

FROM STRENGTH

TO STRENGTH

ANNUAL REPORT 2009 · 10

INFO EDGE



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BOARD OF DIRECTORS

Mr. Kapil Kapoor	<i>Chairman</i>
Mr. Arun Duggal	<i>Independent Director</i>
Mr. Saurabh Srivastava	<i>Independent Director</i>
Ms. Bala Deshpande	<i>Independent Director</i>
Mr. Ashish Gupta	<i>Independent Director</i>
Mr. Naresh Gupta	<i>Independent Director</i>
Mr. Sanjeev Bikhchandani	<i>Managing Director & Chief Executive Officer</i>
Mr. Hitesh Oberoi	<i>Director & Chief Operating Officer</i>
Mr. Ambarish Raghuvanshi	<i>Director & Chief Financial Officer</i>
Mr. Sandeep Murthy	<i>Nominee Director (Resigned w.e.f. April 30, 2010)</i>

COMPANY SECRETARY

Mr. Amit Gupta

BANKERS

ICICI Bank Limited, Preet Vihar, New Delhi 110 092

AUDITORS

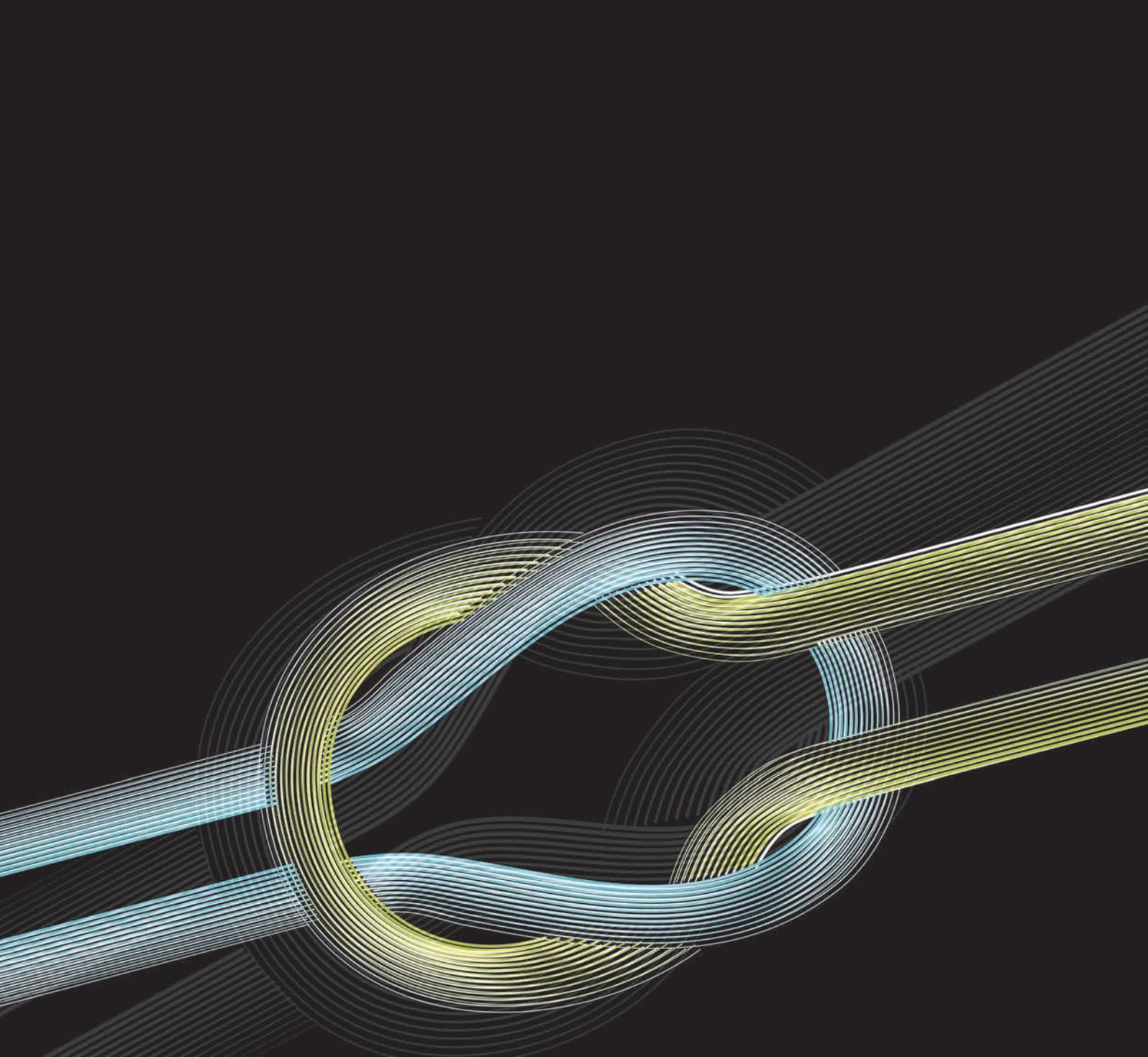
Price Waterhouse,
Chartered Accountants,
Gurgaon - 122 002

REGISTERED OFFICE

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

CORPORATE OFFICE

A-88, Sector-2, Noida - 201 301
Uttar Pradesh, India



WE IN THE SENIOR MANAGEMENT AT INFO EDGE HAD EXPECTED REVENUE PRESSURES AND WERE GEARED FOR A DIFFICULT 2009-10. WE RECALIBRATED OUR BUSINESS STRATEGY; WE FOCUSED ON OUR PROCESSES; AND WE WORKED EXTENSIVELY ON COST MANAGEMENT



Dear Shareholders,

2009-10 was indeed a difficult year for most businesses. In the aftermath of the US sub-prime crisis and its consequent financial turmoil, economic growth across the world was hit hard. After a horrible second half of 2008-09, the first three quarters of 2009-10 saw most economies groping with low to negative growth and considerable uncertainties.

Despite firmly belonging to the positive growth territory, negative economic signals affected business sentiments even in India. Companies went into preservation mode and there was significant slowdown in the Indian job market.

With over four-fifths share in total revenues, your Company's recruitment portfolio — primarily comprises naukri.com — defines much of its financial performance. Given Indian market conditions in 2009-10, this business suffered. So, too, did the online real estate business driven by 99acres.com, thanks to a massive crunch in the real-estate sector for the first half of 2009-10. Consequently, Info Edge's revenues were under considerable pressure for most of 2009-10.

You might recall that in 2008-09 I had talked of the possibility of lower growth rates for forceful first generation Indian companies like yours. In 2009-10, regrettably, there was a drop in revenues for the first time in your Company's history.

On a consolidated basis:

NET SALES AND OPERATING INCOME DECREASED BY 3.55% FROM RS.2458 MILLION IN 2008-09 TO RS.2370.81 MILLION IN 2009-10.

PROFIT BEFORE TAX (PBT) FELL BY 0.6% TO RS.847.69 MILLION IN 2009-10.(EXCLUDING EXCEPTIONAL ITEM OF RS.37.74 MILLION)

PROFIT AFTER TAX (PAT), AFTER MINORITY INTEREST AND LOSSES FROM ASSOCIATE COMPANIES WAS RS.520.76 MILLION IN 2009-10.

In normal times, such results are a cause of concern. But, the global economy was not normal since September 2008. Thankfully, we in the senior management at Info Edge had expected revenue pressures and were geared for a difficult 2009-10. We recalibrated our business strategy; we focused on our processes; and we worked extensively on cost management. Consequently, your Company preserved margins — profits before tax fell by only 0.6% while revenues reduced by 3.55%.

More importantly, in terms of cash returns, your Company has actually grown in these adverse conditions. With a significant increase in cash flows, we have further strengthened our balance-sheet. This provides a major competitive edge in developing businesses to gain market share and future profits. In terms of numbers:

NET CASH FLOW FROM OPERATIONS INCREASED BY 90% FROM RS.197.84 MILLION IN 2008-09 TO RS.376.02 MILLION IN 2009-10.

LIQUID ASSETS IN TERMS OF FIXED DEPOSITS IN BANKS AND SHORT TERM DEBT MUTUAL FUNDS INCREASED BY

17.1% TO RS.3754.51 MILLION AS ON MARCH 31, 2010.

The almost debt-free balance sheet with good reserves of free cash gave Info Edge the strength to continue to invest in its long term growth plans even when market sentiments were down.

WHILE THE COMPANY CONTINUES TO MAKE INVESTMENTS AND STRATEGICALLY DIVERSIFY ITS PORTFOLIO, THERE IS A REGULAR EVALUATION OF EXISTING BUSINESSES.

In the course of such an evaluation, we had found that external developments and the progress of the business of Studyplaces Inc. USA had lost alignment with Info Edge's long term plans. In Q4,2009-10 Studyplaces Inc.USA sold off it's business and consequently the company made a provision of Rs.37.74 million for the permanent dimunition in carrying value of this investment through the Mauritian Subsidiary. This one time exceptional loss of Rs.37.74 million further diluted the company's profits.

THE STRATEGIC AND OPERATIONAL PATH ADOPTED BY INFO EDGE IN 2009-10 REKINDLES SOME MEMORIES AND LESSONS.

Several years earlier, when naukri.com had just gained some traction and was looking like a viable business, we started attracting investment bankers. Their valuations of our business were well beyond our imagination. They universally advised us to significantly increase our investments in promoting the product and taking it to much higher revenue levels — for which they were willing to invest in your Company. Although determined to grow as entrepreneurs, our calculations suggested that heeding to such advice would lead to losses in the near future and high cash flow risks. Neither were acceptable to us. So we shelved these plans.

WHAT DID WE LEARN? I WOULD SAY TWO FUNDAMENTAL, AND COMPLEMENTARY, THINGS. FIRST, WHILE GROWTH IS ALWAYS DESIRABLE, IT CANNOT COME AT THE EXPENSE OF POTENTIALLY BANKRUPTING A COMPANY OR EXPOSING IT TO HIGH CASH FLOW AND BALANCE SHEET RISKS. SECOND, A COMPANY THAT GROWS ITS WAR CHEST IS FINANCIALLY CAPABLE OF DEALING WITH A DOWNTURN WHILE SIMULTANEOUSLY MAKING STRATEGIC INVESTMENTS FOR FUTURE GROWTH.

Both these lessons translate to common principles: that of being careful about costs, of always having sufficient funds to make core investments, and of running a business with reason and care, instead of irrational exuberance. I believe that these have held your Company in good stead in the difficult period that we saw in 2008-09 and 2009-10.

Guided by this belief, we rolled up our sleeves and focused on streamlining the fundamentals of our business — sales management, customer analytics function, product and technology.

We completely revamped the sales organisation to improve efficacy and better utilise our resources. We laid emphasis on promoting more cost effective and focused customer acquisition methods. The target audience was first evaluated; thereafter, customers with higher probability of payment were identified and approached. We now have a well structured pan-India sales network, which can be better leveraged to promote growth under improved business conditions.

We continued to support our in-house analytics team which provides important insights on customer behaviour and preferences. By analysing online data and using sophisticated statistical models, the team provides inputs on which class of customers have higher probability of subscription. This helps the sales team to do better targeting.

Customer insights also help us to improve user experience on our portals. This is executed by the technology team, which focuses on improving algorithms and upgrading our websites. The Company also devotes considerable energy on keeping up-to-date with new technology developments and their utilisation.

The effective integration of these three functions — sales, analytics and technology — differentiates us from others in this business. Working in synch, these three functions together define the 'customer experience', and differentiates your Company from its competitors.

INFO EDGE'S FOCUS ON ENHANCING CUSTOMER EXPERIENCE HAS HELPED IT TO OUT-PERFORM COMPETITION AND GAIN MARKET SHARE DURING 2009-10. ESTIMATES FROM COMSCORE.COM SUGGEST THAT [NAUKRI.COM](#) HAS GOT OVER 60% SHARE OF TRAFFIC FOR MOST OF 2009-10, WHILE THE NEAREST COMPETITOR'S SHARE HAS DROPPED TO BELOW 30%. [99ACRES.COM](#), TOO, STARTED GETTING OVER 40% SHARE IN TRAFFIC, WHILE THE NEAREST COMPETITOR'S SHARE DROPPED TO BELOW 30%.

We have sensibly dealt with four bad quarters beginning from Q3, 2008-09. In doing so, we have demonstrated strength of purpose and the determination to overcome challenges while conserving much needed cash. Today, I believe that the worst is behind us, and Info Edge is well placed to gain even more in the pick-up.

India's economic conditions have improved considerably in the second half of 2009-10. There are clear signs of the job market picking up. The 'naukri job speak index', which hovered around 700 for most of 2009-10 has increased to over 900 in February and March 2010. The real estate market, especially in Mumbai, Delhi and Southern India has started gaining traction.

After two quarters of negative growth and one flat quarter, Info Edge's quarterly income increased by 11.8% in Q4, 2009-10 to Rs.717.37 million compared to the same quarter in 2008-09. Quarterly operating EBITDA increased by 19.5% to Rs. 215.80 million in Q4, 2009-10. And jeevansathi.com became the first of your Company's 'other businesses' to break-even in Q4,2009-10.

Moreover, broadband is finally picking up in India, with connections increasing from 5.52 million in December 2008 to 7.82 million in December 2009. Broadband not only helps increase internet penetration, but also converts internet usage from 'dial up' to 'always on' — thus creating much more scope for internet-based businesses.

INFO EDGE IS ENTERING THE REVIVAL AS A STRONGER COMPANY. WE HAVE THE CASH. OUR INTERNAL IMPROVEMENTS AND PRODUCT RECALIBRATION DONE IN 2009-10 WILL HOLD US IN GOOD STEAD FOR THE FUTURE. OUR COMPETITIVE POSITIONING HAS IMPROVED. AND THANKS TO A STRONG BALANCE SHEET, WE HAVE THE ABILITY TO INVEST IN AND DEVELOP NEWER BUSINESSES LIKE [SHIKSHA.COM](#), [JEEVANSATHI.COM](#) AND NEW TECHNOLOGY LIKE 3G COMPATIBILITY, WHILE ADAPTING TO MARKET DEMANDS OF OUR ESTABLISHED BUSINESSES.

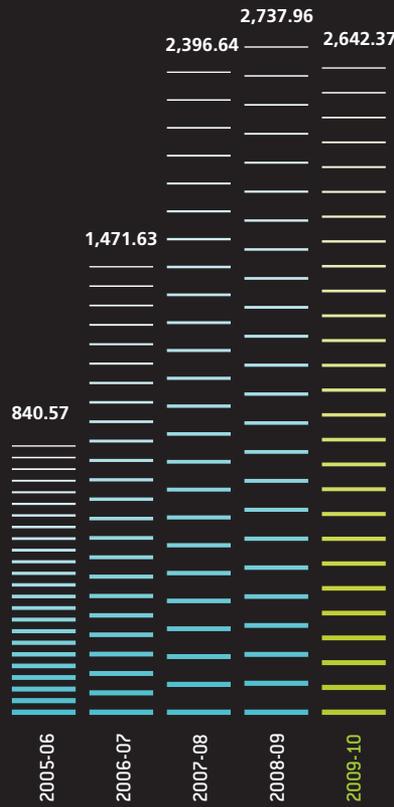
With concerted internal efforts, Info Edge has emerged out of the economic slowdown with a much stronger business positioning. We will continue to focus on excellence in innovation and execution. And, I am confident of your Company's ability to deliver superior results in 2010-11.

Thank you for your continued support. Our businesses have huge growth opportunities. With the dedication of our employees and your encouragement, Info Edge will make the best of these opportunities, and deliver superior long term shareholder value.

Regards
Sanjeev Bikhchandani

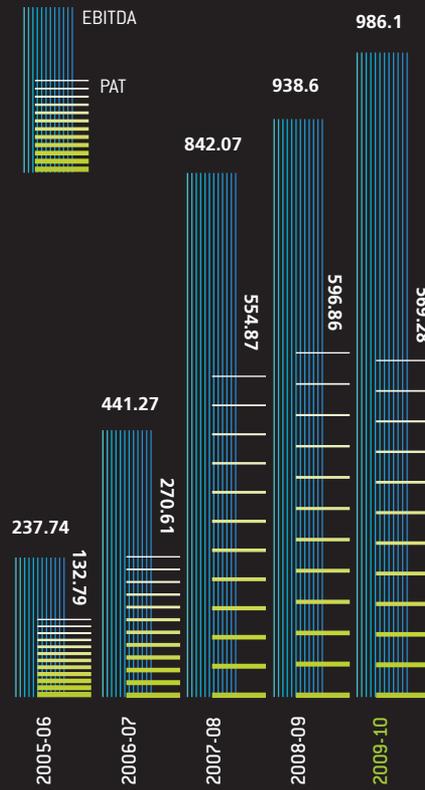
TOTAL INCOME

(Rs Million)



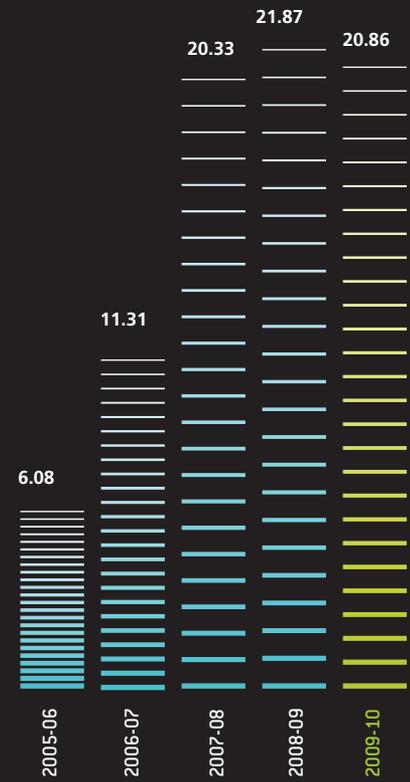
PROFITS

(Rs Million)



EARNINGS PER SHARE

(Rs)



Maintained Top-line Growth

After 3 years of rapid growth between 2005-06 and 2007-08, maintained revenues at high levels even during a market downturn in 2008-09 and 2009-10

Healthy Profits

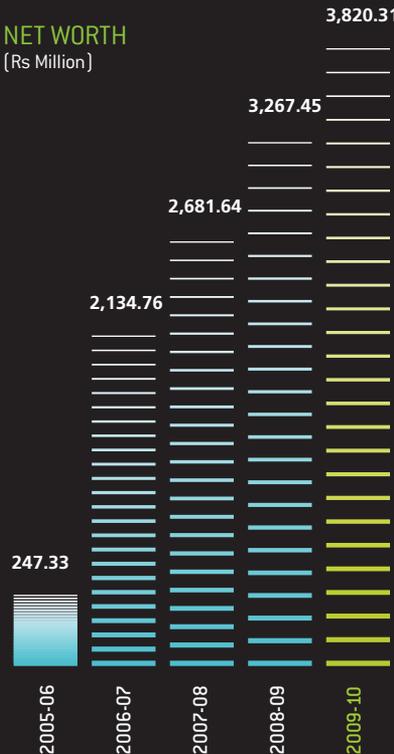
EBITDA continues to grow and PAT remains at high levels

Good Returns to Shareholders

Three consecutive years of EPS over Rs.20

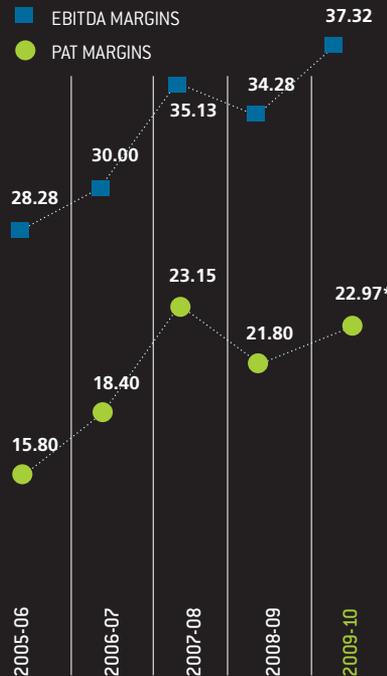
NET WORTH

(Rs Million)



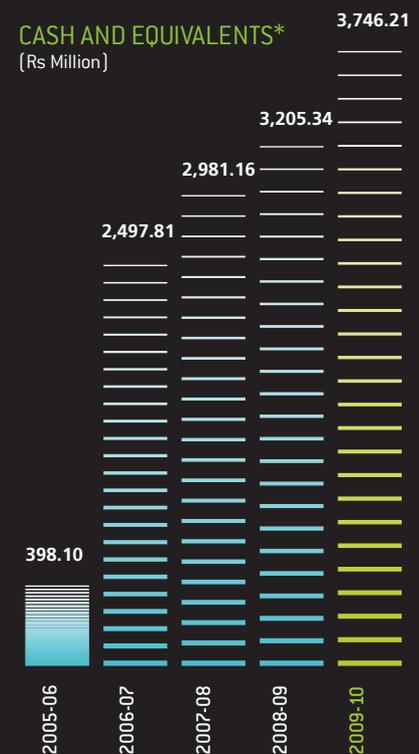
MARGINS

(Ratio to Total Income)%



CASH AND EQUIVALENTS*

(Rs Million)



Building up reserves

Net Worth continues to grow. This includes the significant addition due to the IPO in 2006-07

Maintained Good Margins

Average EBITDA margin over 30% & Average PAT margin over 20%

* Excludes one-time exceptional item of Rs 37.74 million (21.53 including the item)

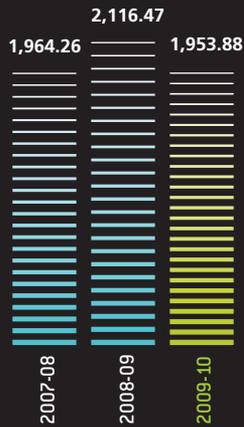
High Liquid Assets

Cash and equivalents continues to grow

* FD in banks and short term debt mutual funds

CORE BUSINESS RECRUITMENT SOLUTIONS

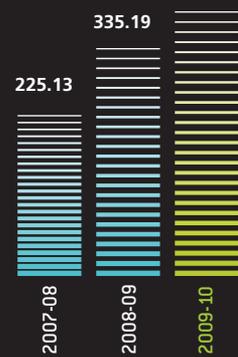
REVENUES (Rs Million)



Recruitment business affected by economic slowdown, but still managed to maintain a healthy level of revenues

OTHER VERTICALS MAINLY MATRIMONIAL & PROPERTY SEARCH

REVENUES (Rs Million)



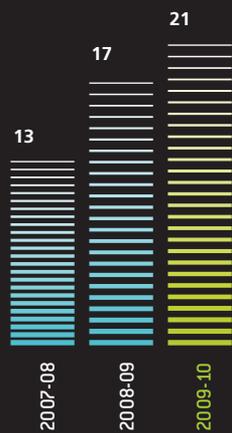
Other verticals continue to expand their business and generate higher revenues

Today, Info Edge is a portfolio of different businesses, each of which is in a different stage of evolution. Consequently, while tied together by the common thread of online enterprises, each has its own potential.

BUSINESSES: PERFORMANCE HIGHLIGHTS

NAUKRI.COM

RESUMES (Nearest Million)



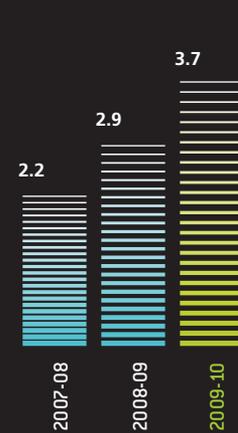
UNIQUE CUSTOMERS



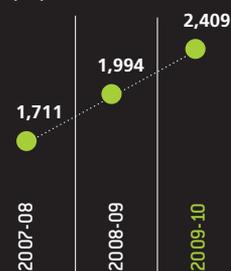
Naukri.com continues to witness improvements in customer base and portal usage

JEEVANSATHI.COM

PROFILES EVER LOADED (Millions)



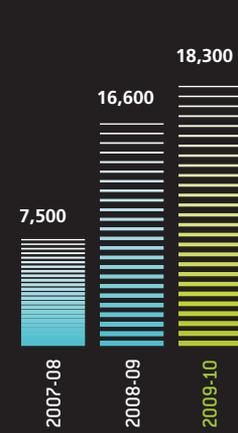
AVERAGE REALISATION (Rs)



Good traction in jeevansathi.com, as it grows in revenues and breaks even in Q4, 2009-10

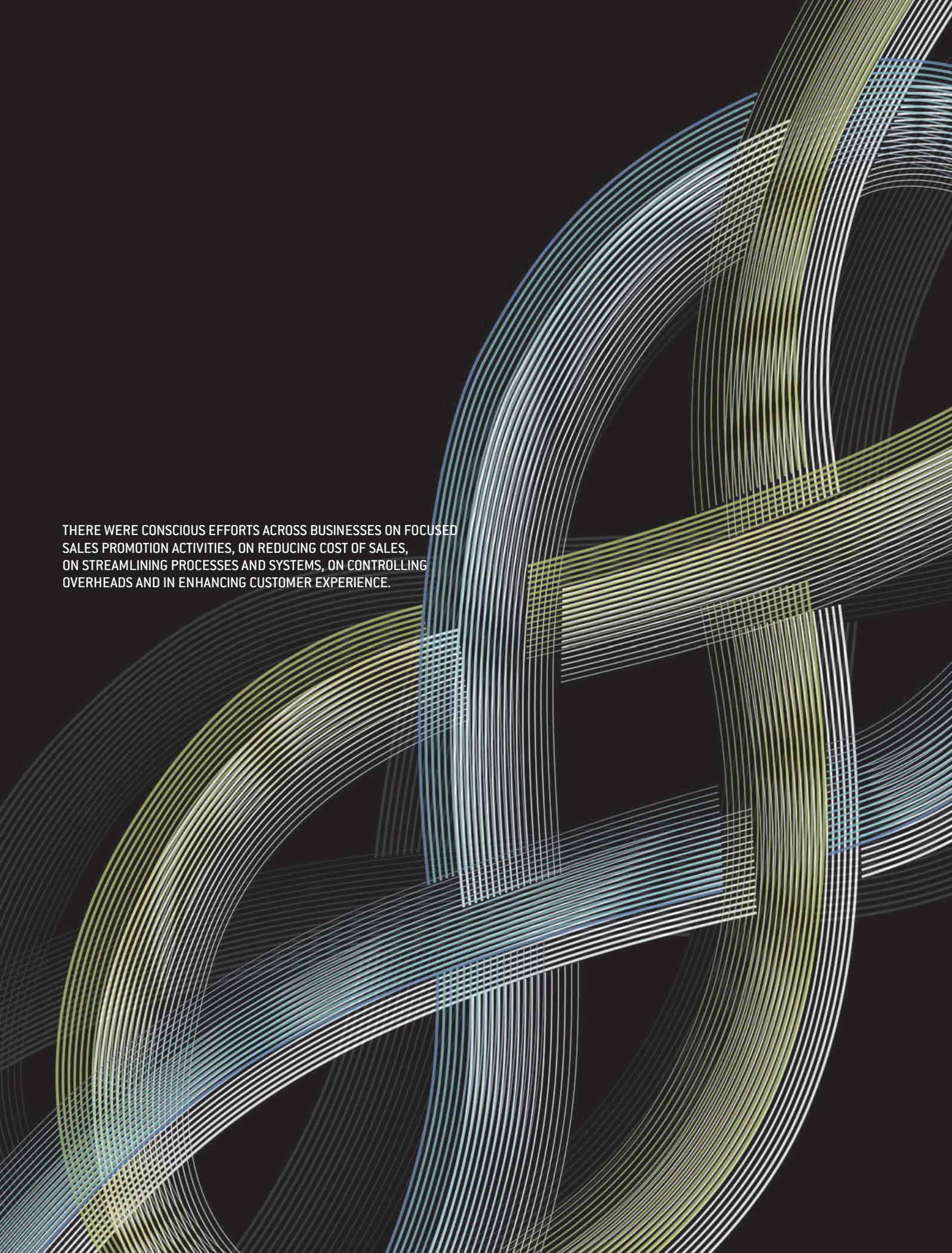
99ACRES.COM

PAID TRANSACTIONS (Millions)



Increased focus on growing paid transactions

Across the different businesses, the Company focuses on brand management, market understanding, product development, revenue model management, value added services and effective utilisation of technology.



THERE WERE CONSCIOUS EFFORTS ACROSS BUSINESSES ON FOCUSED SALES PROMOTION ACTIVITIES, ON REDUCING COST OF SALES, ON STREAMLINING PROCESSES AND SYSTEMS, ON CONTROLLING OVERHEADS AND IN ENHANCING CUSTOMER EXPERIENCE.

INFO EDGE (INDIA) LIMITED ('INFO EDGE' OR 'THE COMPANY') IS INDIA'S PREMIER ON-LINE CLASSIFIEDS COMPANY. IT FOCUSES ON CREATING WORLD CLASS ONLINE PLATFORMS FOR 'HELPING BUSINESSES AND PEOPLE MEET'. ESSENTIALLY, INFO EDGE' BUSINESS IS ABOUT CREATING AND DEVELOPING DOMAIN SPECIFIC COMMUNITIES AND INFORMATION EXCHANGES ON THE WORLD WIDE WEB.

Essentially, Info Edge' business is about creating and developing domain specific communities and information exchanges on the world wide web. Over time, as these communities grow and attain critical mass, the platforms become self sustaining businesses. However, many such enterprises do not manage to attain the required critical mass and fail. Success in such ventures is primarily due to the integration of two critical factors, which are:

- **Increased use of the internet as a medium of interaction** This is achieved not only through greater access to computers and increased internet penetration in society, but more importantly in using technology to provide superior online experience and making it a more effective tool for community interaction.
- **In-depth understanding of different areas and domains** This is done by studying the prevailing economics and structures that govern activities in a given area. It requires leveraging this understanding to create enhanced online solutions that can transform offline transactions and communities to ones based on the internet.

Info Edge has the experience of launching and successfully developing one of India's leading online portals — naukri.com. In many ways, the emergence of Info Edge as a leading internet based company in India has been the result of the meteoric growth of naukri.com, its primary offering in the recruitment space.

Today, naukri.com is the Company's flagship brand. It has attained the virtuous cycle of self-sustenance. This needs an explanation.

Being the market leader, naukri.com has the largest client base. As this large client base uses the site, it posts jobs and results in the largest job list in India. This, in turn, promotes higher traffic share leading to increased customer response. Such customer response further increases the client base, and growth becomes self-sustaining. naukri.com has attained the critical market size and leadership position required to further

propel profitable growth without any significant new investments. Having said so, efforts are always on to continuously tune the offering to changing customer needs with technology enhancements.

naukri.com took time to reach this level. Over the period, Info Edge has had to guide and nurture the portal through different phases. Right from conceptualisation, the site was taken to the phase of incubation, then development and, finally, accelerated growth. Not only did this journey give Info Edge a profitable product, but it also helped develop unique competencies, internal knowledge pool and management band-width, which are essential for creating and growing more businesses in the online classified industry in India.

Leveraging these strengths, Info Edge has initiated more specific and niche products and brands within the recruitment portfolio, and further diversified its offering by entering other business domains.

The recruitment domain is supported by the offline executive search business —Quadrangle. There is also the web portal — www.naukrigulf.com — that caters to the Middle-East job markets; the professional networking site, www.brijj.com; and the fresher hiring site, www.firstnaukri.com.

Other businesses domains that the Company has diversified into include:

- The online matrimonial classified business, which operates through the portal **www.jeevansathi.com**.
- The online real estate classified business, which operates through the portal **www.99acres.com**.
- The online educational classified business, which operates through the portal **www.shiksha.com**.

With a view to participate in the potentially large Indian internet market, Info Edge also undertakes strategic investments in companies and start-up ventures. In 2008-09, it took a stake in Applect Learning Systems (Pvt.) Limited, which operates the kindergarten to

Class 12 (K-12) assessment based learning portal, www.meritnation.com; and Etechaces Consulting and Marketing (Pvt.) Limited, which operates in the financial product (like insurance and loans) comparison domain, www.policybazaar.com.

Today, Info Edge is a portfolio of different businesses, each of which is in a different stage of evolution. Consequently, while tied together by the common thread of online enterprises, each has its own potential. Across the different businesses, the Company focuses on brand management, market understanding, product development, revenue model management, value added services and effective utilisation of technology. However, given the different levels of evolution, the relative importance and emphasis of these functions vary across the different ventures.

From an industry perspective, the Company's offerings can be classified into four broad verticals which are in various stages of their life cycles.

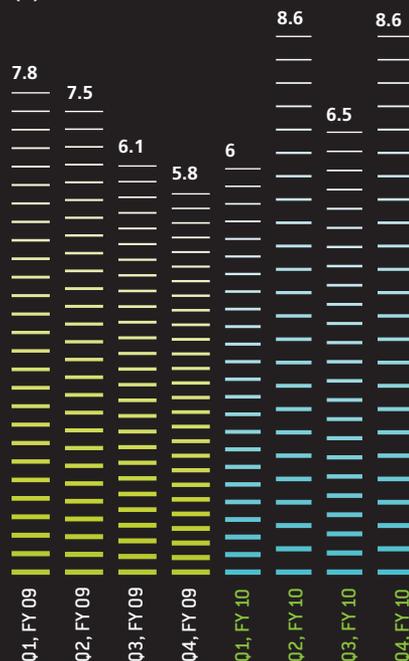
- **The recruitment portal**, which is a relatively matured business, and the primary source of revenue and profits.
- **The matrimonial and the property ventures**, which are in the development phase. While generating revenues, these are still loss making and investments need to be continuously made to grow and attain a critical size.
- **The education business** is at the incubation stage, where the emphasis is on creating and positioning the product.
- **The strategic investments** are mainly in an early development stage, and may be evaluated like pilot initiatives.

ECONOMIC ENVIRONMENT

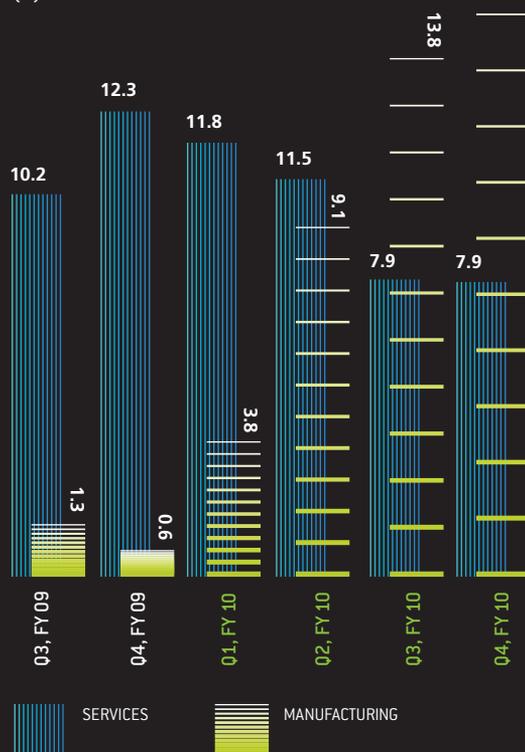
In the aftermath of the 'sub-prime' led global financial crisis in 2008, economies across the world went into a tailspin. Chart A shows that advanced economies like the US, UK and the Euro Zone witnessed contraction in GDP from Q3 2008. This trend continued through most of 2009. Towards the end of 2009, however, there were some positive signs. Global financial markets witnessed a degree of stabilisation and the US seems to have come out of recession. However, major economies in western Europe and the UK continue to witness very low or negative growth in their economies. The Greek debt crisis has created yet another wave of bearish sentiments across Europe, and has dampened the growth prospects for most of the Euro Zone majors.

With demand slowdown in the advanced economies, there was a clear impact on jobs in the Indian IT sector. IT spends were severely cut, and Indian companies that offered IT solutions had to cut back on employment. The IT sector in India is a major source of revenue for Info Edge — having contributed about 25% of the naukri.com's revenues from recruiters in 2009-10. With a cutback in IT hiring in the course of the year, it is not surprising that the Company's revenues fell in 2009-10, compared to the previous financial year.

■ CHART A INDIA'S REAL GDP GROWTH (%)



■ CHART B COMPONENT'S OF INDIA'S GDP GROWTH (%)



Info Edge's online recruitment business primarily caters to the services sector in India, especially IT. Thus, the slowdown in growth in private sector services was a dampener for the Company in 2009-10. The good news going forward is that manufacturing growth is expected to open up new employment opportunities for Info Edge in 2010-11.

The Indian economy also slowed down from Q3, 2008-09 (see [Chart A](#)); and growth remained slow till the end of Q1, 2009-10. However, since then there has been a gradual improvement in the Indian economy and GDP growth for 2009-10 was 7.4%. While this is highly commendable in the macroeconomic context, the fact is that the recruitment and real estate markets in India remained subdued for the first nine months of 2009-10, and picked up only from January 2010.

It is also important to note the changing composition of GDP growth and its effects on Info Edge's business.

[Chart B](#) shows that much of the growth in the last two quarters of 2009-10 was on account of the rapid growth of Indian manufacturing. In contrast, financial services, insurance, real estate and business services together registered a reducing trend from Q1, 2009-10.

Info Edge's online recruitment business primarily caters to the services sector in India, especially IT. Thus, the slowdown in growth in private sector services was a dampener for the Company in 2009-10. The good news going forward is that manufacturing growth is expected to open up new employment opportunities for Info Edge in 2010-11.

With 84% share in its operating revenue, the performance of the recruitment business plays a decisive role in Info Edge's financial results. Given the economic conditions described above, the demand crunch for most of the year had an adverse effect on the Company's financial performance during 2009-10.

However, Info Edge had anticipated a depressed market condition after witnessing the global economic turmoil in the second half of 2008-09. By the last quarter of 2008-09, the Company had re-calibrated its strategy and business operations. From an enterprise focused in the pursuit of growth with emphasis on profitable top-line expansion, Info Edge's priorities shifted to improving and streamlining internal processes and systems, with a much greater emphasis on cost consciousness.

There were conscious efforts across businesses on focused sales promotion activities, on reducing cost of sales, on streamlining processes and systems, on controlling overheads and in enhancing customer experience. Simultaneously, the Company continued its focus on cash generation and cash conservation. This helped maintain a healthy — almost debt-free — balance sheet through

the difficult demand situation prevailing for most of 2009-10. While most of the internal operational measures were successfully implemented in 2009-10, the Company's existing cash reserves and its ability to generate cash helped maintain focus on investments in businesses that are still in the nurturing and developmental stage.

These developments are reflected in Info Edge's financial performance during 2009-10.

FINANCIAL HIGHLIGHTS

[Table 1](#) gives the abridged profit and loss statement for Info Edge, as a consolidated entity, for 2009-10. Box 1 lists the highlights of the performance.

TABLE 1 ABRIDGED CONSOLIDATED PROFIT AND LOSS ACCOUNT (RS MILLION)

	2009-10	2008-09
NET SALES	2,370.81	2,458.00
Network and other charges	90.80	90.41
Employee costs	920.42	933.88
Advertising and promotion cost	394.37	433.20
Other expenditure	358.77	355.65
TOTAL OPERATING EXPENDITURE	1,764.36	1,813.14
EBITDA	606.45	644.86
Depreciation/Amortisation	64.91	71.15
EBIT	541.54	573.71
Other income	306.75	279.24
Interest	0.60	0.37
PBT	847.69	852.58
Exceptional Item	37.74	0.0
Tax	317.55	270.37
PAT	492.40	582.21
Share in loss of associates	5.58	11.92
Share of minority interest in loss of subsidiary company	(33.94)	Nil
PAT after minority interests and share in loss of Associate Companies	520.76	570.29

Given the depressed market conditions, net sales decreased by 3.55%. In this environment, Info Edge continued its focus on effective cost management. As a result, employee costs as well as advertising and promotions costs decreased by 1.4% and 9%, respectively.

More importantly, the Company's emphasis on focused and effective sales promotion bore results in terms of

INFO EDGE HAD ANTICIPATED A DEPRESSED MARKET CONDITION AFTER WITNESSING THE GLOBAL ECONOMIC TURMOIL IN THE SECOND HALF OF 2008-09. BY THE LAST QUARTER OF 2008-09, THE COMPANY HAD RE-CALIBRATED ITS STRATEGY AND BUSINESS OPERATIONS. INFO EDGE'S PRIORITIES SHIFTED TO IMPROVING AND STREAMLINING INTERNAL PROCESSES AND SYSTEMS

NET SALES AND OPERATING INCOME DECREASED

by 3.55% from Rs.2458 million in 2008-09 to Rs.2370.81 million in 2009-10.

Earnings before depreciation, interest, tax and amortisation **(EBIDTA) DECREASED** by 5.96% to Rs.606.45 million in 2009-10.

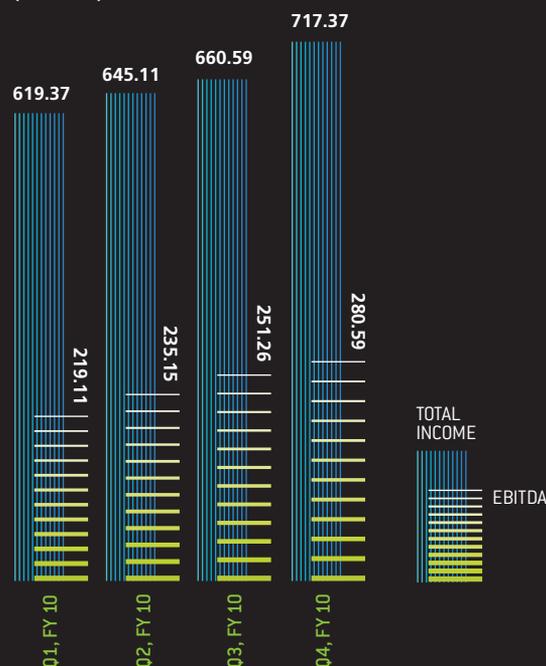
PROFIT BEFORE TAX (PBT) FELL MARGINALLY

to Rs.847.69 million in 2009-10

PROFIT AFTER TAX (PAT), after minority interest and profits from associate companies **REDUCED** by 8.68% to Rs.520.76 million in 2009-10.

Basic and diluted earnings per share **(EPS) WAS RS.19.08** in 2009-10

■ CHART C QUARTERLY PERFORMANCE
(Rs Million)



better return on investments. For every rupee spent on advertising and promotion, the value of revenues generated increased from Rs.5.68 in 2008-09 to Rs.6.01 in 2009-10.

These initiatives helped maintain operating EBITDA margin (the ratio of EBITDA to Net Sales) at 26% for 2009-10, which was in line with the levels seen in 2008-09. Consequently, PBT reduced marginally by only 0.6% to Rs.847.69 million in 2009-10.

During Q4, 2009-10, the Company made a provision for permanent diminution in carrying value of its investment in Studyplaces Inc, USA through its Mauritius Subsidiary. This has resulted in a one-time exceptional charge of Rs.37.74 million affecting the net profit or PAT for 2009-10, which reduced to Rs.520.76 million after accounting for minority interest and profits from associated companies, which is on expected lines since these businesses are currently in an investment mode.

Info Edge continued to improve its cash position and maintained a healthy balance sheet even under market adversities. Net cash flow from operations increased by 90% from Rs.197.84 million in 2008-09 to Rs.376.02 million in 2009-10. Thus the liquid assets in terms of fixed deposits in banks and short-term debt mutual funds increased by 17.1% to Rs.3754.51 million as on March 31, 2010. With loans of around Rs.6.13 million, Info Edge continues to be an almost debt free company.

Thus, in 2009-10, the Company witnessed a 3.55% drop in sales. It managed costs through focus on internal efficiencies and processes, and so maintained margins.

Consequently, it succeeded in reducing the impact of the lower sales on profits. More importantly, it managed to generate more cash and maintained its investments in businesses that are in the developing phase. These results in adverse business conditions reinforced confidence in the Company's innate financial conservatism and its careful business model.

In a milieu of resilience, there are some positive trends. These need reporting, for they give a better sense of the direction in which the Company's business is headed.

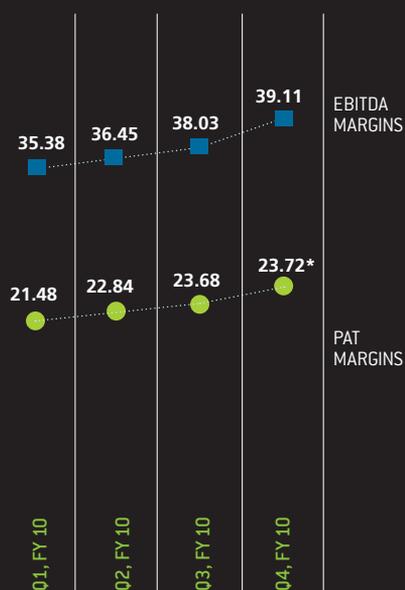
PERFORMANCE TRENDS

First, there has been a steady improvement in both total income and EBITDA, quarter on quarter, in the course of 2009-10 (see **Chart C**). While quarterly total income grew steadily from Rs.619.37 million in Q1, 2009-10 to Rs.717.37 million in Q4, 2009-10, quarterly EBITDA grew from Rs.219.11 million in 2009-10 in Q1, 2009-10 to Rs.280.59 million in Q4, 2009-10. Info Edge's performance has been steadily improving over the course of 2009-10 in line with improved economic conditions.

Second, not only has there been an improvement in overall revenues and profits but margins also continued to improve as one progressed through the different quarters of 2009-10. **Chart D** shows that EBITDA margin has increased from 35.4% in Q1, 2009-10 to 39.1% in Q4, 2009-10.

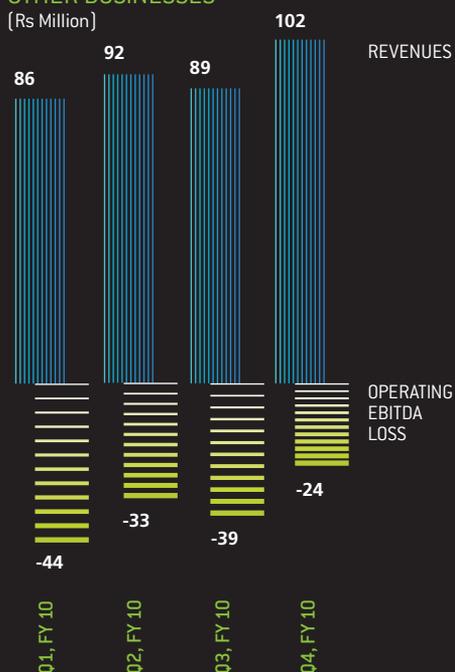
Even the PAT margin has grown steadily across the

■ CHART D QUARTERLY PERFORMANCE (%)



* This excludes a one-time exceptional charge of Rs 37.74 million (18.46% including the charge)

■ CHART E QUARTERLY PERFORMANCE – OTHER BUSINESSES (Rs Million)



THERE HAS BEEN A STEADY IMPROVEMENT IN BOTH TOTAL INCOME AND EBITDA. INFO EDGE'S PERFORMANCE HAS BEEN STEADILY IMPROVING OVER THE COURSE OF 2009-10 IN LINE WITH IMPROVED ECONOMIC CONDITIONS. MARGINS HAVE ALSO CONTINUED TO IMPROVE.

quarters. While analysing the PAT margin for Q4,2009-10, there is a need to make an adjustment. As stated earlier, the reported quarterly PAT for Q4, 2009-10 includes a Rs.37.74 million one-off charge on account of exceptional item. If we make adjustments and do not account for this exceptional item, PAT margin actually increased steadily from 21.5% in Q1, 2009-10 to 23.7% in Q4, 2009-10.

Third, there have been significant positive developments in the performance of the non-recruitment businesses. These are clubbed together as 'other businesses' for reporting purposes, and include jeevansathi.com, 99acres.com, shiksha.com, allcheckdeals.com and brijj.com. All these are still in the investment phase and being developed and nurtured towards attaining self sustained growth. Total revenues from these portals in the aggregate increased by 10% to Rs.368.34 million in 2009-10. Consequently, these businesses now account for 16% of the Company's Net Sales .

In line with the Company's progress, these businesses also witnessed quarter-on-quarter improvement through the course of 2009-10. **Chart E** shows that quarterly revenues grew from Rs.86.30 million in Q1, 2009-10 to Rs.101.79 million in Q4, 2009-10, while quarterly operating EBITDA loss declined from Rs.44 million in Q1,

2009-10 to Rs.24 million in Q4, 2009-10. As this trend continues, some of these businesses will emerge as sources of revenue and profits for the Company, which will help diversify Info Edge's business and de-risk it from its dependence on naukri.com.

The Company, therefore, has not only withstood the economic downturn but is fast emerging out of it to regain its growth momentum.

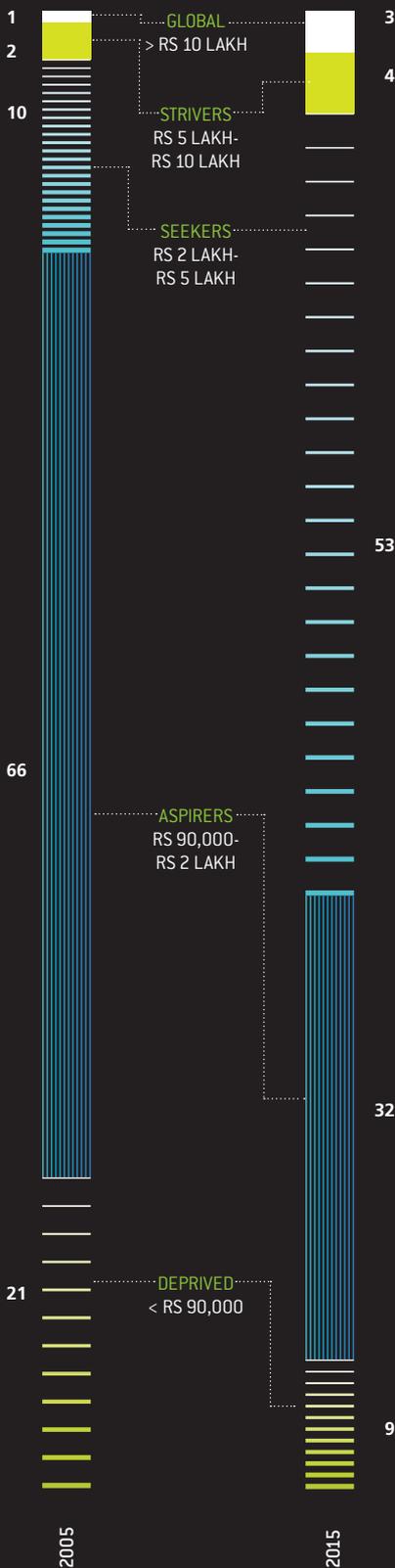
DEMOGRAPHICS AND INTERNET USAGE IN INDIA

In the long run, two factors will determine the Company's fortunes. These are (i) the changing demographic structure, and (ii) developments in internet usage levels in India.

Being in the online business, Info Edge primarily caters to the rapidly growing, upwardly mobile younger urban population in India. Consequently, there are two facets of the country's changing demographic structure that affect the Company's business.

CHART F ESTIMATION OF URBAN POPULATION ACCORDING TO INCOME PROFILES (%)

Source: McKinsey Global Institute



Long term demographic trends are favourable for online businesses like Info Edge. However, low internet penetration and poor infrastructure support for internet usage have been dampeners for online businesses in India. However, of late, there is a change for the better.

CHART G ACTIVE INTERNET USERS

(Millions)

Source: Internet and Mobile Association of India (IAMAI)

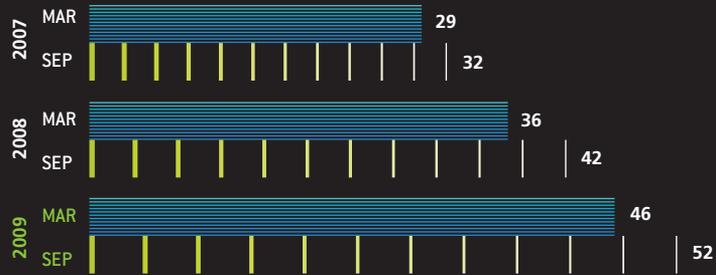
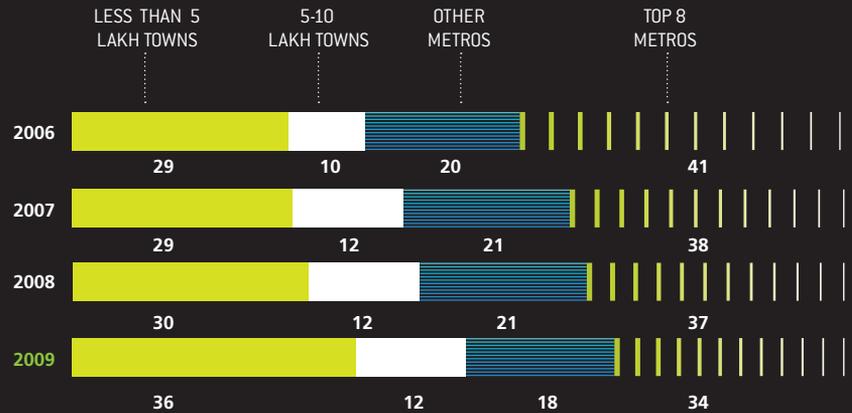


CHART H SHARE OF INTERNET USERS (EVER USED)

(%)

Source: Internet and Mobile Association of India (IAMAI)

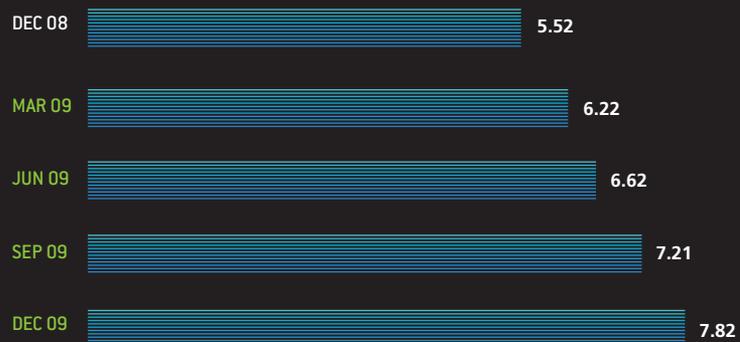


It would seem that the underlying trends in demographics and internet usage are beneficial for internet based businesses, and Info Edge is well positioned to make the most of these opportunities.

CHART I BROADBAND CONNECTIONS

(Millions)

Source: Telecom Regulatory Authority of India (TRAI)



BEING IN THE ONLINE BUSINESS, INFO EDGE PRIMARILY CATERS TO THE RAPIDLY GROWING, UPWARDLY MOBILE YOUNGER URBAN POPULATION IN INDIA. WITH A MEDIAN AGE OF 25 YEARS, INDIA IS ONE THE WORLD'S YOUNGEST NATIONS, WITH THE YOUTH POPULATION GROWING RAPIDLY. 70% OF INDIA'S POPULATION IS PROJECTED TO BE IN THE WORKING CLASS BY 2030.

- Growth of the younger population in India: With a median age of 25 years, India is one the world's youngest nations, with the youth population growing at a rapid rate. According to the World Fact Book, 70% of India's population is projected to be in the working class by 2030. Over the next five years, the country is expected to see 70 million new entrants in its workforce.

- Urbanisation and growth of the upwardly mobile middle class: According to the McKinsey Global Institute (MGI), the number of urban households is expected to increase from 62 million in 2005 to 83 million in 2015. And, as **Chart F** shows, within the urban population, the share of 'seekers' and 'strivers' with a household income between Rs.2 lakh and Rs. 10 lakh — who constitute the 'upwardly mobile' middle class — is expected to increase from 12% in 2005 to 57% in 2015. An increase in disposable income will lead to greater discretionary spending, which augures well for our consumer businesses such as jeevan sathi.com and the candidate services part of our naukri.com vertical.

Thus, the long term demographic trends are favourable for online businesses like Info Edge. However, low internet penetration and poor infrastructure support for internet usage have been dampeners for online businesses in India. The good news is that, of late, there is a change for the better.

- According to Internet and Mobile Association of India (IAMAI), active internet users continue to grow (**Chart G**). In the first half of 2009-10, the numbers increased by 6 million from 46 million in March 2009 to 52 million in September 2009. Given an urban population of 266 million, this reflects a penetration level of 19.5%. Compared to other large emerging economies, such penetration levels in urban centres are fairly low; and there is considerable scope for further growth in internet usage in urban India.

- Within the urban centres, an important development is that internet usage has started spreading to smaller towns and cities across India's geography. This has helped to develop a wider customer base and the opportunity to enhance value added services for diverse online communities. Between 2006 and 2009, in terms of people ever using the internet, the share of towns with population less than 5 lakh has increased from 29% to 36%, while that of the top eight metros has reduced from 41% to 34%.

- A major factor that has defined internet behaviour is the quality of internet connectivity. Better connectivity

BOX 2 RECRUITMENT BUSINESS — PERFORMANCE HIGHLIGHTS

NET SALES FROM RECRUITMENT DECREASED

7.7% — from Rs.2117 million in 2008-09 to Rs.1954 million in 2009-10.

OPERATING EBITDA FROM RECRUITMENT REDUCED by 12.9%

— from Rs.922 million in 2008-09 to Rs.803 million in 2009-10.

Even so, the **OPERATING EBITDA MARGIN** was 41.1% in 2009-10.

and bandwidth allows more complex offerings and value added services over the internet. On this front, there have been issues in India with the majority relying upon slow dial-up connections. Of late, however, there has been some improvement on this front. **Chart I** shows that broadband connections (download speed of at least 256 kbps) have increased from 5.52 million in December 2008 to 7.82 million in December 2009. Even so, there is a long way to go.

It would seem, therefore, that the underlying trends in demographics and internet usage are beneficial for internet based businesses, and Info Edge is well positioned to make the most of these opportunities.

To understand how the different businesses performed during 2009-10 and how they are positioned to leverage opportunities in the future, each of them are analysed in greater detail in the next section.

BUSINESSES

As of today, the Company has four business areas: recruitment services, matrimonial services, real estate services and education services. In addition, Info Edge has invested into two companies, which are in the incubation stage where it plays the role of an investee company.

Recruitment

The recruitment services business comprises of the following:

CHART J NAUKRI JOB SPEAK INDEX (%)

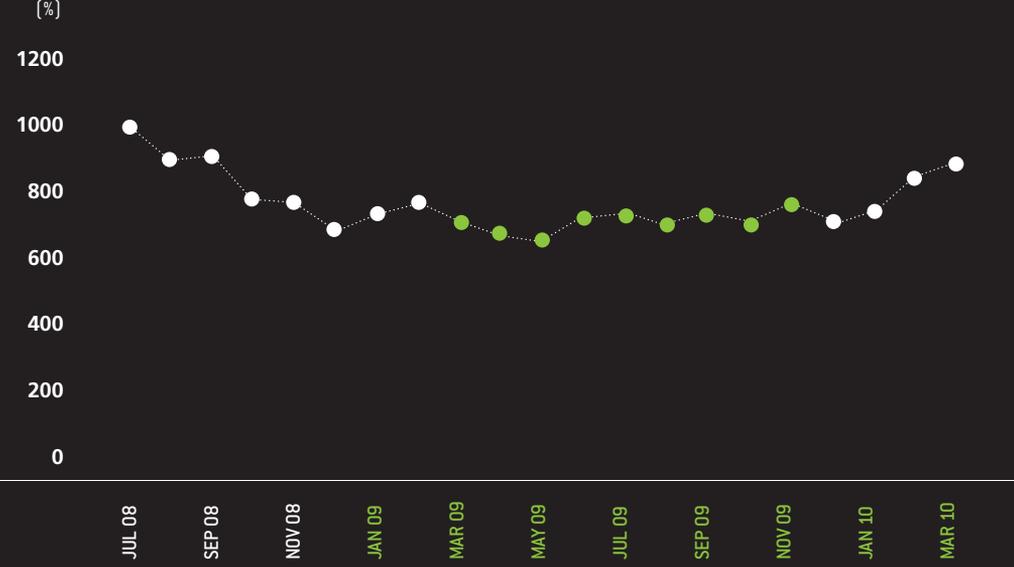


CHART K QUARTERLY RESULTS (RS.MILLION)

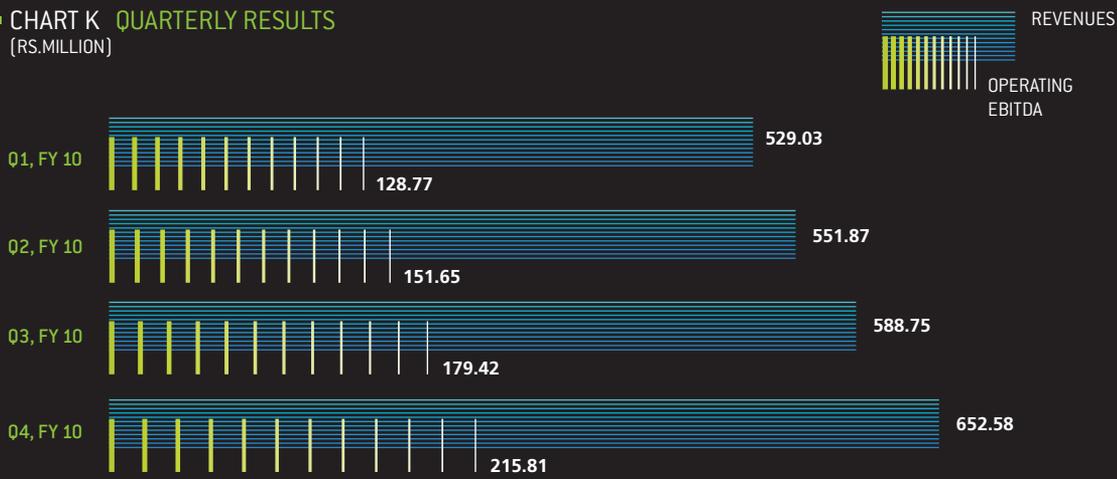
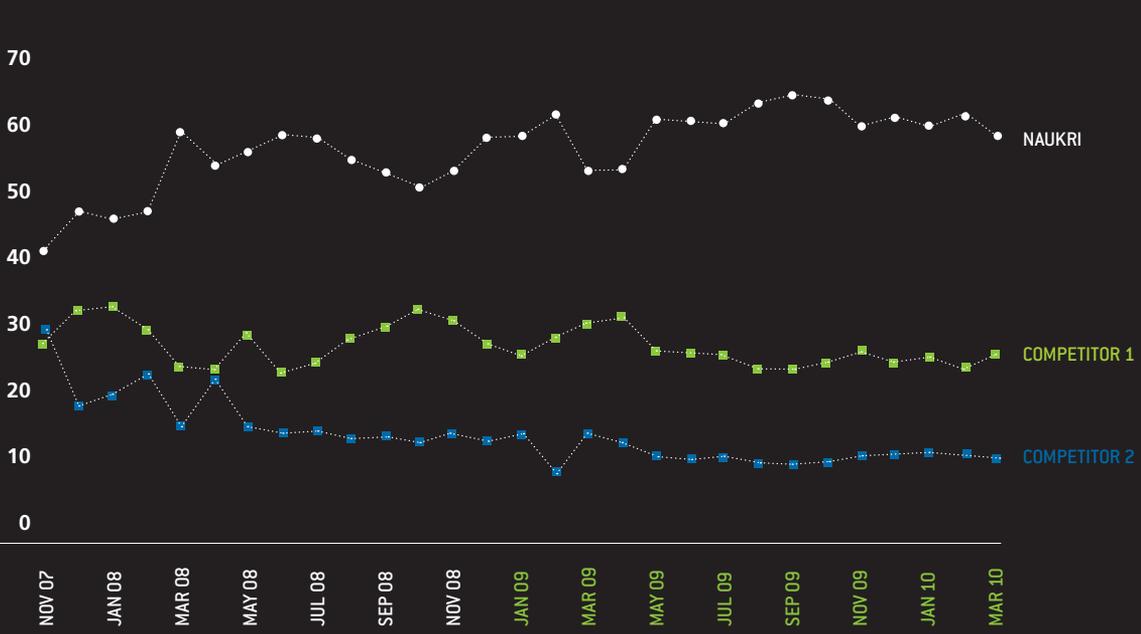


CHART L WEBSITE TRAFFIC DATA, COMSCORE.COM (%)



THE OTHER SIGNIFICANT DEVELOPMENT IN 2009-10 HAS BEEN THE IMPROVED PERFORMANCE OF NAUKRI.COM COMPARED TO COMPETITION. THE PORTAL HAS IMPROVED ITS LEADERSHIP POSITION IN TERMS OF TRAFFIC SHARE AMONG THE LEADING INDIAN ONLINE JOB-SITES

- naukri.com: This is the Company's flagship brand and India's largest online jobsite
- Quadrangle: 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
- Asknaukri.com: This is a repository of career related questions and answers that acts like a career guidance site
- brijj.com: This is a professional networking site. While in terms of reporting the financials of this portal from a part of the 'other businesses', in business terms it is still very much integrated into the recruitment portfolio
- Firstnaukri.com: Launched in January 2009, this site focuses on fresher hiring

Box 2 gives the summary of the financial performance of the recruitment business in 2009-10. Naukri.com is the major revenue generator in this business area.

Naukri.com has two major sources of revenue and several other supporting revenue streams. The major sources of revenue are: (i) job listing and employer branding or visibility, and (ii) résumé database access. The supporting revenue sources include job seeker/candidate services, Google Ad sense, advertising other than for jobs, mobile revenues, and the value added service of résumé short listing and screening.

All these revenue sources are directly affected by volume of activity in the recruitment space. Based on activity on its website, Info Edge launched the 'Naukri Job Speak Index' in July 2008. Total number of new jobs posted in July 2008 was scaled to 1,000 and the index for subsequent months is calculated relative to July 2008. **Chart J** shows that for most of 2009-10, this index was at low levels around 700. Given such adverse conditions in the job market in India, a drop in revenues of the recruitment business was inevitable.

The silver lining is the upward movement in the index during February and March 2010, indicates a significant improvement in recruitment activities. The performance of the recruitment business has been in line with this market movement. **Chart K** shows that there has been a clear improvement in both quarterly revenues and operating EBITDA of this business during Q4, 2009-10.

During 2009-10, naukri.com continued to invest in the brand, sales promotions, customer service, technology based product innovation and its people. The business reaped benefits from sales teams' efficiencies that were generated through restructuring, effective use of the

newly implemented ERP package and the utilisation of newer sales channels.

These initiatives helped naukri.com maintain its position as India's No.1 job site. It continued to leverage its first mover advantage by building an extensive database of résumés and corporate clients who are patrons of naukri.com. The large database and the comprehensive nature of the client list form a self-generating cycle that generates growth on a sustainable basis.

Here are some facts:

- Number of résumés in naukri.com's database increased by 23.5% — from around 17 million at the end of 2008-09 to around 21 million at the end of 2009-10.
- Average number of résumés modified daily increased by 40.5% — from 42,000 at the end of 2008-09 to 59,000 at the end of 2009-10.
- Number of unique customers grew by 4.4% — from 34,000 at the end of 2008-09 to 35,500 at the end of 2009-10. While this share increased, its reliance on 10% top unique customers reduced from 61% at the end of 2008-09 to 59% at the end of 2009-10.

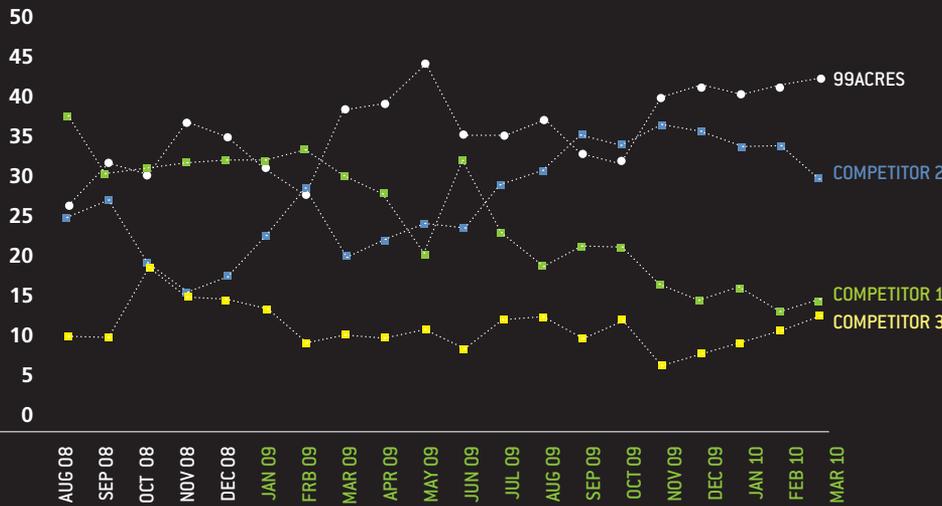
The other significant development in 2009-10 has been the improved performance of naukri.com compared to competition. The portal has improved its leadership position in terms of traffic share among the leading Indian online job-sites. **Chart L** shows the traffic data from comscore.com. Naukri.com has got over 60% share in traffic for most of the year, while the nearest competitor's share has dropped below 30%. And, the gap has been widening in favour of naukri.com.

Naukri.com is supported primarily by four offerings that complete the Company's full service suite in the recruitment space: Quadrangle, FirstNaukri.com, Naukrigulf.com and Brijj.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. Given the market slowdown, Quadrangle's business was also affected for most of 2009-10. However, with a 90% growth in Q4, 2009-10, revenues increased by 13% during 2009-10.

Firstnaukri.com was launched in Q4, 2009-10. The site targets at hiring fresh students from campuses. A separate offering was required since employers find it difficult to shortlist freshers from jobsites due to the kind of data they require as also their inability to physically reach out to a higher number of colleges. With the labour market in India picking up in the last few quarters,

CHART M WEBSITE TRAFFIC DATA, COMSCORE.COM (%)



NET SALES DECREASED

by 4.6% to Rs.133 million in 2009-10.

OPERATING EBITDA LOSS

DECREASED from Rs.95 million in 2008-09 to Rs.38 million in 2009-10.

NUMBER OF PAID TRANSACTIONS ROSE

from around 16,600 in 2008-09 to 18,300 in 2009-10.

BOX 3 99ACRES.COM — PERFORMANCE HIGHLIGHTS

fresh student hires are expected to grow. The Company is working on the premise that some of this hiring will occupy the online space. There has been considerable work at developing the site. The product was sold to both recruiters and campuses; and the initial responses are encouraging. There was some marginal revenue in Q4, 2009-10, but it is estimated that it will take at least a couple of years for this site to reach substantial size and scale.

While the Middle-East job market is large and there is considerable scope of shifting customers from the print medium to online, the economic slowdown has been very sharp in the region. The job market, though improving, is still very subdued. Consequently, naukri.com continued to face a difficult market. The business is supported by offices in Dubai, Bahrain and Riyadh, Saudi Arabia.

Info Edge had enhanced its recruitment portfolio a few years ago by launching the professional networking site — brijj.com. The site is still at a nascent stage of development. While its business potential is growing with over 3 million listed profiles increasing at a rate of 3,000 a day, there is still not enough recruitment traction for the Company to develop any significant revenue stream. Info Edge has focused on addressing this challenge.

Info Edge identified that the internet will witness a significant change with the increasing number of value added services on mobile phones. With the advent of 3G services (expected to be launched soon), mobiles have the potential to complement or even replace frequent usage

of the computer as a mode of accessing the world-wide-web. This is expected to increase traffic and engagement. Info Edge, to tap into the expected increase in accessing internet via mobile has launched the mobile version of naukri.com as the platform for jobsearch on mobile. In addition, jobseekers can get job alerts on their mobiles and have the ability to send their CVs to prospective recruiters using mobile messaging. More features and applications are expected to be developed and rolled out. The Broadband Wireless Access (expected to be launched soon) is also expected to add to the number of internet users as also improve quality of access.

Recruitment is an active and growing opportunity in India. The economic slowdown is over. Trends suggest that the country is well back on something like an 8.5% growth path. Hiring activities are expected to pick up. In fact, Q4, 2009-10 already witnessed significant improvements. It is expected that the market will continue to provide opportunities for the Company to regain its growth momentum in 2010-11.

Real Estate

The real estate business comprises 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 business, allcheckdeals.com was hived off as a separate subsidiary during FY 2008-09 — so as to create specific business focus.

Box 3 gives the highlights of the performance of 99acres.com during 2009-10.

99acres.com caters to real estate developers, builders and brokers. Its source of revenue is from property listings, builders' and brokers' branding and visibility through micro-sites, home page links and banners. Revenues are also generated from buyer database access and international listings. At present, the site has good traction in the residential sector mainly for primary and secondary real estate sales and purchase. An important focus area going forward is to develop and penetrate the rental market and commercial real estate.

For most of 2009-10, the real estate market in India was subdued, which affected revenues of the portal. Having said so, there has been a degree of revival in the second

To encourage transparency and to promote fair practises in real estate deals, Info Edge had launched allcheckdeals.com in November 2007 — the Company's direct online property broking business. As stated earlier, this has now been structured as a separate subsidiary to provide greater focus.

The allcheckdeals.com business performed reasonably well in 2009-10. With 540 deals signed in Q4, 2009-10 alone, the annual revenues of this business increased by 7 times to around Rs.44.66 million in 2009-10. The operating EBITDA loss was approximately Rs.23.24 million.

Matrimonial

With 450 million people under the age of 21 and a pervasive socio-economic culture that promotes arranged

INFO EDGE HAS CONCENTRATED ON CRITICAL ASPECTS FOR DEVELOPING ITS MATRIMONIAL PORTAL JEEVANSATHI.COM. IT HAS UNDERTAKEN SUBTLE PRODUCT DIFFERENTIATION THAT CATERS TO SPECIFIC SOCIO-ECONOMIC COMMUNITIES IN INDIA. THE BUSINESS IS ABLY SUPPORTED BY THE COMPANY'S ANALYTICS TEAM.

BOX 4 MATRIMONIAL — PERFORMANCE HIGHLIGHTS

NET SALES FROM MATRIMONIAL INCREASED

by 17% to Rs.199 million in 2009-10.

OPERATING EBITDA LOSS REDUCED

to Rs.12 lakh in 2009-10.

PROFILE LISTINGS INCREASED

from 2.9 million at the end of 2008-09 to 3.7 million at the end of 2009-10.

half of 2009-10, especially in Delhi and Mumbai. Even southern markets have picked up and with increased liquidity a revival is expected in this sector. Thus, quarterly revenues of 99acres.com grew by an impressive 39% in Q4, 2009-10.

During the slowdown, 99acres.com focused on product innovation and evangelising the online real estate space, with efforts at improving the customer user experience. These have borne fruit in the gains that the site has achieved in traffic share among real estate websites in India. **Chart M** shows the traffic data from comscore.com. From November 2009, 99acres.com started getting over 40% share in traffic, while the nearest competitor's share has dropped below 30% by March 2010.

marriages with parental consent, there is considerable scope of growth for the online matrimonial business in India. Essentially, online forums substitute simple social networks and matrimonial pages in newspapers to help parents find the right matrimonial match for their sons or daughters.

While the opportunity exists, the market remains highly fragmented — relying on local, religious, regional, linguistic and caste-based factors. To provide tailor made solutions that meet the specific requirements of each of the different segments in the market it is imperative to understand and analyse the behavioural nuances that govern matrimonial decisions in India. Even today, much of this behaviour is governed by regional or community based considerations. In this milieu, matrimonial sites in India need to provide solutions that are specific to a socially and culturally defined community.

From a business perspective, it is important to understand the revenue model. While the website is free for listing, searching or expressing interest, payments are required to get contact details. Once a paid customer successfully gets married through the site, the person does not need it any more. Thus, there is no concept of customer retention. Hence, the need is not to merely popularise the site but to actively promote it among the social networks of prospective paid customers.

Info Edge has concentrated on these critical aspects for developing its matrimonial portal jeevansathi.com. It has undertaken subtle product differentiation that caters to specific socio-economic communities in India. The business is ably supported by the Company's

INFO EDGE CONTINUES TO BE A PEOPLE-DRIVEN COMPANY.

EVEN IN DIFFICULT ECONOMIC CONDITIONS IN 2008 AND 2009, THERE WERE NO LAY-OFFS — ONLY NATURAL ATTRITION. THE HUMAN RESOURCE (HR) FUNCTION IS WELL GEARED TO OPTIMISE RESOURCE UTILISATION.

analytics team. By studying online behaviour, the team has developed a model that can fairly accurately predict whether a user will pay for the service or not. The sales teams then focus on targeting only users who have a higher probability to be a prospective paid customer. These techniques have helped the Company better utilise its sales and promotion expenses. Consequently, even as average number of profiles listed per day reduced marginally from 1,932 in 2008-09 to 1,926 in 2009-10, there was an improvement in revenues and profits. In fact, jeevansathi.com was close to break even in 2009-10 incurring a small loss of Rs 1.2 million, down from Rs 46.9 million in 2008-09.

The highlights of the performance are given in **Box 4**.

The online business is being supplemented by 14 offline centres called 'Jeevansathi Match Points'. These centres provide hand-holding services to customers who are not internet savvy, helping them to utilise jeevansathi.com online services. As of today, these sites are still under evaluation. Depending upon their success, there could be investments in more such offline centres in the future.

This business is largely insulated from economic developments, and success will depend on the Company's ability to increase market share. Info Edge is committed to investing in a focused manner to grow its market share in this business and move closer to the two leading players. This investment may mean incurring losses in the next 1 to 3 years while reaping higher revenue growth rates.

Education

With increased private participation, education is a rapidly growing sector in India. While the advertisement spend in education is estimated to be in the region of Rs.25000 million, the spend in online advertisement is estimated at only around Rs.400 million. The critical challenge in this business is to provide suitable value propositions to convert some of expenditures in print advertising to online advertising.

Info Edge had launched shiksha.com in May 2008. While this foray is largely insulated from economic cycles, much of this space is still uncharted territory, and the Company is focusing on its product to stand-out in the market.

Shiksha.com is primarily an information exchange site that focuses on higher education. The primary sources of

revenue are expected to be from advertising or lead sales from (i) Indian education players, i.e. the universities and institutes, (ii) test preparation and coaching institutes, and (iii) overseas universities and colleges targeting Indian students.

There has been an encouraging response to the product. In the aggregate, the site has around 110,000 listings. The online business is supported by 11 offices across cities in India. The site earned some encouraging revenues in Q4, 2009-10; and Info Edge will continue to invest in developing this business

Investee Companies

As a part of getting into new initiatives, Info Edge has made investments in three associate companies.

■ Info Edge has already invested Rs.65 million in tranches for a 40% stake in Applect Learning Systems Private Limited. The Company proposes to invest another Rs.50 million into this business. Applect has launched a site called meritnation.com, which is delivering kindergarten to Class 12 (K-12) study material. The site commenced paid services for online educational assessment. It provides free solutions mainly in mathematics and sciences for student preparing for Board exams, primarily CBSE and ICSE. Some state Board curriculum has also been added during 2009-10. It is managed by an experienced team proficient in developing education content, assessment modules and delivery. The site has started getting traction and has encouraging prospects.

■ It has proposed to invest Rs.200 million in tranches for a 49% stake in Etechaces Marketing & Consulting Private Limited. It has already invested Rs.99.5 million as on 31 March 2010. Its website, Policybazaar.com, helps customers compare insurance products that best suit their requirements. During 2009-10, some loan products have been added to the site offerings. Revenues are generated primarily from lead generation. The site is also managed by an experienced team, and is getting traction.

■ In Q4, 2009-10, the Company made a provision for permanent diminution in carrying value of its investment in Studyplaces Inc, USA through its Mauritius Subsidiary. This has resulted in a one-time exceptional charge of Rs.37.74 million. Such early stage/ start up / venture capital type investments carry this risk. and the fact that the risk was recognized early and contained and the loss booked is a good sign.

Support Services: Sales Team, HR and Technology

Info Edge's innovative online products are supported by a strong sales network. The team consists of approximately 1,200 people spread across 49 company branches in 32 cities of India. There are also some international branches mainly in the Middle-East. Increasingly, the sales system is being supported by analytics and technology to maximise their efforts in terms of per capita revenue productivity. With the economic conditions improving from the last quarter of 2009-10, the Company has created the base to further leverage this sales team in distributing different online products and promoting growth.

Info Edge continues to be a people-driven company. Even in difficult economic conditions in 2008 and 2009, there were no lay-offs — only natural attrition. The human resource (HR) function is well geared to optimise resource utilisation. This philosophy was used to create the team for shiksha.com, where internal talent was groomed to man the new business. With economic conditions improving, the Company is again looking to increase its work-force in growth oriented businesses. The focus, however, is more on hiring junior executives, and training them as they progress. While fostering a healthy HR culture, Info Edge remains committed to implementing its result oriented performance evaluation standards.

