

AUDITOR'S REPORT

Auditor's Report to the Members of Jeevansathi Internet Services Private Limited.

I. We have audited the attached Balance Sheet of Jeevansathi Internet Services Private Limited as at March 31, 2013 and also the Profit and Loss Account and the cash flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The said company is exempt from the provisions of Companies (Auditor's Report) Order, 2003 as further amended by Companies (Auditor's Report) (Amendment) Order 2004 issued by the Company Law Board in terms of sub-section (4A) of section 227 of the Companies Act, 1956.

We report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. 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;
- iii. The Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956.
- v. On the basis of written representations received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2012; and

(b) In case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Sharma Goel & Co.

Chartered Accountants

Place: New Delhi

Rajesh Mittal

Dated:

Partner

JEEVANSATHI INTERNET SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As at March 31, 2013 Amount (Rs.' 000)	As at March 31, 2012 Amount (Rs.' 000)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	100	100
(b) Reserves and Surplus	4	32	(27)
(4) Current Liabilities			
(a) Other current liabilities	5	-	-
(b) Trade Payables	6	80	72
(c) Short Term Provisions	7	152	125
TOTAL		364	270
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	1	2
(2) Current assets			
(a) Cash and cash equivalents	9	207	143
(b) Short-term loans and advances	10	156	125
TOTAL		364	270

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.- 95681
For and on behalf of
Sharma Goel & Co.
Chartered Accountants

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date:

JEEVANSATHI INTERNET SERVICES PRIVATE LIMITED
Statement of Profit and Loss for the year ending March 31, 2013

Particulars	Note No	Year Ended March 31, 2013 Amount (Rs.'000)	Year Ended March 31, 2012 Amount (Rs.'000)
I. Revenue from operations	11	100	100
II. Other Income	12	-	13
III. Total Revenue (I +II)		100	113
<u>IV. Expenses:</u>			
Administration and Other expenses	13	14	12
Depreciation	8	1	1
Total Expenses		15	13
V. Profit before tax (III - IV)		86	100
VI. Tax expense:			
(1) Current tax		27	32
VII. Profit(Loss) from the period from continuing operations (V-VI)		59	68
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)		59	68
XII. Earning per equity share:	14		
(1) Basic		5.85	6.80
(2) Diluted		5.85	6.80

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.- 95681
For and on behalf of
Sharma Goel & Co.
Chartered Accountants

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date:

JEEVANSATHI INTERNET SERVICES PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2013

Particulars	For the year ended March 31, 2013 Amount (Rs.'000)	For the year ended March 31, 2012 Amount (Rs.'000)
A. Cash flow from operating activities:		
Net profit before tax	86	99
Adjustments for:		
Depreciation	1	1
Interest received on income tax refund	-	(12)
Excess provision written back	-	(1)
Operating profit before working capital changes	87	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	8	(270)
Cash generated from operating activities	95	(183)
- Taxes (Paid) / Received (Net of TDS)	(31)	207
Net cash from operating activities	64	24
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	64	24
Opening Balance of Cash and cash equivalents	143	119
Closing Balance of Cash and cash equivalents	207	143
Cash and cash equivalents comprise		
Cash in hand	-	-
Balance with Scheduled Banks		
-in current accounts	207	143
Total	207	143

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

For and on behalf of the Board of Directors

Rajesh Mittal
Partner
Membership No.- 95681
For and on behalf of
Sharma Goel & Co.
Chartered Accountants

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date:

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

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 Rs 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, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
AUTHORISED		
10,000 Equity Shares of Rs. 10/- each (Previous Year - 10,000 Equity Shares of Rs 10/- each)	100	100
ISSUED, SUBSCRIBED & PAID-UP		
10,000 Equity Shares of Rs 10/- each, fully paid up (Previous Year - 10,000 Equity Shares of Rs 10/- each)	100	100
	100	100

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 Amount (Rs.'000)	As at March 31, 2012 No of Shares	As at March 31, 2012 Amount (Rs.'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 Rs 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 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	9,800	98.00%	9,800	98.00%
	9,800	98.00%	9,800	98.00%

4. RESERVES AND SURPLUS

Particulars	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
Statement of Profit & Loss		
Opening Balance	(27)	(94)
Add: Net Profit after tax transferred from statement of Profit and Loss	59	67
	32	(27)

5. OTHER CURRENT LIABILITIES

Particulars	Long Term		Short Term	
	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
Payable to Holding Company	-	-	-	-
	-	-	-	-

6. TRADE PAYABLES

Particulars	Long Term		Short Term	
	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
Audit Fees Payable	-	-	80	72
	-	-	80	72

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. PROVISIONS

Particulars	Long Term		Short Term	
	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
Provision for Income Tax	-	-	152	125
	-	-	152	125

8. FIXED ASSETS

Amount (Rs. ' 000)

Description	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	As at April 1, 2012	Additions during the year	Deletions 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
Tangible Assets Computers and Software	297	-	-	297	295	1	-	296	1	2
Total	297	-	-	297	295	1	-	296	1	2
Previous Year	297	-	-	297	294	1	-	295	3	

9. CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
Cash & Cash Equivalents		
(a) Cash in Hand	-	-
(b) Balance with Bank in Current Account	207	143
	<u>207</u>	<u>143</u>

10. SHORT TERM LOANS AND ADVANCES

Particulars (Unsecured, considered good)	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
Advance Tax	156	125
	<u>156</u>	<u>125</u>

11. REVENUE FROM OPERATIONS

Particulars	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
License Fees	100	100
	<u>100</u>	<u>100</u>

12. OTHER INCOME

Particulars	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
Income Tax Refund	-	12
Excess Provision written back	-	1
	<u>-</u>	<u>13</u>

13. ADMINISTRATION AND OTHER EXPENSES

Particulars	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
Auditor's Remuneration	9	8
Professional Charges	4	4
	<u>13</u>	<u>12</u>

14. BASIC & DILUTED EARNINGS PER SHARE (EPS)

Particulars	As at March 31, 2013	As at March 31, 2012
Profit attributable to Equity Shareholders (Rs '000)	59	68
Weighted average number of Equity Shares outstanding during the year (Nos.)	10,000	10,000
Basic & Diluted Earnings Per Equity Share of Rs. 10 each (Rs.)	5.85	6.80

15. AUDITORS REMUNERATION

Particulars	As at March 31, 2013 Amount (Rs.'000)	As at March 31, 2012 Amount (Rs.'000)
As Auditors	8	8
Out of Pocket Expenses & Service Tax	1	1
	<u>9</u>	<u>9</u>

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, 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 (Rs'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 (net)	-	-	-	-

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

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	-	-	-	-

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, 2012:

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, 2012 in the ordinary course of business: Amount (Rs'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 (net)	27	-	-	27

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

Nature of relationship / transaction	Amount (Rs'000)			
	Holding Company	KMP & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
Debit Balances				
Outstanding Advances	-	-	-	-
Maximum Amount outstanding during the year	84	-	-	84
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.

For and on behalf of the Board of Directors

Rajesh Mittal
Partner
Membership No.- 95681
For and on behalf of
Sharma Goel & Co.
Chartered Accountants

Ambarish Raghuvanshi
(Director)

Sanjeev Bikhchandani
(Director)

Place: New Delhi
Date: