 (Rs. '000)
(Unsecured, considered good)				
Security Deposits	5,091	4,349	-	-
Others				
Advance recoverable in cash or in kind or for value to be received	-	-	5,156	2,840
Advance recoverable from ESOP Trust	11,633	206	-	-
Balance with Service Tax Authorities	-	-	2,071	896
Staff Advance	-	-	-	52
Advance Tax	-	-	5,099	4,165
Less:- Provision for Income Tax	-	-	(1,394)	(1,394)
Advance Tax - Fringe Benefits	-	-	6	6
	16,724	4,555	10,938	6,565

10. OTHER NON CURRENT/ CURRENT ASSETS

Particulars	Non-Current		Current	
	As at March 31, 2013 (Rs. '000)	As at March 31, 2012 (Rs. '000)	As at March 31, 2013 (Rs. '000)	As at March 31, 2012 (Rs. '000)
(Unsecured Considered Good)				
Non Current portion of Fixed Deposits transferred from Cash & Bank Balances	279	20,499	-	-
Interest Accrued on Fixed Deposits	-	887	2,843	5,320
	279	21,386	2,843	5,320

11. INVENTORIES

Particulars	As at March 31, 2013 (Rs. '000)	As at March 31, 2012 (Rs. '000)
Stock In Trade (At Cost) Books (Current Year Nil Previous Year 590 books @ 320/-)	-	189
	-	189

12. CASH AND BANK BALANCES

Particulars	Non-Current		Current	
	As at March 31, 2013 (Rs. '000)	As at March 31, 2012 (Rs. '000)	As at March 31, 2013 (Rs. '000)	As at March 31, 2012 (Rs. '000)
Cash & Cash Equivalents				
Balances with Banks:				
-In current Accounts	-	-	19,433	37,576
-in Fixed Deposit Accounts with original maturity of less than 3 months	-	-	293,500	25,000
-in Fixed Deposit Accounts with original maturity for more than 12 months	279	20,499	-	-
Non Current portion transferred to non current assets	(279)	(20,499)	-	-
Other Bank Balances				
Balances in Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months	-	-	6,500	107,645
	-	-	319,433	170,221

13. REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Sale of Services (Net of Service Tax)	98,228	40,699
	98,228	40,699

14. OTHER INCOME

Particulars	Long Term		Short Term	
	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Interest Received/ Receivable on fixed deposits with banks	1	986	8,845	9,603
Profit on sale of fixed assets (Net)	-	-	1	-
	1	986	8,846	9,603

15. INCREASE/ (DECREASE) IN INVENTORIES

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Opening Balance of Inventories	189	-
Closing Balance of Inventories	-	(189)
(Increase) / Decrease in Inventories	189	(189)

16. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Salary & Other Allowance	92,317	31,064
Employee Stock Option Compensation	9,311	38
Bonus	3,678	1,017
House Rent Allowance	22,920	8,200
Gratuity	1,154	394
Leave Encashment	393	137
ESI Employer Contribution	1,659	523
Contribution to Provident Fund	3,702	1,449
Staff Welfare & Benefits	8,733	3,455
	143,867	46,278

17. FINANCE COSTS

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Interest on long term borrowings	-	781
Others	140	307
	140	1,088

18. DEPRECIATION AND AMORTIZATION

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Depreciation of Tangible Assets	10,233	3,561
Amortisation of Intangible Assets	1,540	942
	11,773	4,503

19. ADVERTISING AND PROMOTION COST

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Advertisement Expenses	95,195	20,871
Promotion & Marketing Expenses	61	128
	95,256	20,999

20. ADMINISTRATION AND OTHER EXPENSES

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Books & Periodicals	100	29
Communication Expenses	11,112	2,707
Domain Name Expenses	134	43
Electricity & Water Expenses	4,749	1,209
Foreign Exchange Variation	268	129
Fee & Subscription	225	110
Insurance Expenses	25	13
Commission	6,022	964
Legal and Professional Charges	3,352	1,288
Miscellaneous Expenses	261	25
Office Expenses	1,985	697
Postage & Courier	2,042	675
Printed Educational Material	3,186	1,831
Printing & Stationery	951	207
Prior Period Expense	67	-
Rates & Taxes	16	5
Recruitment & Training Expenses	2,924	2,280
Rent	11,882	5,396
Repairs and Maintenance	1,912	1,562
Payment to Auditors		
As Auditor:-		
Statutory Audit Fee	320	200
Tax Audit Fee	80	50
Out Of Pocket Expenses	20	11
Transaction Charges	2,771	1,294
Travel & Conveyance	611	270
Web Development Expenses	250	208
	55,265	21,203

21. NETWORK, INTERNET AND OTHER DIRECT CHARGES

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Server Charges	16,724	6,130
Broadband & Internet Expense	1,128	355
	17,852	6,485

22. Operating Leases where the company is a lessee:

The company has entered into lease transaction mainly for leasing of office premise for a period between 4 to 5 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 Profit and Loss amount to Rs. 11,737 Thousand (Previous Period Rs. 5,388 Thousand) included in Note 20 – Administration and Other Expenses.

23. Expenditure in Foreign Currency

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Server Hire Charges	11,390	4,905
Others	323	447
Total	11,713	5,352

24. Contingent Liabilities

Claims against the Company not acknowledged as debts

Particulars	Year ended March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Income Tax Matters	-	1,225
	-	1,225

It is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the proceeding.

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

Particulars	Year Ended March 31, 2013 (Rs.)	Year Ended March 31, 2012 (Rs.)
Loss attributable to Equity Shareholders (Rs '000)	(217,267)	(49,079)
Weighted average number of Equity Shares outstanding during the year (Nos.)	27,136	24,116
Basic & Diluted Earnings Per Equity Share of Rs. 10 each (Rs.)	(8,007)	(2,035)

26 (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, 2013:

Holding Company

Info Edge (India) Limited (IEIL)

Key Management Personnel (KMP) & Relatives

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: Amount (Rs.'000)

Sr. No	Nature of relationship / transaction	Holding Company	KMP	Total
1	Shares subscription (Including Share Premium)	300,000	-	300,000
2	Resdex Premium services	(133)	-	(133)
3	0.1% OCCRPS 15,000 converted into 2,087 Equity Shares of Rs. 10 each at a premium of Rs. 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

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

Sr. No	Nature of relationship / transaction	Holding Company	KMP	Total
1	Debit balances			
	Outstanding Advances/Receivables	-	-	-
	Maximum amount outstanding during the year	-	100	100
2	Credit balances			
	Outstanding Payable	-	-	-
	Maximum amount outstanding during the year	300,148	-	300,148

1. Advance given to Aplect Employees Stock Option Plan Trust during the year Rs. 11,426 Thousand

2. Amount due from Aplect Employees Stock Option Plan Trust as on March 31, 2013 is Rs. 11,633 Thousand

3. The directors do not take any remuneration.

26 (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, 2012:

Holding Company

Info Edge (India) Limited (IEIL)

Key Management Personnel (KMP) & Relatives

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, 2012 in the ordinary course of business: Amount (Rs.'000)

Sr. No	Nature of relationship / transaction	Holding Company	KMP & Relatives	Total
1	Issue of 6% optionally Fully Convertible Debentures.	200,000	-	200,000
2	Resdex Premium services	(126)	-	(126)
3	Interest on 6% Debenture payable during the year	781	-	781
4	6% debentures of Rs. 50,000,000 and interest of Rs 3,099,424 due till date of conversion, converted in to 3,372 Equity Shares of ` 10 each issued at a premium of Rs. 15,737.16 per share.	53,099	-	53,099
5	Amount (given to) / received from Mr. Ritesh Hemrajani as Advance / (payments) for business purpose	-	(100)	(100)

1. Advance given to Applect Employees Stock Option Plan Trust during the year Rs. 16 Thousand
2. Amount due from Applect Employees Stock Option Plan Trust as on March 31, 2012 is Rs 206 Thousand
3. The directors do not take any remuneration.

C) Amount due to/from related parties as at March 31, 2012

Sr. No	Nature of relationship / transaction	Holding Company	KMP	Total
Debit balances				
1	Outstanding Advances/Receivables	-	100	-
	Maximum amount outstanding during the year	-	100	100
Credit balances				
1	Outstanding Payable	-	-	-
	Maximum amount outstanding during the year	200,140	-	200,140

27. 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:-

	2012-13		2011-12	
	Number	Weighted Average Exercise Price (Rs.)	Number	Weighted Average Exercise Price (Rs.)
Options outstanding at beginning of year	745	10	745	10
Add:				
Options granted	1,585	10	-	-
Less:				
Options exercised	294	10	-	-
Options forfeited	66	10	-	-
Options outstanding at the end of year	1,970	10	745	10
Option exercisable at the end of year	1,970	10	745	10

In accordance with the above mentioned ESOP Scheme, Rs.9,311 Thousand (Previous Year Rs.38 Thousand) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended March 31, 2013 as Employee Stock Option Scheme Compensation.

2. (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 Rs 15,025 thousand [Previous year Rs 1 thousand] and the EPS would be Rs (8,560.62) [Previous year Rs (2,035.16)].

(B) - The fair value of each option is estimated on the date of grant using the discounted cash flow method with the below listed assumptions:

ESOP Plan 2009	2012-13	2011-12
Weighted average fair value of the options at the grant dates	15,353.92	155.82
Risk free rate	8.83%	6.53%

28. The Company is in the business of internet based service delivery which constitute a single business segment, therefore there is no reportable segment 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.

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 –

Particulars	Year ended	
	March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Employers' Contribution to Provident Fund*	3,702	1,449

*Included in Employee benefit expenses refer Note 16

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 –

Particulars	Year ended	
	March 31, 2013 (Rs. '000)	Year ended March 31, 2012 (Rs. '000)
Employers' Contribution to Employee State Insurance *	1,659	523

*Included in Employee benefit expenses refer Note 16

C. Defined Benefit Plans

a) Gratuity payable to employees

b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	
	FY 2012-13	FY 2011-12
Discount Rate (per annum)	8.00%	8.50%
Rate of increase in Compensation levels (Per Annum)	5.50%	5.50%

Particulars	Employee's Gratuity Fund	
	FY 2012-13	FY 2011-12
Discount Rate (per annum)	8.00%	8.50%
Rate of increase in Compensation levels	5.50%	5.50%

Expected Average remaining working lives of employees (years)	32.73	32.27
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(A) Changes in the Present Value of Obligation	Employee's Gratuity Fund	Employee's Gratuity Fund	Leave Encashment	Leave Encashment
	FY 2012-13 (Rs. '000)	FY 2011-12 (Rs. '000)	FY 2012-13 (Rs. '000)	FY 2011-12 (Rs. '000)
Present Value of Obligation at the beginning of the year	824	488	91	46
Interest Cost	66	42	7	4
Past Service Cost	-	-	-	-
Current Service Cost	1,028	334	179	28
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Benefits paid	-	(58)	(65)	(92)
Actuarial (gain)/ loss on obligations	60	18	206	105
Present Value of Obligation at the end of the year*	1,978	824	418	91

*Included in the provision for employee benefits refer note 6

(B) Assets and Liabilities recognized in the balance sheet :	Employee's Gratuity Fund	Employee's Gratuity Fund	Leave Encashment	Leave Encashment
	FY 2012-13 (Rs. '000)	FY 2011-12 (Rs. '000)	FY 2012-13 (Rs. '000)	FY 2011-12 (Rs. '000)
Present value of unfunded Obligation as at March 31, 2013	1,978	824	418	91
Unrecognized Actuarial (gains)/losses	-	-	-	-
Unfunded Net Liability Recognized in Balance Sheet	1,978	824	418	91

(C) Expense recognized in the Profit and Loss Statement	Employee's Gratuity Fund	Employee's Gratuity Fund	Leave Encashment	Leave Encashment
	FY 2012-13 (Rs. '000)	FY 2011-12 (Rs. '000)	FY 2012-13 (Rs. '000)	FY 2011-12 (Rs. '000)
Current Service Cost	1,028	334	179	28
Past Service Cost	-	-	-	-
Interest Cost	66	42	7	4
Expected Return on Plan Assets	-	-	-	-
Actuarial (gain) / loss on Obligations	60	18	206	105
Settlement Cost / (Credit)	-	-	-	-
Total Expenses recognized in the Statement Profit and Loss*	1,154	394	392	137

*Included in Employee benefit expenses refer Note 16

(D) Amounts recognized in current year & previous four years	Year ended		Year ended		Year ended		Year ended	
	March 31, 2009	(Rs '000)	March 31, 2010	(Rs '000)	March 31, 2011	(Rs '000)	March 31, 2012	(Rs '000)
Gratuity								
PBO (C)	-		301		488		824	
Plan Assets	-		--		--		--	
Net Assets /Liability)	-		(301)		(488)		(824)	
Leave Encashment								
PBO (C)	-		58		46		91	
Plan Assets	-		--		--		--	
Net Assets /Liability)	-		(58)		(46)		(91)	

(E) Expected Contribution to the fund in the next year	Year ended		Year ended	
	March 31, 2013	(Rs. '000)	March 31, 2012	(Rs. '000)
Gratuity		1,932		793
Leave Encashment		210		41

30. Details of Bank Balances:

A. Bank Balances with scheduled Banks:

-In Current Accounts

Balance with Banks in India	As at	
	March 31, 2013	March 31, 2012
	(Rs.'000)	(Rs. '000)
ICICI Bank Ltd.	13,595	22,450
State Bank of India	5,838	2,062
Standard Chartered Bank	-	13,064
Total	19,433	37,576

-In Fixed deposits

Balance with Banks in India	As at	
	March 31, 2013	March 31, 2012
	(Rs. '000)	(Rs. '000)
ICICI Bank Ltd.	279	91,144
State Bank of India	300,000	50,000
Standard Chartered Bank	-	12,000
Total	300,279	153,144

The above comprises of :-

Particulars	As at	
	March 31, 2013	March 31, 2012
	(Rs. '000)	(Rs. '000)
- Fixed Deposit Accounts with original maturity of less than 3 months	293,500	25,000
- Fixed Deposit Accounts with original maturity for more than 12 months	279	20,499
- Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months	6,500	107,645
Total	300,279	153,144

31. 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 significantly eroded as at the year-end. Thus the Company has continued to adopt the going concern basis of accounting in preparing the financial statements

32. The Previous year 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 58507

Pavan Chauhan
Director

Ritesh Hemrajani
Director

Place : Gurgaon
Date : May 03, 2013

Place: Delhi
Date : May 03, 2013