The Company continued to focus on training during 2009-10, especially on effective sales management and development of managerial skills of young professionals. We entered into corporate tie up with ISB for competency building in Senior Management through ISB Executive Education Programs. The Human Resource Information System (HRIS) module which implemented in FY 2008-09, stabilized during the year and some of the functionalities were automated which has helped improve HR processes and enhance employee connectivity.

On the technology front, Info Edge's operations are backed by robust hardware. The websites are hosted by a well-respected service provider located in the US. It has 65 high speed servers in the US which are exclusively dedicated to hosting naukri.com and its related applications. There are also has two backup servers in the US. In addition, there are locally hosted servers to run backend operations at Noida.

In a major development during 2009-10, Info Edge successfully implemented a new ERP package. This

package will help integrate and streamline data flow across the Company and considerably help in improving processes and systems. Data evaluation through the ERP will help improve decision making and provide support to improving sales efficiencies.

Since the slowdown of 2008-09, Info Edge has increased its focus on many back-end initiatives to make websites functionally more useful and user friendly for the customers. The stress is now on increasing the traffic of customers who matter. For this purpose, it has a strong in-house analytics team that constantly studies consumer behaviour and provides insights on how to profitably engage customers. The analytical insights are integrated with the technology team's strength of developing and refining algorithms to enhance the customer experience across all the Company's websites. Such use of smart technology is a critical factor that determines Info Edge's competitive strength.

Internal Controls and Their Adequacy

Info Edge has a 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, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

COMPANY'S
PHILOSOPHY
ON CORPORATE
GOVERNANCE

Transparency, integrity, professionalism and accountability are the cornerstones of Info Edge Limited's ('Info Edge' or 'the Company') value system, which guide the Company's management in conducting business and creating value for all its stakeholders including its shareholders, customers, employees and the community in which the company operates. Consequently, Info Edge remains resolute in its belief and practice of good corporate governance.

With firm commitment to ethics and integrity in all its business dealings, the Company maintains a high degree of transparency through regular disclosures and a focus on adequate control systems. Instead of viewing corporate governance practices as a set of binding obligations, Info Edge believes in utilizing these governance systems and frame-works in practice to deliver value over the long term.

This chapter, along with the chapter on additional shareholders information is not only the Company's disclosure on compliance with the mandatory requirements on corporate governance stipulated in the listing agreement with the Securities and Exchange Board of India (SEBI) under clause 49, but also reflects the true spirit in which these practices are followed at Info Edge.

BOARD OF
DIRECTORS

SELECTION OF THE BOARD

The Board is responsible for selecting members to fill Board vacancies and nominating candidates for election by the Shareholders at the Annual General Meeting (AGM). Recently, the Board has constituted a Nominations Committee whose role is to select, recommend, appoint and evaluate performance of Executive Directors and non-executive Directors including Independent Directors.

COMPOSITION OF THE BOARD

As on March 31, 2010 the Company's Board comprised 10 directors, of which three are Whole-time Directors, five are Independent Directors, one is a Non-Executive Director and one is a Nominee Director. The Chairman of the Board is a non-executive, non-promoter Director.

However, Mr. Sandeep Murthy, Nominee Director has resigned from the Board w.e.f. 30 April 2010 consequent to the sale of majority of their shareholding by Murugan Capital and Sherpalo LLC Mauritius, the nominating institutions. At present, the Board of Director comprises of 9 Directors.

Even though the 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 50 % of its Board members are independent Directors.

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

NUMBER OF BOARD MEETINGS

The Board of Directors met 5 times during 2009-10 on April 30, 2009, July 23, 2009, September 30, 2009, October 22, 2009 and January 29, 2010. The maximum gap between any two meetings was less than 4 months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD

1 COMPOSITION OF THE BOARD OF DIRECTORS AS ON MARCH 31, 2010							
Names	Position	No. of meetings held in 2009-10	No. of meetings attended in 2009-10	Whether attended last AGM	No. of Directorships in other public companies	No. of Committee Memberships in other public companies	No. of Chairmanships of Committees in other public companies
Kapil Kapoor	Non- Executive Chairman	5	2	N	1	-	-
Arun Duggal	Non-executive, independent Director	5	4	Y	10	3	-
Sanjeev Bikhchandani	Managing Director and Chief Executive Officer	5	5	Y	-	-	-
Hitesh Oberoi	Whole Time Director and Chief Operating Officer	5	5	Y	-	-	-
Ambarish Raghuvanshi	Whole Time Director and Chief Financial Officer	5	5	Y	-	-	-
Saurabh Srivastava	Non-executive, independent Director	5	3	N	-	-	-
Naresh Gupta	Non-executive, independent Director	5	4	Y	-	-	-
Bala Deshpande	Non-executive, independent Director	5	3	Y	2	-	-
Ashish Gupta	Non-executive, independent Director	5	3	Y	-	-	-
Sandeep Murthy#	Non-executive and Nominee Director	5	2	Y	1	-	-

resigned with effect from April 30, 2010

As mandated by Clause 49, the Independent Directors on the Company's Board:

- Apart from receiving sitting fee, commission and stock options, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or an executives during the preceding three years of the:
- Statutory audit firm or the internal audit firm that is associated with the company
- Legal firm(s) and consulting firm(s) that have a material association with the company
- Are not material suppliers, service providers or customers or lessors or lessees of the company, which may affect independence of the Director
- Are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares
- Are not less than 21 years of age.

As mandated by the Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Policy to regulate external commitments of Whole-time Directors: The Company has a specific policy to regulate the 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. The policy defines upper limits for the maximum time the Whole-time Directors can devote to external engagements and the maximum limit for strategic investments. The policy also prohibits Whole-time Directors from accepting Board or Advisory positions in any external organization where they have made personal investments.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information with the company. All the information stipulated under clause 49 is regularly provided to the Board as a part of the 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.

Selection of Agenda Items for Board Meetings: The Company Secretary prepares the agenda of the Board meetings on the basis of suggestions from 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, management oversight, ethical business practices and legal compliance, accounting and financial controls, financial structure, preservation of assets, and Board effectiveness.

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 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, pursuant to the revised Clause 49, the minutes of the Board meetings of company's unlisted subsidiary company(ies) are also placed before the Board for information.

REMUNERATION PAID TO DIRECTORS

2 DETAILS OF REMUNERATION PAID TO DIRECTORS FOR 2009-10						(RS. IN '000)
Name of the Director	Sitting Fees	Salary	Reimbursements	Bonus	Commission and Others	Total
Kapil Kapoor	40	-	-	-	-	40
Sanjeev Bikhchandani	-	8,423	567	4,250	-	13,240
Hitesh Oberoi	-	8,204	313	4,250	-	12,767
Ambarish Raghuvanshi	-	6,103	180	3,000	-	9,283
Arun Duggal	120	-	-	-	500	620
Ashish Gupta	90	-	-	-	500	590
Saurabh Srivastava	60	-	-	-	500	560
Bala Deshpande	60	-	-	-	500	560
Naresh Gupta	120	-	-	-	500	620
Sandeep Murthy	-	-	-	-	-	-
Total	490	22,730	1,060	11,500	2,500	38,280

During 2009-10, the Company did not advance any loans to any of its Directors except travel or business advance in order to discharge their official duties in the normal course of business.

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

CODE OF CONDUCT

Info Edge's 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, periodic feedback is taken from business and functional heads about their risk perception with respect to their area of operation and the Company in general. The Audit Committee periodically evaluates and discusses the risk assessment and mitigation mechanism in their meetings.

COMMITTEES OF THE BOARD

During 2009-10, the Company had three Board Committees – Audit Committee, Compensation Committee, and Investors Grievance Committee. The Board of Directors have constituted a new committee on April 30, 2010 – ‘Nominations Committee’ of the Board for appointment, nomination and evaluation of Directors.

Each Committee has assigned scope of responsibilities, duties, and authorities, which is reviewed by the Board from time to time to determine the appropriateness of the purpose for which the Committee was formed and the changing business environment. Committee composition shall conform 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 As on March 31, 2010, the Audit Committee comprises 4 members all of whom are independent Directors. The members are Mr. Arun Duggal, Mr. Saurabh Srivastava, Dr. Naresh Gupta, and Mr. Ashish Gupta. During 2009-10, four Audit Committee meetings were held on April 30, 2009, July 23, 2009, October 22, 2009, and January 29, 2010. The time gap between any two meetings was less than four months. The details of the Audit Committee are given in Table 3.

3 ATTENDANCE RECORD OF COMPANY'S AUDIT COMMITTEE				
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	2
Naresh Gupta	Member	Independent Director	4	4
Ashish Gupta	Member	Independent Director	4	3

The Director responsible for the finance function and the representative of the statutory 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 & financial management knowledge. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on July 23, 2009 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

Info Edge'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 statutory and internal 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 company.

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
- 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.

During 2009-10, the Audit Committee undertook certain specific initiatives, which further strengthened the Company's governance systems. These include the following:

- Reviewed the ERP implementation project and monitoring its progress every quarter;
- Reviewed the back-up certification system that supports the CEO and CFO certificates of compliance with the terms of Clause 41 and 49 of the Listing Agreement
- Reviewed all material related party transactions every quarter
- Reviewed the Company's financial investments and the governing policy to make it appropriate for business needs in the changing environment
- Independently evaluated internal systems, controls and financial reporting issues through separate discussions with Internal and Statutory Auditors without the presence of either Whole-time Directors or senior management
- Reviewed the Insider Trading Code and made amendments.

b) Compensation Committee As of March 31, 2010, the Compensation Committee comprises 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 Compensation Committee held three meetings during 2009-10 on April 30, 2009, October 22, 2009, and January 29, 2009 apart from approving various proposals through circulation. Table 4 gives the details.

4 ATTENDANCE DETAILS OF COMPANY'S COMPENSATION COMMITTEE				
Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Kapil Kapoor	Chairman of the Committee	Non-Executive Chairman of the Board	3	2
Saurabh Srivastava	Member	Independent	3	2
Bala Deshpande	Member	Independent	3	2

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.;
3. Any other matter as may be referred by the Board.

REMUNERATION POLICY

The remuneration paid to the non-executive Directors of the Company is decided by the Board of Directors on the recommendations of the Compensation Committee. The remuneration policy is in consonance with the existing industry practice. As per the shareholders' approval obtained at the Extra-ordinary General Meeting of the Company held on 14th July 2006, the commission is paid at the rate not exceeding one % 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.

1. Non-executive Directors

The non-executive Director is paid sitting fees for attending the meetings of the Board & Committee thereof within the ceilings prescribed by the Central Government.

2. Independent Directors

Independent Directors are paid sitting fees for attending the meetings of the Board of Directors & Committees and commission as percentage of net profits within the ceilings prescribed by the Central Government and Companies Act, 1956. The Company has also granted stock options to the Directors, the details of which are given in Table 5.

For FY 2010-11, the Board has adopted a method where Commission payable to directors shall also take into account their level of participation in Board, Committee and other meetings.

5 DETAILS OF STOCK OPTIONS GRANTED TO DIRECTORS						
S. No.	Name	Status	No. of Options Granted	No. Options Vested	No. of Options Exercised	No. of Options in force
1	Arun Duggal	Independent Director	10,000	6,000	Nil	10,000
2	Ashish Gupta	Independent Director	10,000	6,000	Nil	10,000
3	Saurabh Srivastava	Independent Director	10,000	6,000	Nil	10,000
4	Naresh Gupta	Independent Director	10,000	6,000	Nil	10,000
	Total		40,000	24,000	Nil	40,000

c) Shareholders/Investor Grievance Committee The Shareholders/Investor Grievance Committee consists of Mr. Kapil Kapoor, Mr. Ambarish Raghuvanshi and Ms. Bala Deshpande. The Committee met three times in the year under review on April 30, 2009, October 22, 2009 and January 29, 2010. Table 6 gives the details of meetings of the Committee.

6 ATTENDANCE DETAILS OF COMPANY'S SHAREHOLDERS/INVESTOR GRIEVANCE				
Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended
Kapil Kapoor	Chairman of the Committee	Non-Executive	3	2
Ambarish Raghuvanshi	Member	Whole-time	3	3
Bala Deshpande	Member	Independent	3	2

Mr. Amit Gupta, Company Secretary is the Compliance Officer of the Company.

The Committee supervises the systems of redressal of investor grievances and ensures cordial investor relations. The scope and functions of the Committee also includes 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 2009-10 are given in Table 7.

7 STATUS OF COMPLAINTS RECEIVED AND ATTENDED TO DURING 2009-10			
Pending as on as 1 April 2009	Received during the year	Answered during the year	Pending as on as 31 March 2010
Nil	3	3	Nil

d) Nominations Committee On April 30, 2010, the Board constituted a Nominations Committee to select, recommend, re-appoint and evaluate performance of Executive and Non-Executive Directors including Independent directors. The Committee shall comprise the Non-Executive Chairman and all independent directors. The Committee would consider 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, and availability of the person's time to undertake the functions of an effective Director. The Nomination Committee will also evaluate and recommend the appointment of Executive Directors.

SUBSIDIARY COMPANIES

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India,

whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company does not have a 'material non-listed Indian subsidiary'.

8 DETAILS OF THE SHARES HELD BY THE NON-EXECUTIVE DIRECTORS			
S. No.	Name	No. of Shares	Percentage to total Paid-up Capital
1	Kapil Kapoor	1,068,185	3.91
2	Bala Deshpande	26,080	0.09
3	Arun Duggal	20,000	0.07
4	Ashish Gupta	21,703	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 in Note No -13 in Schedule- 18 to Annual Accounts of the Annual Report.

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3 C) of the Companies Act, 1956 ("the Act") and the relevant provisions of the Act.

DETAILS OF NON-COMPLIANCE BY THE COMPANY

Info Edge has complied with all the requirements of regulatory authorities. 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 regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. During the year, the Company revised its Code for prevention of insider trading owing to changes in the SEBI Insider Trading Guidelines and also revised its list of insiders. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, 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 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.

REAPPOINTMENT/APPOINTMENT OF DIRECTORS

As per the requirements of Section 256 of the Companies two-third of the Board shall consist of retiring directors out of which one third shall retire at every annual general meeting. Accordingly, Mr Arun Duggal and Mr Ashish Gupta shall retire and being eligible, seek re-appointment in the ensuing Annual General Meeting of the Company.

The relevant information pertaining to Directors seeking appointment and re-appointment is given separately in the Notice for the ensuing Annual General Meeting.

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, namely, Financial Express in English and Jansatta in Hindi, along with the official press releases.

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 9 gives details of the publications of the financial results in the year under review.

9 PUBLICATIONS OF THE FINANCIAL RESULTS DURING 2009-10				
Quarter/Annual	Date of Board Meeting to approve the result	Date of Publication	English News Paper	Hindi Newspaper
Q1 FY 2010	July 23, 2009	July 24, 2010	Financial Express	Jansatta
Q2 FY 2010	October 22, 2009	October 23, 2009	Financial Express	Jansatta
Q3 FY 2010	January 29, 2010	January 30, 2010	Financial Express	Jansatta
Q4 & Annual FY 2010	April 30, 2010	May 1, 2010	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

10 DETAILS OF LAST 3 ANNUAL GENERAL MEETINGS				
Meeting	Date	Time	Venue	No. of Special Resolutions Passed
12 th AGM	July 27, 2007	4.30 PM	FICICI Auditorium, New Delhi	Nil
13 th AGM	July 24, 2008	4.30 PM	FICICI Auditorium, New Delhi	1
14 th AGM	July 23, 2009	4.30 PM	FICICI Auditorium, New Delhi	1

The following Special Resolutions were taken up in the last three AGMs, and were passed with requisite majority.

S. No.	Financial Year to which AGM pertains	Date of Annual General Meeting	Issue	Type of resolution
1	2006-07	July 27, 2007	No Special Resolution Passed	N.A.
2	2007-08	July 24, 2008	Appointment of Ms. Surabhi Bikhchandani, wife of Mr. Sanjeev Bikhchandani to a place of profit under Section 314 (1B) of the Companies Act, 1956	Special Resolution
3	2008-09	July 23, 2009	Seeking approval of the shareholders for flexibility in utilising IPO proceeds including purposes other than those mentioned in the Prospectus	Special Resolution

POSTAL BALLOT

During the year, two Special Resolutions were passed by the Shareholders of the Company through Postal Ballot. The resolutions were contained in the postal ballot notice dated May 23, 2009. The description of the resolutions and the results of the voting pattern of the Postal Ballot, which were declared on June 27, 2009, are given in the following table.

The Board appointed Mr. Ambarish Raghuvanshi, Director and Chief Financial Officer and Mr. Amit Gupta, Company Secretary, as persons responsible for the entire Postal Ballot Process. The Board appointed Mr. N.C. Khanna, Company Secretary in Practice, as Scrutinizer to conduct Postal Ballot Process.

S. No.	Issue	Type of resolution	Net valid Postal Ballot	Postal ballot form with assent for the Resolution (No. of Shares)	Postal ballot form with dissent for the Resolution (No. of Shares)	% of Total valid votes cast in favour of the resolution	Remarks
1	To approve amendments in Employee Stock Option Scheme 2007 (ESOP 2007).	Special Resolution	95	82	13	86.32%	Passed with overwhelming majority
2	Authorizing grant of Stock Options/Stock Appreciation Rights/ RSU/ other Stock based instruments to the employees of present & future subsidiaries of the Company.	Special Resolution	92	79	13	85.87%	Passed with overwhelming majority

COMPLIANCE

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 the 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. The policy has been implemented since January 22, 2008. During the year there were no cases reported under the policy.

11 COMPLIANCE REPORT			
Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
I. Board of Directors	491	Yes	
(A) Composition of Board	49 (IA)	Yes	
(B) Non-executive Directors' compensation and disclosures	49 (IB)	Yes	
(C) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	49 (ID)	Yes	
II. Audit Committee	49 (II)	Yes	
(A) Qualified and Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee	49 (IIB)	Yes	
(C) Powers of Audit Committee	49 (IIC)	Yes	
(D) Role of Audit Committee	49 II(D)	Yes	
(E) Review of Information by Audit Committee	49 (IIE)	Yes	
III. Subsidiary Companies	49 (III)	Yes	
IV. Disclosures	49 (IV)	Yes	
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	
(C) Board Disclosures	49 (IV C)	Yes	
(D) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Yes	
(E) Remuneration of Directors	49 (IV E)	Yes	
(F) Management	49 (IV F)	Yes	
(G) Shareholders	49 (IV G)	Yes	
V. CEO/CFO Certification	49 (V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	
VII. Compliance	49 (VII)	Yes	

Annual General Meeting

Date: July 23, 2010

Time: 4.30 PM

Venue: FICCI Auditorium, Tansen Marg, New Delhi-110001

Financial Calendar

Financial year: 1 April to 31 March

For the year ended March 31, 2010, results were announced for:

- First quarter- on July 23, 2009
- Half yearly- on October 22, 2009
- Third quarter- on January 29, 2010
- Fourth quarter and annual- on April 30, 2010

For the year ending March 31, 2011, results will be announced by

- First quarter- on or before July 31, 2010
- Half yearly- on or before- October 31, 2010
- Third quarter- on or before January 31, 2011
- Fourth quarter and annual.- June 30, 2011

Book Closure

The dates of book closure are from July 19, 2010 to July 23, 2010, inclusive of both days.

Dividend Payment

Dividend of Re. 0.75 per equity share will be paid on or after July 28, 2010, subject to approval by the shareholders at the ensuing Annual General Meeting.

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 2009-10 to BSE and NSE has been paid.

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

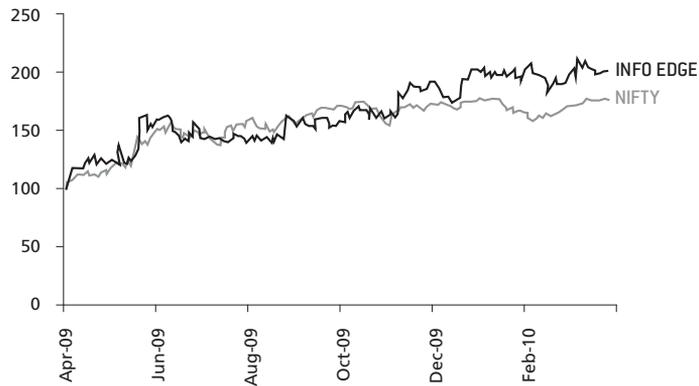
Stock Market Data

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.

2 HIGH, LOWS AND VOLUMES OF COMPANY'S SHARES FOR 2009-10 AT BSE AND NSE						
	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April	600.00	434.10	335,616	600.00	430.00	630,485
May	725.00	515.00	205,872	768.00	515.00	508,280
June	813.00	589.45	54,931	810.00	590.10	149,242
July	670.00	593.30	570,002	672.00	588.60	251,429
August	729.00	550.00	60,378	730.10	587.25	192,646
September	749.00	630.00	29,071	720.90	607.05	272,113
October	754.00	670.25	86,610	751.00	610.25	230,107
November	851.00	691.00	53,100	845.00	688.25	345,524
December	913.85	735.00	54,517	919.00	728.00	171,728
January	922.95	825.90	62,057	919.00	825.00	106,851
February	945.00	793.00	114,377	971.30	793.80	199,085
March	946.80	811.00	75,941	940.00	813.00	1,415,521

CHART A: INFO EDGE'S SHARE PERFORMANCE VERSUS BSE SENSEX

Note: Share price of Info Edge and BSE Sensex have been indexed to 100 on 1 April 2009

CHART B: INFO EDGE'S SHARE PERFORMANCE VERSUS NSE NIFTY

Note: Share price of Info Edge and NSE Nifty have been indexed to 100 on 1 April 2009

Distribution of Shareholding

Table 3 and 4 lists the distribution of the shareholding of the equity shares of the company by size and by ownership class as on 31 March 2010.

3 SHAREHOLDING PATTERN BY SIZE				
NUMBER OF SHARES	NO.OF SHAREHOLDERS	% OF SHAREHOLDERS	Amount in Rs.	% OF SHARES
UPTO 2500	9396	96.47	2,293,370	0.84
2501- 5000	121	1.24	472,630	0.17
5001-10000	68	0.70	520,010	0.19
10001-20000	36	0.37	545,250	0.2
20001-30000	18	0.19	453,810	0.17
30001-40000	10	0.10	357,100	0.13
40001-50000	7	0.07	328,680	0.12
50001-100000	15	0.15	1,01,5680	0.37
100001 and above	69	0.71	26,696,6030	97.81
Total	9740	100.00	27,295,2560	100.00

4 SHAREHOLDING PATTERN BY OWNERSHIP AS ON MARCH 31, 2010

	As at 31 March 31, 2010			As at 31 March 2009		
	No. of Shareholders	No. of Shares	% of Shareholding	No. of Shareholders	No. of Shares	% of Shareholding
A. PROMOTERS HOLDING						
Indian Promoters	5	14,779,406	54.15	5	14,779,406	54.15
B. NON-PROMOTERS HOLDING						
a) Foreign Institutional Investors (FIIs)	38	6,792,583	24.89	32	6,965,059	25.52
b) Mutual Funds & UTI	14	1,800,830	6.60	6	486,708	1.78
c) Private Corporate Bodies	241	201,177	0.73	216	52,685	0.19
d) Indian Public- Individuals	8,919	1,696,584	6.21	10,170	1,720,905	6.30
e) NRIs/OCBs/FCs	87	344,932	1.28	99	1,323,758	4.85
f) Trusts	1	528,695	1.93	1	614,161	2.25
g) Directors	4	1,135,968	4.16	5	1,337,163	4.90
h) Others	431	17,081	0.05	476	15,411	0.06
Grand Total	9,740	27,295,256	100	11,010	27,295,256	100

5 STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PROMOTER & PROMOTER GROUP" (AS ON 31 MARCH 2010)

Sr. No.	Name of the shareholder	Number of shares	% of Total Shareholding
1	Sanjeev Bikhchandani	9,617,703	35.24
2	Hitesh Oberoi	1,949,391	7.14
3	Ambarish Raghuvanshi	655,084	2.40
4	Surabhi Motihar Bikhchandani	373,508	1.37
5	Sanjeev Bikhchandani & Hitesh Oberoi holding on behalf of Endeavour Holding Trust	2,183,720	8.00
TOTAL		14,779,406	54.15

None of the Promoter holding in the Company is pledged or encumbered as on March 31, 2010.

6 STATEMENT SHOWING SHAREHOLDING OF PERSONS BELONGING TO THE CATEGORY "PUBLIC" AND HOLDING MORE THAN 1% OF THE TOTAL NUMBER OF SHARES" (AS ON 31 MARCH 2010)

Name of the shareholder	Number of shares	Shares as a percentage of total number of shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (l)(a) above)
KUROTO FUND LP	352,460	1.29
T. ROWE PRICE ASSOCIATES. INC A/C T. ROWE PRICE MEDIA AND TELECOMMUNICATIONS FUND, INC	396,236	1.45
MORGAN STANLEY MAURITIUS COMPANY LIMITED	405,000	1.48
T ROWE PRICE INTERNATIONAL INC A/C T ROWE PRICE INTERNATIONAL DISCOVERY FUND	425,059	1.56
RELIANCE CAPITAL TRUSTEE CO.LTD A/C RELIANCE TAX SAVER (ELSS) FUND	481,451	1.76
RELIANCE CAPITAL TRUSTEE CO.LTD A/C RELIANCE EQUITY OPPORTUNITIES FUND	499,551	1.83
SANJEEV BIKHCHANDANI, HITESH OBEROI AND AMBARISH RAGHUVANSHI HOLDING ON BEHALF OF INFO EDGE ESOP TRUST	528,695	1.94
FID FUNDS (MAURITIUS) LIMITED	654,815	2.40
MATTHEWS INDIA FUND	741,788	2.72
ANIL LALL	1,01,4358	3.72
CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LTD	1,046,448	3.83
KAPIL KAPOOR	1,068,185	3.91
EQUINOX PARTNERS LP	1,198,600	4.39
Total	8,812,646	32.29

De-materilisation of Shares

As on March 31, 2010, over 99% shares of the company were held in de-materialised form.

Outstanding GDRs/ADRs/Warrents

The company has not issued GDRs/ ADRs/Warrents as of 31 March 2010.

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 Agents is as under: -

Name and Address of Registrar and Transfer Agent	LINK INTIME INDIA PRIVATE LIMITED, A-40, 2ND FLOOR, NEAR BATRA BANQUET HALL, NARAINA INDUSTRIAL AREA, PHASE-II NEW DELHI 110028
Tel no.	011-41410592, 93,94
Fax no.	011-41410591
E-mail id	delhi@linkintime.co.in
Website	www.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 30 days from the date of lodgement subject to documents being valid and complete in all respects.

Company's Office Addresses**REGISTERED OFFICE**

Info Edge (India) Limited,
GF-12 A, 94, Meghdoot, Nehru Place,
New Delhi- 110019
Tel No.: - 011-26463894
E-Mail ID: - investors@naukri.com

CORPORATE OFFICE

Info Edge (India) Limited,
A-88, Sector-2, Noida-201301.
Tel No's: - 0120-3082000
Fax No: - 0120-3082095
E-Mail ID: - investors@naukri.com

Plant Locations

The Company has 49 offices as on March 31, 2010 spread in 32 cities across India apart from two offices in Dubai, 1 office in Bahrain and 1 office in Riyadh. The addresses of these offices are available on our corporate website.

Address for Correspondence

Info Edge (India) Limited,
A-88, Sector-2, Noida-201301.
Tel No's: - 0120-3082000
Fax No: - 0120-3082095
E-Mail ID: - investors@naukri.com

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Sanjeev Bikhchandani, Chief Executive Officer and Managing Director and Ambarish Raghuvanshi, Chief Financial Officer and 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 March 31, 2010 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 in violation 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.

Place: Noida
Date : April 30, 2010

Sanjeev Bikhchandani
Chief Executive Officer

Ambarish Raghuvanshi
Chief Financial Officer

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, 2010 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 : June 25, 2010

Sanjeev Bikhchandani
Chief Executive Officer

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, 2010, 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 28, 2010

For Price Waterhouse
Firm Registration Number 007568S
Chartered Accountants
Avijit Mukerji
Partner
Membership No: F - 056155

Dear Shareholders,

Your Directors have pleasure in presenting the fourth Annual Report together with the audited accounts for the year ended March 31, 2010.

FINANCIAL RESULTS (RS MILLION)		
PARTICULARS	2009-10	2008-09
Revenue		
Net sales	2,322.23	2,451.66
Other income	320.14	286.30
Total Income	2,642.37	2,737.96
Expenditure		
Advertising and Promotion Cost	374.04	433.20
Administration and Other expenses	303.24	324.92
Personnel expenses	870.99	933.88
Network and other charges	89.28	90.41
Depreciation	61.07	71.10
Finance & Other Charges	19.25	17.26
Total expenditure	1,717.87	1,870.77
Net profit before exceptional item and tax	924.50	867.19
Exceptional Item	37.74	0
Tax	317.48	270.33
Net Profit after Tax	569.28	596.86

FINANCIAL REVIEW

Net Sales decreased by 5% from Rs.2451.66 million in 2008-09 to Rs.2322.23 million in 2009-10. Other income increased by 12% to Rs.320.14 million in 2009-10, primarily interest income from banks. Total income decreased by 3% from Rs.2737.96 million in 2008-09 to Rs.2642.37 million in 2009-10.

Total expenditure decreased by 8% from Rs.1870.77 million in 2008-09 to Rs.1717.87 million in 2009-10. There was a conscious effort to optimize advertisement and promotion expenditure. In fact, advertising and promotion costs decreased by 14% from Rs.433.20 million in 2008-09 to Rs.374.04 million in 2009-10.

Profit before tax increased by 2% from Rs. 867.19 million in 2008-09 to Rs.886.77 million (net of exceptional item) in 2009-10. Profit after tax decreased by 5% to Rs.569.28 million in 2009-10. The exceptional item of Rs 37.74 million is on account of a provision made for permanent diminution in carrying value of the investment in Studypaces Inc, USA through the Mauritian subsidiary.

DIVIDEND

Your Directors are pleased to recommend dividend at the rate Re. 0.75 per share for 2009-10, subject to the approval of the shareholders. The proposed dividend together with corporate dividend tax would mean an outflow of Rs. 23.95 million.

TRANSFER TO RESERVES

Since your Company is not paying a dividend exceeding 10% of the paid-up capital, the Companies (Transfer of Profits to Reserves) rules, 1975 is not applicable.

OPERATIONS REVIEW

In terms of revenue, our primary business remains online recruitment classifieds and related services through naukri.com and quadrangle business divisions. This business was under stress due to reduction in recruitment in India. Revenues from the recruitment solutions business decreased by 8% from Rs.2117 million in 2008-09 to Rs.1954 million in 2009-10. This vertical now generates around 84% of the company's net sales. We also provide matrimonial and property related classifieds and related services through our portal jeevansathi.com and 99acres.com. With revenues from these other verticals increasing by 10%, their combined contribution to the company's net sales increased to 16% in 2009-10. Jeevansathi.com continues to perform well and was close to breaking even in 2009-10. The newly launched shiksha.com received encouraging customer response.

Detailed analysis of the performance of the Company and its businesses, including initiatives in the area of Human Resources, Information Technology, has been presented in the section on Management Discussion and Analysis of this Annual Report.

FUTURE OUTLOOK

We remain cautiously optimistic about the long term prospects of the company. The long term trends of a demographic change towards upwardly mobile younger population in India and the steady increase in internet penetration continue to support growth of internet based businesses like Info Edge. Early trends in the last half of 2009-10 suggest that economic conditions are fast improving in India and both the recruitment and the real estate sector are seeing increased activity. By focusing internally on improving our products, our sale channel and our internal processes and systems, we have come out stronger from the economic slowdown. We are gaining market share across businesses and are confident of maintaining this trend. We will continue to invest in the developing matrimonial, real estate and education businesses.

SUBSIDIARY COMPANIES

As of March 31, 2010, Info Edge has six subsidiary companies - Naukri Internet Services Private Limited and Jeevansathi Internet Services Private Limited, which own internet domain names and related trademarks, Allcheckdeals India Pvt Limited which provides brokerage services in the Indian real estate sector, Info Edge (India) Mauritius Limited for making overseas investments of the Company and Info Edge USA Inc. Applect Learning Systems Pvt. Ltd., an investee company engaged in the business of kindergarden to class12 (K-12) assessment & tuition portal is the new entry to the list of subsidiary companies.

PARTICULARS OF EMPLOYEES

We continue to focus on our employees. We did not undertake any salary cuts or lay-offs during the slowdown. We continue to focus on training activities specifically on the sales side. We entered into corporate tie up with ISB for competency building in Senior Management through ISB Executive Education Programs. The HRIS system implemented in FY 2008-09 stabilized during the year and some of the functionalities were automated.

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.

EMPLOYEES STOCK OPTION PLAN (ESOP)

We had adopted an ESOP scheme in 2004 to include our employees in wealth sharing and in adopting a more retention oriented compensation program. As the Company was a private limited unlisted company at that time, therefore SEBI ESOP Guidelines were not applicable to our old ESOP scheme. The Company introduced a new SEBI compliant ESOP scheme, which 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) and flexible pricing of 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 M/s Price Waterhouse, Statutory Auditors, with regards to the implementation of the Company's Employees Stock Option Schemes, would be placed before the shareholders in the Annual General Meeting.

CORPORATE GOVERNANCE

Separate detailed chapters on Corporate Governance, Additional Shareholder Information and Management Discussion and Analysis are attached herewith and forms a part of this annual report.

PUBLIC DEPOSITS AND LIQUIDITY

We continue to be almost debt-free, and believe we maintain sufficient cash to meet our strategic objectives. During 2009-10, your Company has not accepted any deposits or raised any fresh equity from the public.

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.

(RS MILLION)

PARTICULARS	2009-10	2008-09
Foreign Exchange Earnings		
Sales	244.54	290.44
Total Inflow	244.54	290.44
Foreign Exchange Outgo		
Travel	2.13	0.58
Expenses on server, etc	56.9	58.47
Promotion and Marketing	7.90	4.45
Foreign Branch Expenses	30.92	26.17
Others	7.33	10.03
Total Outflow	105.18	99.70
Net Foreign Exchange Flow	139.36	190.74

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 November 21, 2006, post its initial public offering (IPO)

DIRECTORS

Mr. Sandeep Murthy, Nominee of Murugan Capital and Sherpalo LLC Mauritius resigned from the Board w.e.f. 30 April 2010 consequent to the investors having sold most of the shares held by them. The Board appreciates his contribution to the Company and wish him all the best for his future endeavors.

As per the requirements of Section 256 of the Companies two-third of the Board shall consist of retiring directors out of which one third shall retire at every annual general meeting. Accordingly, Mr. Arun Duggal and Mr. Ashish Gupta shall retire and shall be re-nominated for election for Directorship in the ensuing AGM.

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.

AUDITORS

The Board of Directors propose to appoint M/s Price Waterhouse & Co., Chartered Accountants as Auditors of the Company in place of M/s. Price Waterhouse, Chartered Accountants, the retiring auditors who have expressed their inability for reappointment.

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 judgements 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.

NOTES TO ACCOUNTS

The observation of auditors and notes on accounts are self explanatory

CLARIFICATION ON POINT NO. 3 (IX) (B) OF AUDITORS REPORT

A demand of Rs. 25.74 million was raised by Income Tax department in reference to scrutiny assessment of AY 2007-08. This demand was erroneously computed by

the Income Tax Department and the company has filed a rectification application with correct computation of Rs. 5.34 million and also against that has deposited Rs. 3 million under protest. An appeal has duly been filed with Commissioner of Income Tax (Appeals) pending hearing.

ACKNOWLEDGMENTS

We thank our clients, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our consistent growth has been made possible by their hard work, solidarity, cooperation and support

For and on behalf of the Board of Directors

Date: June 28, 2010
Place: Connecticut, USA

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 continued 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) Facility audit to incorporate correct air-conditioning / DG ratings, usage of auto phase corrector.
- iv) Replacement of halogens to CFL illumination.
- v) Signage timings rationalization.
- vi) Planned Preventive Maintenance (PMP) schedule put in place for electro-mechanical equipments.

2. Research and Development (R&D)

We operate in the internet/ information technology industry where 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.

d. Expenditure on R&D for the year ended March 31, 2010

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

This was a scheme made in 2003 under which the Company granted ESOPs before the IPO. The Company made last grant under the scheme on 26 September 2006 and has been discontinued. However, options already granted before that date continue to vest and be exercised.

Being a Pre-IPO scheme, the SEBI (ESOP & ESPS) Guidelines, 1999 were not applicable to this scheme.

Sr No.	Nature of Disclosure	ESOP 2003
1	Total Options granted	7,461,201
2	Total number of options vested	7,321,681
3	Total number of options exercised	7,050,803
4	Total number of Equity Shares arising as a result of exercise of options	909,562
5	Total number of options lapsed/forfeited	139,520
6	Money realized by exercise of options	Rs. 23,970,152
7	Total number of options in force as at 31 March 2009	270,878

Number of options exercised and number of equity shares issued thereof is different due to consolidation of equity shares (from Re 1 per share to Rs 10 per share) and bonus allotments.

ESOP 2007- The scheme was approved by the Shareholders in the Extra-ordinary General Meeting held on 26th March 2007. The Company made first grant of options under the New SEBI compliant ESOP scheme ("ESOP 2007") on May 31, 2007. The new ESOP scheme has been approved in-principle by both NSE and BSE.

During the year the scheme was modified through postal ballot by introducing grant of stock appreciation rights (SARs) & other stock based instruments at an exercise price to be decided by the Board/ Compensation Committee. The terms of options already granted under the scheme have not been varied.

Sr No.	Nature of Disclosure	ESOP 2007
1	Total Options/SARs granted	931,642
2	Total number of options vested	156,731
3	Total number of options exercised	20,434
4	Total number of Equity Shares arising as a result of exercise of options	20,434
5	Total number of options/SARs lapsed/forfeited	192,173
6	Money realized by exercise of options	Rs. 6,623,880
7	Total number of options? SARs in force as at 31 March 2010	719,035

Exercise price

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

No. of Options Granted	No. of SARs Granted	Exercise Price
1500	-	678
	224,900	622
	3,000	663
	1,200	883
	9,000	875

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

1	Grant to Directors	NIL
2	Any other employee who received a grant in any one year of option amounting to 5% or more of option granted during that year	N.A.
3	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.	N.A.

1	Earning Per share (EPS)	Rs 20.86												
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)	Rs 76,939 Thousand												
4	The impact of this difference on profits and on EPS of the Company	Profits would have been lower by Rs 76,939 Thousand and the EPS would be Rs 18.04.												
5a	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	<table border="1"> <thead> <tr> <th>ESOP 2007</th> <th>ESOP 2007-SAR</th> </tr> </thead> <tbody> <tr> <td>678</td> <td>633.4</td> </tr> <tr> <td>NIL</td> <td>NIL</td> </tr> <tr> <td>NIL</td> <td>NIL</td> </tr> </tbody> </table>	ESOP 2007	ESOP 2007-SAR	678	633.4	NIL	NIL	NIL	NIL				
ESOP 2007	ESOP 2007-SAR													
678	633.4													
NIL	NIL													
NIL	NIL													
5b	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	<table border="1"> <thead> <tr> <th>ESOP 2007</th> <th>ESOP 2007-SAR</th> </tr> </thead> <tbody> <tr> <td>375.09</td> <td>291.79</td> </tr> <tr> <td>NIL</td> <td>NIL</td> </tr> <tr> <td>NIL</td> <td>NIL</td> </tr> </tbody> </table>	ESOP 2007	ESOP 2007-SAR	375.09	291.79	NIL	NIL	NIL	NIL				
ESOP 2007	ESOP 2007-SAR													
375.09	291.79													
NIL	NIL													
NIL	NIL													
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 dividends (v) the price of the underlying share in the market at the time of option grant.	<table border="1"> <thead> <tr> <th>ESOP 2007</th> <th>ESOP 2007-SAR</th> </tr> </thead> <tbody> <tr> <td>6.59%</td> <td>6.03%</td> </tr> <tr> <td>6.13</td> <td>3.65</td> </tr> <tr> <td>48.17%</td> <td>50.62%</td> </tr> <tr> <td>0.10%</td> <td>0.10%</td> </tr> <tr> <td>678.00</td> <td>633.40</td> </tr> </tbody> </table>	ESOP 2007	ESOP 2007-SAR	6.59%	6.03%	6.13	3.65	48.17%	50.62%	0.10%	0.10%	678.00	633.40
ESOP 2007	ESOP 2007-SAR													
6.59%	6.03%													
6.13	3.65													
48.17%	50.62%													
0.10%	0.10%													
678.00	633.40													
7	Impact on the profits and EPS if the Company had followed the accounting policies specified in Clause 13 of the SEBI ESOP Guidelines	NA												

INFO EDGE (INDIA) LIMITED

Auditors' Report

TO THE MEMBERS OF INFO EDGE (INDIA) LIMITED

1. We have audited the attached Balance Sheet of Info Edge (India) Limited (the "Company") as at March 31, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 further report that:
 - (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 between the book records and the physical inventory have been noticed.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
 - (ii) The Company does not maintain any inventory, accordingly clauses (ii)(a) to (ii)(c) of Para 4 of Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable to the Company for the current year.
 - (iii) The company has neither taken nor granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of Para 4 of Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable to the Company for the current year.
 - (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) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative market prices, 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 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, cess 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, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Various disallowances of expenses of ESOP cost, depreciation on intangible assets and expenditure incurred to earn dividend and other exempted income and interest thereon	22,743,949 (net of payment made under protest Rs. 3,000,000)	AY 2007-08	Commissioner of Income Tax (Appeals)

INFO EDGE (INDIA) LIMITED

- (x) The Company has no accumulated losses as at March 31, 2010 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.
 - (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
 - (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
 - (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.
 - (xvi) The Company has not obtained any term loans.
 - (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which 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
 - (xix) The Company has neither issued any debentures during the year, nor are there any debentures outstanding at the year end.
 - (xx) The Management has disclosed the end use of money raised by public issue (Refer Note 18 on Schedule 18) which has been verified by us.
 - (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 such case by the Management
4. Further to our comments referred to in paragraph 3 above, 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account 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, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration Number 0075685
Chartered Accountants

Gurgaon
April 30, 2010

Avijit Mukerji
Partner
Membership Number F-56155

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at		As at	
		(Rs.'000)	March 31, 2010 (Rs.'000)	(Rs.'000)	March 31, 2009 (Rs.'000)
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS					
Capital	1		272,953		272,953
Stock Options Outstanding Account	2		26,646		28,330
Reserves and Surplus	3		3,520,716		2,966,176
LOAN FUNDS					
Secured Loans	4		5,700		2,972
			3,826,015		3,270,431
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	570,806		527,079	
Less : Depreciation		283,091		225,602	
Net Block		287,715		301,477	
Capital Advances		69,260	356,975	82,942	384,419
DEFERRED TAX ASSETS					
	6		33,742		19,096
INVESTMENTS					
	7		1,276,272		195,202
ADVANCE RECOVERABLE FROM ESOP TRUST (Refer Note 13 & 14 on Schedule 18)					
			19,720		16,250
CURRENT ASSETS, LOANS AND ADVANCES					
Sundry Debtors	8	59,573		38,072	
Cash and Bank Balances	9	2,777,142		3,218,084	
Loans and Advances and Other Current Assets	10	182,561		165,606	
		3,019,276		3,421,762	
LESS : CURRENT LIABILITIES AND PROVISIONS					
Current liabilities	11	791,831		705,419	
Provisions		88,139		60,879	
		879,970		766,298	
NET CURRENT ASSETS					
			2,139,306		2,655,464
			3,826,015		3,270,431
SIGNIFICANT ACCOUNTING POLICIES	17				
NOTES TO ACCOUNTS	18				

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.

For Price Waterhouse
Firm Registration Number 0075685
Chartered Accountants

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership Number F 056155

Sanjeev Bikhchandani
Managing Director

Ambarish Raghuvanshi
Director & CFO

Place : Gurgaon
Date : April 30, 2010

Amit Gupta
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Year ended March 31, 2010 (Rs.'000)	Year ended March 31, 2009 (Rs.'000)
INCOME			
Sales (Refer Note 5 on Schedule 17)		2,322,225	2,451,660
Other Income	12	320,142	286,300
		2,642,367	2,737,960
EXPENDITURE			
Advertising and Promotion cost		374,038	433,204
Administration and Other expenses	13	303,237	324,924
Personnel expenses	14	870,987	933,880
Network and Other charges	15	89,284	90,408
Finance and Bank Charges	16	19,251	17,255
Depreciation	5	61,066	71,104
		1,717,863	1,870,775
Net Profit before Exceptional item and Tax		924,504	867,185
Exceptional Item (Refer Note 23 on Schedule 18)		37,737	-
Net Profit before Tax		886,767	867,185
Tax Expense			
- Current Tax (including for earlier years)		332,132	269,074
- Deferred Tax	6	(14,646)	(7,803)
- Fringe Benefit Tax		-	9,055
Net Profit after Tax		569,281	596,859
Balance brought forward		1,357,377	784,468
Transfer from Stock Options Outstanding Account		9,209	2,165
Appropriations			
Proposed dividend		20,471	20,471
Dividend Tax		3,479	3,479
Transfer to General Reserve (Employee Stock Options Outstanding Account)		9,209	2,165
Balance carried to the balance sheet		1,902,708	1,357,377
Earnings Per Share - Basic and Diluted		20.86	21.87
(Refer Note 11 on Schedule 18)			

SIGNIFICANT ACCOUNTING POLICIES

17

NOTES TO ACCOUNTS

18

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.

For Price Waterhouse
Firm Registration Number 007568S
Chartered Accountants

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership Number F 056155

Sanjeev Bikhchandani
Managing Director

Ambarish Raghuvanshi
Director & CFO

Place : Gurgaon
Date : April 30, 2010

Amit Gupta
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Sr. No.	Particulars	For the year ended March 31, 2010 Amount (Rs.'000)	For the year ended March 31, 2009 Amount (Rs.'000)
A.	Cash flow from operating activities:		
	Net Profit before Exceptional item and Tax	924,504	867,185
	Adjustments for:		
	Depreciation	61,066	71,104
	Interest Expense	536	354
	Interest Income	(275,750)	(132,857)
	Dividend Income from Mutual Funds	(13,355)	(60,205)
	(Profit)/Loss on Fixed Assets sold (net)	928	(39)
	(Profit)/Loss on sale of Investments (net)	3	(83,267)
	Provision for Bad & Doubtful Debts	2,838	5,500
	Liability no longer required written back	(14,481)	(1,020)
	Provision for Gratuity & Leave Encashment	(10,666)	13,595
	TDS on revenue receipts	(111,794)	(122,049)
	Employee Stock Option Scheme Compensation Expense	7,565	12,958
	Operating profit before working capital changes	571,394	571,259
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in Sundry Debtors	(24,339)	(7,954)
	- (INCREASE)/DECREASE in Loans, Advances and Other Current Assets	(23,948)	9,598
	- INCREASE/(DECREASE) in Current Liabilities and Provisions	100,872	(258,390)
	Cash generated from operating activities	623,979	314,513
	- Taxes (Paid) / Received (Net of TDS)	(147,292)	(118,544)
	Net cash from operating activities	476,687	195,969
B.	Cash flow from Investing activities:		
	Purchase of fixed assets	(35,159)	(85,692)
	Proceeds from Sale of fixed assets	609	806
	Proceeds from Sale of Investments	3,136,184	5,639,440
	Purchase of Investments	(4,134,666)	(2,997,679)
	Interest Received (Revenue)	244,114	46,130
	Dividend Received	13,355	60,205
	Amount Paid on Acquisition	(120,329)	(99,870)
	Net cash used in investing activities	(895,892)	2,563,340
C.	Cash flow from financing activities:		
	Proceeds from long term borrowings (Net)	2,728	(1,448)
	Interest Paid	(515)	(365)
	Dividend Paid	(20,471)	(20,471)
	Dividend Tax Paid	(3,479)	(3,479)
	Net cash used in financing activities	(21,737)	(25,763)
	Net Increase/(Decrease) in Cash & Cash Equivalents	(440,942)	2,733,546
	Opening Balance of Cash and cash equivalents	3,218,084	484,538
	Closing Balance of Cash and cash equivalents	2,777,142	3,218,084
	Cash and cash equivalents comprise		
	Cash in hand	1,777	2,072
	Balance with Scheduled Banks		
	-in current accounts (Refer note 2 and 3 below)	100,565	79,712
	-in fixed deposits	2,672,598	3,130,198
	Balance with Other Banks		
	-in current accounts	2,202	6,102
	Total	2,777,142	3,218,084

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 Rs 122 Thousand (previous period 122 Thousand) 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 Rs 46 Thousand (previous period 33 Thousand) in respect of unclaimed dividend, which is not available for use by the company.
- 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

For Price Waterhouse
Firm Registration Number 0075685
Chartered Accountants

Avijit Mukerji
Partner
Membership Number F 056155

Sanjeev Bikhchandani
Managing Director

Ambarish Raghuvanshi
Director & CFO

Place : Gurgaon
Date : April 30, 2010

Amit Gupta
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars		As at March 31, 2010		As at March 31, 2009
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
SCHEDULE 1 CAPITAL				
AUTHORIZED CAPITAL 40,000 Thousand Equity Shares of Rs.10/- each (Previous year - 40,000 Thousand Equity Shares of Rs. 10/- each)		400,000		400,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 27,295 Thousand Equity Shares of Rs. 10/- each fully paid up (Previous year - 27,295 Thousand Equity Shares of Rs. 10/- each fully paid up) [Of the above, 21,705 Thousand Equity Shares of Rs.10/- each (Previous year 21,705 Thousand Equity Shares of Rs.10 each) were allotted as fully paid up by way of bonus shares out of Securities Premium, General Reserve and Profit & Loss Account]		272,953		272,953
		272,953		272,953
SCHEDULE 2 Stock Options Outstanding Account (Refer Note 11 on Schedule 17 & Note 14 on Schedule 18)				
Opening Balance	28,330		17,584	
Add: Transfer during the year	7,565		12,958	
Less: Adjusted against advance given to Info Edge Employees Stock Option Trust	40		47	
Less: Transfer to Profit & Loss Account	9,209		2,165	
		26,646		28,330
		26,646		28,330
SCHEDULE 3 RESERVES AND SURPLUS				
Securities Premium Account		1,583,026		1,583,026
Profit & Loss Account				
Opening Balance	1,357,377		784,468	
Add: Transfer from Profit & loss Account	545,331	1,902,708	572,909	1,357,377
General Reserve				
Opening Balance	25,773		23,608	
Add: Transfer from Profit and Loss Account (Stock Options Outstanding Account)	9,209	34,982	2,165	25,773
		3,520,716		2,966,176
SCHEDULE 4 SECURED LOANS				
Deferred payment liability (Refer Note 8 (i) on Schedule 17 and 6 on Schedule 18) (Secured by way of hypothecation of vehicles) [Payable within one year Rs. 2,852 Thousand (Previous year Rs. 1,911 Thousand)]		5,700		2,972
		5,700		2,972

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 5

FIXED ASSETS (Refer Note 2,3 and 8 (i) on Schedule 17)

(Rs.'000)

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions during the year	Deletions during the year	As at March 31, 2010	Up to April 1, 2009	Depreciation/ Amortisation for the year	Accumulated Depreciation on Deletions	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
OWN ASSETS										
Intangible Assets										
Goodwill	265	-	-	265	265	-	-	265	-	-
Operating and Marketing Rights	27,560	-	-	27,560	25,068	2,492	-	27,560	-	2,492
Enterprise Resource Planning Software	-	15,834	-	15,834	-	1,578	-	1,578	14,256	-
Other Software Licenses	-	4,921	-	4,921	-	781	-	781	4,140	-
Tangible Assets										
Leasehold Land	202,457	-	-	202,457	3,408	3,190	-	6,598	195,859	199,049
Leasehold Improvements	70,377	3,456	2,066	71,767	36,354	14,018	962	49,410	22,357	34,023
Computers	139,926	14,473	542	153,857	99,921	24,910	537	124,294	29,563	40,005
Plant and Machinery	15,863	193	62	15,994	10,292	1,892	14	12,170	3,824	5,571
Furniture and Fixtures	19,582	471	104	19,949	15,481	1,475	78	16,878	3,071	4,101
Office Equipment	38,005	2,503	53	40,455	27,184	7,171	21	34,334	6,121	10,821
Vehicles	733	-	-	733	625	92	-	717	16	108
Assets taken on Lease										
Vehicles	12,311	6,990	2,287	17,014	7,004	3,467	1,965	8,506	8,508	5,307
Total	527,079	48,841	5,114	570,806	225,602	61,066	3,577	283,091	287,715	301,477
Capital Advances*									69,260	82,942
Previous period	473,674	55,208	1,803	527,079	155,534	71,104	1,036	225,602	301,477	

* Refer Note 2 on Schedule 18

Particulars	(Rs.'000)	As at March 31, 2010 (Rs.'000)	(Rs.'000)	As at March 31, 2009 (Rs.'000)
SCHEDULE 6				
DEFERRED TAX ASSET/ (LIABILITY)				
(Refer Note 9 on Schedule 17 and Note 3 on Schedule 18)				
Deferred Tax Asset / (Liability)				
- Opening Balance		19,096		11,293
- Adjustment for the current year		14,646		7,803
		33,742		19,096
SCHEDULE 7				
INVESTMENTS				
(Refer Note 6 on Schedule 17 and Note 7 and 23 on Schedule 18)				
Non Trade (Unquoted)				
Long term				
Investments in Subsidiary Companies	140,896		40,478	
Less: Provision for diminution in value of investment	37,737	103,159	-	40,478
Other Investments				
- Long Term (Unquoted)				
-Equity Shares of associate companies and others		99,498		79,587
- Short Term (Unquoted)				
-Debt Mutual Funds		1,073,615		75,137
		1,276,272		195,202

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars		As at		As at
	(Rs.'000)	March 31, 2010 (Rs.'000)	(Rs.'000)	March 31, 2009 (Rs.'000)
SCHEDULE 8				
SUNDRY DEBTORS				
(Unsecured, considered good unless otherwise stated)				
Debts outstanding for a period exceeding six months				
Considered doubtful	6,281		2,042	
Less: Provision for Doubtful Debts	6,281	-	2,042	-
Other Debts				
Considered good *		59,573		38,072
Considered doubtful	602		3,458	
Less: Provision for Doubtful Debts	602	-	3,458	-
		59,573		38,072
[* includes due from Subsidiary Company NIL (Previous Year 7,699 Thousand)]				
SCHEDULE 9				
CASH AND BANK BALANCES				
Cash in hand		1,777		2,072
Bank Balances with scheduled banks: (Refer Note 22 on Schedule 18)				
-in Current Accounts		100,397		79,557
-in Fixed Deposit Accounts*		2,672,598		3,130,198
Bank Balances with other banks: (Refer Note 22 on Schedule 18)				
-in Current Accounts		2,202		6,102
Unpaid Application Money received by the company for allotment of securities and due for refund **		122		122
Unclaimed Dividend **		46		33
* includes Rs. 56,000 Thousand (Previous year 64,789 Thousand) as margin money with bank				
** (Not available for use by the company)				
		2,777,142		3,218,084
SCHEDULE 10				
LOANS AND ADVANCES AND OTHER CURRENT ASSETS				
(Unsecured, considered good)				
Advance to Subsidiary Company (Refer Note 13 on Schedule 18)		1,051		2,001
Advance to Associate Company (Refer Note 13 on Schedule 18)		69		13
Advance recoverable in cash or in kind or for value to be received *		58,789		39,661
Balance with Service Tax Authorities		6,022		83
Security Deposits		56,811		60,546
Advance Tax - Fringe Benefits	29,686		29,686	
Less: Provision for Tax - Fringe Benefits	28,685	1,001	28,685	1,001
Interest Accrued on Fixed Deposits		58,818		62,301
		182,561		165,606
* Includes Rs 354 Thousand (Previous year Rs 221 Thousand) outstanding with directors				
Maximum amount outstanding during the year Rs 1,114 Thousand (Previous year Rs 2,238 Thousand)				

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars		As at		As at
	(Rs.'000)	March 31, 2010 (Rs.'000)	(Rs.'000)	March 31, 2009 (Rs.'000)
SCHEDULE 11				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors (Refer Note 4 on Schedule 18)				
- total outstanding dues of micro and small enterprises	-		-	
- total outstanding dues of creditors other than micro and small enterprises	196,315	196,315	157,019	157,019
Amount Due to Subsidiary Company (Refer Note 13 on Schedule 18)		124		58
Deferred Sales Revenue (Refer Note 5 on Schedule 17)		532,928		494,925
Accrued Bonus		34,843		33,044
Unpaid Application Money received by the company for allotment of securities and due for refund *		122		122
Unclaimed Dividend *		46		33
Other liabilities		27,418		20,204
Interest accrued but not due on loans		35		14
		791,831		705,419
* Will be credited to Investor Education and Protection Fund as and when due				
PROVISIONS				
Employee benefits (Refer Note 7 on Schedule 17 and Note 21 on Schedule 18)		23,749		34,415
Provision for Tax	1,028,120		696,030	
Less: Advance Tax	987,680	40,440	693,516	2,514
Proposed Dividend		20,471		20,471
Dividend Tax		3,479		3,479
		88,139		60,879

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	Year ended March 31, 2010 (Rs.'000)	Year ended March 31, 2009 (Rs.'000)
SCHEDULE 12		
OTHER INCOME (Refer Note 13 & 14 on Schedule 17)		
Interest Received/Receivable on Fixed Deposits with Banks [(Tax deducted at source Rs 35,119 Thousand (Previous Year Rs 26,468 Thousand)]	275,750	132,857
Dividend Income from Mutual Funds	13,355	60,205
Profit on sale of Investment (net)	-	83,267
Profit on sale of Fixed Assets (net)	-	39
Provision no longer required written back	14,481	1,020
Miscellaneous Income	16,556	8,912
	320,142	286,300
SCHEDULE 13		
ADMINISTRATION AND OTHER EXPENSES		
Electricity and Water	22,638	25,414
Rent (Refer Note 5 on Schedule 18)	112,123	108,821
Repairs and Maintenance (Building)	11,036	13,849
Repairs and Maintenance (Machinery)	13,004	8,742
Legal and Professional Charges	19,589	19,100
Rates & Taxes	202	45
Insurance	8,848	7,901
Communication expenses	33,309	40,651
Travel & Conveyance	33,636	46,893
Provision for Doubtful Debts	2,838	5,500
Loss on sale of Investments (net)	3	-
Loss on sale of fixed assets (net)	928	-
Miscellaneous expenses	45,083	48,008
	303,237	324,924
SCHEDULE 14		
PERSONNEL EXPENSES		
(Refer Note 7 on Schedule 17 and Note 21 on Schedule 18)		
Salaries, Wages and Bonus	661,488	726,147
Contributions to Provident and other funds	21,343	34,401
Sales Incentives and Commissions	117,360	88,562
Staff Welfare and Benefits	36,564	44,157
Employee Stock Option Scheme Compensation (Refer Note 11 on Schedule 17 and Note 14 on Schedule 18)	7,565	12,958
Other Employee Expenses	26,667	27,655
	870,987	933,880
SCHEDULE 15		
NETWORK AND OTHER CHARGES		
Internet and Server Charges	85,220	85,457
Others	4,064	4,951
	89,284	90,408
SCHEDULE 16		
FINANCE AND BANK CHARGES		
Interest on fixed loans	536	354
Bank Charges	18,715	16,901
	19,251	17,255

SCHEDULES TO THE ACCOUNTS

Schedule 17

SIGNIFICANT ACCOUNTING POLICIES

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. Fixed Assets

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 recognized in the Profit & Loss Account.

3. Depreciation

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

Assets	Estimated life (Years)
Computers	3
Other Software Licenses	3
Enterprise Resource Planning Software	5
Office Equipment	3
Vehicles	4
Plant and Machinery	5
Furniture & Fixtures	7

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

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

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

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 Profit and Loss Account. 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 Profit and Loss Account.

5. Revenue Recognition

The Company earns revenue significantly from the following sources viz.

- Recruitment solutions through its career web site, Naukri.com:-
Revenue is received in the form of fees, which is recognized ratably over the subscription / advertising agreement, usually ranging between one to twelve months.
- 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.
- 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.
- 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.
- 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), b) and c) above, the unaccrued amounts are not recognized as revenue till all obligations are fulfilled and are reflected in the Balance sheet as 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.

SCHEDULES TO THE ACCOUNTS

6. 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.

7. Employee Benefits (Refer Note 21 on Schedule 18 to Accounts)

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 Profit and Loss Account as income or expense.

8. 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 Profit and Loss Account on a straight line basis over the lease term.

9. Taxes on Income

Tax expense comprises of current tax, deferred tax and fringe benefit 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.

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.

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 in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme) Guidelines, 1999 as amended from time to time. 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 straight line basis over the vesting period.

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.

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 collectibility exists.

14. 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.

SCHEDULES TO THE ACCOUNTS

Schedule 18

NOTES TO ACCOUNTS

1. 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. As on March 31, 2010 there is an advance of Rs 69,260 Thousand (Previous Year Rs. 82,942 Thousand) outstanding against capital account contracts. This primarily includes the following:
 - (i) Rs. 62,286 Thousand (Previous year Rs. 62,286 Thousand) relating to the project for construction of office building on leasehold land which remains outstanding as the project has been delayed. The management expects to commence this project in the next financial year for which appropriate permissions for extending the time limit for construction have been taken from the local development authority.
 - (ii) Rs. 6,089 Thousand (Previous year Rs. 18,926 Thousand) relating to ERP implementation project with an estimated value of contract of Rs. 8,682 Thousand (Previous year Rs 25,000 Thousand) (gross) remaining to be executed on capital account.
 - (iii) Rs. 885 Thousand (Previous year Rs. 1,730 Thousand) advanced against multiple contracts with total estimated value of contracts of Rs. 1,281 Thousand (gross) (Previous year Rs. 2,658 Thousand) (gross) remaining to be executed on capital account.

3. **Deferred Taxes**

Significant components of deferred tax assets/ (liabilities) are shown in the following table:

Deferred Tax Asset/(Liability)	As at March 31, 2010 Amount (Rs.'000)	As at March 31, 2009 Amount (Rs.'000)
Provision for Leave Encashment	5,840	5,989
Provision for Doubtful Debts	2,340	1,870
Depreciation	16,497	10,573
Others	9,065	664
Net Deferred Tax Asset/ (Liability)	33,742	19,096

4. 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, 2010.
5. 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 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 Profit & Loss Account amount to Rs 113,487 Thousand (included in Schedule 13 – Administration and Other Expenses Rs. 112,123 Thousand and in Schedule 14 – Personnel Expenses Rs 1,364 Thousand [(Previous Year Rs. 111,329 Thousand) (included in Schedule 13 – Administration and Other Expenses Rs. 108,821 Thousand and in Schedule 14 – Personnel Expenses Rs 2,508 Thousand)]).

6. 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, 2010 Amount (Rs.'000)	As at March 31, 2009 Amount (Rs.'000)
Not later than 1 year	3,323	2,113
Later than 1 year and not later than 5 years	3,064	1,135
Total minimum lease payments	6,387	3,248
Less: Future finance charges on finance leases	687	276
Present value of finance lease liabilities	5,700	2,972
Representing lease liabilities:		
-Current	2,852	1,911
-Non current	2,848	1,061
	5,700	2,972
The present value of finance lease liabilities may be analyzed as follows:		
Not later than 1 year	2,852	1,911
Later than 1 year and not later than 5 years	2,848	1,061
	5,700	2,972

SCHEDULES TO THE ACCOUNTS

7. (A). Detail of Investments as per Schedule 7 are provided below:

Details of Non Trade (Unquoted) Investments in Subsidiary Companies		Amount (Rs.'000)	
Name of the Subsidiary	As at March 31, 2010	As at March 31, 2009	
7,865 (Previous year – 3,581) shares of Applect Learning Systems Pvt. Ltd. of Rs 10/- each fully paid up. (Including share premium of Rs. 8,254.47/- per share).	65,000	-*	
1,112,001(Previous year – 1,000,001) shares of Info Edge (India) Mauritius Limited of USD 1/- each fully paid up**	45,596	40,178	
9,800 (Previous year – 9,800) shares of Jeevansathi Internet Services Pvt. Ltd. Of Rs. 10/- each fully paid up. (two hundred shares are held by the nominees of the company)	100	100	
9,998 (Previous year – 9,998) shares of Naukri Internet Services Pvt. Ltd. Of Rs. 10/- each fully paid up. (two shares are held by the nominees of the company)	100	100	
3,009,999(Previous year – 9,999) shares of Allcheckdeals India Pvt. Ltd. of Rs. 10/- each fully paid up. (One share is held by Naukri Internet Services Pvt Ltd)	30,100	100	
Info Edge USA Inc.***	-	-	
TOTAL	140,896	40,478	

* Applect Learning Systems Pvt. Ltd was an “associate company” as on March 31, 2009 and became a subsidiary company during the year by virtue of control over composition of the Board of Directors.

** Investment Company in Mauritius holding investment in US Company.

*** By virtue of control over composition of the Board of Directors.

Details of Other Investment in Long Term Unquoted Equity Shares		Amount (Rs.'000)	
Equity Shares (Unquoted)	As at March 31, 2010	As at March 31, 2009	
7,865 (Previous year – 3,581) shares of Applect Learning Systems Pvt. Ltd. of Rs 10/- each fully paid up. (Including share premium of Rs. 8,254.47/- per share).	- *	29,595	
5,945 (Previous year – 2,987) shares of eTechAces Marketing and Consulting Pvt. Ltd. of Rs 10/- each fully paid up. (Including share premium of Rs. 16,726.40/- per share).	99,498	49,992	
45,000 (Previous year - 45,000) shares of Only Research Pvt. Ltd. of Rs. 10/- each fully paid up. (Net carrying value Rs 1/-)	-	-	
TOTAL	99,498	79,587	

* Applect Learning Systems Pvt. Ltd holds the status of Subsidiary Company as at March 31, 2010.

Detail of Other Investment in Short Term Unquoted Mutual Funds		Amount (Rs.'000)	
Name of the Debt Mutual Fund	As at March 31, 2010	As at March 31, 2009	
3,734,925 (Previous Year Nil) Units of Rs 105.74/- each in ICICI Prudential Flexible Income Plan Premium - Daily Dividend	394,912	-	
71,460 (Previous Year Nil) Units of Rs 1000.54/- each in DSP BlackRock Floating Rate Fund-Institutional Plan Daily Dividend	71,499	-	
37,322,709 (Previous Year 1,995,772) Units of Rs 10/- each in HDFC Cash Management Fund-Treasury Advantage Plan - Wholesale-Daily Dividend	374,403	200,21	
23,276,583 (Previous Year Nil) Units of Rs. 10/- each in GFCD IDFC Money Manager Fund - Treasury Plan – Super Inst Plan C Daily Dividend	232,801	-	
NIL (Previous Year 20,000) Units of Rs 1000/- each in DSP Blackrock Money Manager Fund-Institutional Plan- Daily Dividend	-	20,019	
NIL (Previous Year 556,205) Units of Rs 10/- each in G66 IDFC Liquidity Manager Daily Dividend	-	5,569	
NIL (Previous Year 2,932,171) Units of Rs. 10/- each in GFBD IDFC Money Manager Fund - Treasury Plan - Inst Plan B Daily Dividend	-	29,528	
TOTAL	1,073,615	75,137	

(B). Investments purchased, reinvested and sold on various dates within the financial year are as follows: Amount (Rs.'000)

			Financial Year 2009-10	
Particulars	Units (Nos)	Purchased/ Reinvested	Units (Nos)	Sale/ Redemption
Debt based Mutual Funds	314,392,208	4,134,666	255,490,678	3,136,184
			Financial Year 2008-09	
Particulars	Units (Nos)	Purchased/ Reinvested	Units (Nos)	Sale/ Redemption
Debt based Mutual Funds	236,830,014	2,997,679	469,963,966	5,639,440

SCHEDULES TO THE ACCOUNTS

8. Expenditure in Foreign Currency (on cash basis)

Particulars	Year ended March 31, 2010 (Rs.'000)	Year ended March 31, 2009 (Rs.'000)
Server Charges	56,896	58,474
Advertising, Promotion & Marketing Expenses	7,895	4,445
Travel Expenses	2,139	582
Foreign Branch Expenses	30,916	26,167
Others	7,338	10,036
Total	105,184	99,704

9. Earnings in Foreign Exchange (on cash basis)

Particulars	Year ended March 31, 2010 (Rs.'000)	Year ended March 31, 2009 (Rs.'000)
Sales	244,539	290,440
Total	244,539	290,440

10. Auditor's Remuneration

Particulars	Year ended March 31, 2010 (Rs.'000)	Year ended March 31, 2009 (Rs.'000)
As Auditors	1,900	1,900
As Tax Auditors	100	100
Certification	225	215
Out of Pocket Expenses & Service Tax	204	208
Total	2,429	2,423

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit attributable to Equity Shareholders (Rs.'000)	569,281	596,859
Weighted average number of Equity Shares outstanding during the year (Nos.)	27,295,256	27,295,256
Basic & Diluted Earnings Per Equity Share of Rs. 10 each (Rs.)	20.86	21.87

12. 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.

13. (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, 2010:

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)
 Info Edge USA Inc. (IEUI)

Associates

eTechAces Marketing & Consulting Pvt. Ltd. (EMCPL)

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. Rimy Oberoi (Spouse of Mr. Hitesh Oberoi)
 Mr Ambarish Raghuvanshi

SCHEDULES TO THE ACCOUNTS

Enterprises over which KMP & Relatives have significant influence

Minik Enterprises (Proprietorship concern of Mr. Sushil Bikhchandani)

Oyster Learning (Proprietorship concern of Ms. Rimy Oberoi)

Independent Directors- Non Executive

Arun Duggal

Ashish Gupta

Bala Deshpande

Naresh Gupta

Saurabh Srivastava

Non-Executive Directors

Sandeep Murthy

Kapil Kapoor

B) Details of transactions with related party for the year ended March 31, 2010 in the ordinary course of business:

Amount (Rs.'000)

Sr. No	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	KMP & Relatives	Independent Directors- Non Executive	Non-Executive Directors	Enterprises over which KMP & Relatives have significant influence	Total
1	License Fee Paid: JISPL Rs 100 NISPL Rs 100	200	-	-	-	-	-	200
2	Remuneration Paid: Sanjeev Bikhchandani Rs 13,240 Hitesh Oberoi Rs 12,767 Ambarish Raghuvanshi Rs 9,283 Surabhi Bikhchandani Rs 1,212	-	-	36,502	-	-	-	36,502
3	Advances Given for business purposes (net): Sanjeev Bikhchandani Rs 106 Hitesh Oberoi Rs 3 Ambarish Raghuvanshi Rs 65 NISPL Rs 34 JISPL Rs 24 IEUI Rs 91 ACDIPL Rs 6,070	6,219	-	174	-	-	-	6,393
4	Receipt of services: Minik Enterprises Rs 733 Oyster Learning Rs 359	-	-	-	-	-	1,092	1,092
5	Dividend Paid: Sanjeev Bikhchandani Rs 8,851 Hitesh Oberoi Rs 1,462 Ambarish Raghuvanshi Rs 491 Surabhi Bikhchandani Rs 280 Arun Duggal Rs 15 Ashish Gupta Rs 16 Bala Deshpande Rs 27 Kapil Kapoor Rs 905 Sandeep Murthy Rs 30	-	-	11,084	58	935	-	12,077
6	Services Rendered: ACDIPL Rs 14,004 EMCPL Rs 67	14,004	67	-	-	-	-	14,071
7	Reimbursements: Receivable from ACDIPL Rs 1,263	1,263	-	-	-	-	-	1,263
8	Investment in shares: EMCPL Rs 49,506 ALSPL Rs 35,405 IEIML Rs 5,418 ACDIPL Rs 30,000	70,823	49,506	-	-	-	-	120,329

SCHEDULES TO THE ACCOUNTS

Sr. No	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	KMP & Relatives	Independent Directors- Non Executive	Non-Executive Directors	Enterprises over which KMP & Relatives have significant influence	Total
9	Sitting Fees paid: Arun Duggal Rs 120 Ashish Gupta Rs 90 Bala Deshpande Rs 60 Kapil Kapoor Rs 40 Naresh Gupta Rs 120 Saurabh Srivastava Rs 60	-	-	-	450	40	-	490
10	Commission paid/payable: Arun Duggal Rs 500 Ashish Gupta Rs 500 Bala Deshpande Rs 500 Naresh Gupta Rs 500 Saurabh Srivastava Rs 500	-	-	-	2,500	-	-	2,500

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

- (a) Dividend paid Rs. 451 Thousand
(b) Advances paid (net) Rs. 3,470 Thousand

2. Amount due from Info Edge Employee Stock Option Trust as on March 31, 2010 is Rs. 19,720 Thousand.

C) Amount due to/from related parties as at March 31, 2010

Amount (Rs.'000)

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	1,051	69	354	-	1,474
	Maximum amount outstanding during the year	31,031	69	1,114	-	32,214
	Credit balances					
1	Outstanding Payable	124	-	-	-	124

13 (2) Related Party Transactions for the year ended 31st March, 2009

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, 2009:

Subsidiaries

Jeevansathi Internet Services Private Limited (JISPL)
Naukri Internet Services Private Limited (NISPL)
Info Edge (India) Mauritius Limited (IEIML)
Allcheckdeals India Pvt. Ltd. (ACDIPL)
Info Edge USA Inc.

Associates

eTechAces Marketing & Consulting Pvt. Ltd. (EMCPL)
Applect Learning Systems Pvt. Ltd. (ALSPL)

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. Rimy Oberoi (Spouse of Mr. Hitesh Oberoi)
Mr Ambarish Raghuvanshi

SCHEDULES TO THE ACCOUNTS

Enterprises over which KMP & Relatives have significant influence

Minik Enterprises (Proprietorship concern of Mr. Sushil Bikhchandani)

Oyster Learning (Proprietorship concern of Ms. Rimy Oberoi)

Independent Directors- Non Executive

Arun Duggal

Ashish Gupta

Bala Deshpande

Naresh Gupta

Saurabh Srivastava

Non-Executive Directors

Sandeep Murthy

Kapil Kapoor

B) Details of transactions with related party for the year ended March 31, 2009 in the ordinary course of business:

Amount (Rs.'000)

Sr. No	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	KMP & Relatives	Independent Directors- Non Executive	Non-Executive Directors	Enterprises over which KMP & Relatives have significant influence	Total
1	License Fee Paid: JISPL Rs 100 NISPL Rs 100	200	-	-	-	-	-	200
2	Remuneration Paid: Sanjeev Bikhchandani Rs 11,144 Hitesh Oberoi Rs 12,187 Ambarish Raghuvanshi Rs 8,321 Surabhi Bikhchandani Rs 262	-	-	31,914	-	-	-	31,914
3	Advances Given for business purposes (net): Sanjeev Bikhchandani Rs 502 Hitesh Oberoi Rs 50 Ambarish Raghuvanshi Rs 249 NISPL Rs 42 JISPL Rs 31 IEIML Rs 245 ACDIPL Rs 980	1,298	-	801	-	-	-	2,099
4	Receipt of services: Minik Enterprises Rs 59,382 Oyster Learning Rs 442	-	-	-	-	-	59,824	59,824
5	Dividend Paid: Sanjeev Bikhchandani Rs 8,851 Hitesh Oberoi Rs 1,462 Ambarish Raghuvanshi Rs 491 Surabhi Bikhchandani Rs 280 Arun Duggal Rs 15 Ashish Gupta Rs 16 Bala Deshpande Rs 27 Kapil Kapoor Rs 905 Saurabh Srivastava Rs 13 Sandeep Murthy Rs 40	-	-	11,084	71	945	-	12,100
6	Services Rendered: ACDIPL Rs 6,826 EMCPL Rs 78 ALSPL Rs 14	6,826	92	-	-	-	-	6,918
7	Reimbursements: Receivable from ACDIPL Rs 873	873	-	-	-	-	-	873
8	Investment in shares: EMCPL Rs 49,992 ALSPL Rs 29,595 IEIML Rs 20,183 ACDIPL Rs 100	20,283	79,587	-	-	-	-	99,870

SCHEDULES TO THE ACCOUNTS

Sr. No	Nature of relationship / transaction	Subsidiary Companies	Associate Companies	KMP & Relatives	Independent Directors- Non Executive	Non-Executive Directors	Enterprises over which KMP & Relatives have significant influence	Total
9	Sitting Fees paid: Arun Duggal Rs 130 Ashish Gupta Rs 120 Bala Deshpande Rs 20 Kapil Kapoor Rs 60 Naresh Gupta Rs 90 Saurabh Srivastava Rs 80	-	-	-	440	60	-	500
10	Commission paid/payable: Arun Duggal Rs 500 Ashish Gupta Rs 500 Bala Deshpande Rs 500 Naresh Gupta Rs 500 Saurabh Srivastava Rs 500	-	-	-	2,500	-	-	2,500

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

- (c) Dividend paid Rs. 468 Thousand
(d) Advances paid (net) Rs. 2,915 Thousand

2. Amount due from Info Edge Employee Stock Option Trust as on March 31, 2009 is Rs. 16,250 Thousand.

C) Amount due to/from related parties as at March 31, 2009

Amount (Rs.'000)

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	9,699	13	385	-	10,097
	Maximum amount outstanding during the year	9,736	13	2,238	-	11,987
	Credit balances					
1	Outstanding Payable	58	-	164	70	292

14 . Employee Stock Option Scheme

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 2010 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	2009-10		2008-09	
	Number	Weighted Average Price (Rs.)	Number	Weighted Average Price (Rs.)
Options outstanding at beginning of year	904,890	609.24	699,254	464.40
Add:				
Options granted *	239,600	633.67	328,900	932.45
Less:				
Options exercised	85,100	257.91	17,215	203.86
Options forfeited	69,477	792.89	106,049	722.46
Options outstanding at the end of year	989,913	632.46	904,890	609.24
Option exercisable at the end of year	427,614	459.36	338,267	378.35

* During the year the company granted 238,100 Stock Appreciation Rights (SAR) with a maximum exercise period of five years.

SCHEDULES TO THE ACCOUNTS

The options outstanding at the end of year had exercise prices in the range of Rs. 10/- to Rs. 1200/- (Previous Year Rs. 10/- to Rs. 1200/-) and a weighted average remaining contractual life of 6.6 years (Previous Year 9 years).

Exercise Amount Range (Rs.)	Options outstanding as at March 31, 2010	Options outstanding as at March 31, 2009
10-300	270,878	344,251
301-600	71,485	91,689
601-900	372,550	168,750
901-1200	275,000	300,200
1201-1500	-	-
Grand Total	989,913	904,890

In accordance with the above mentioned ESOP Scheme, Rs. 7,565 Thousand (Previous Year Rs 12,958 Thousand) has been charged to the Profit and Loss Account in relation to the options vested during the year ended March 31, 2010 as Employee Stock Option Scheme Compensation.

15. (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 Rs 76,939 Thousand (Previous year 108,038 Thousand) and the EPS would be Rs 18.04 (Previous year 17.91).
- (B) 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	2009-10		2008-09
	ESOP 2007	ESOP 2007 SAR	
Weighted average fair value of the options at the grant dates	375.09	291.79	558.00
Dividend Yield (%)	0.10%	0.10%	0.10%
Risk free rate	6.59%	6.03%	7.87%
Expected life (years)	6.13	3.65	6.46
Expected volatility	48.17%	50.62%	46.97%
Weighted average share price	678.00	633.40	950.61

Since the stock was listed in November 2006, the historical stock data for computing the volatility over the expected life of options is not sufficient, therefore the historical volatility of similar companies has been considered.

16. 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.
17. 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 is required.
18. The Company had raised Rs 1,703,632 Thousand through Initial Public Offer of Shares (IPO) in the month of November, 2006 by issuance of 5,323,851 equity shares of Rs. 10/- each at a premium of Rs. 310/- per share. The utilisation out of such gross proceeds till March 31, 2010 is as given below. The balance amount of IPO proceeds remains invested in debt based mutual funds and fixed deposits in banks.

Particulars	As at March 31, 2010	As at March 31, 2009
	Amount (Rs.'000)	Amount (Rs.'000)
Amount raised through IPO	1,703,632	1,703,632
Utilisation of funds:		
Purchase of Land	202,457	202,457
Acquisition /Strategic Alliances	210,159	119,829
Issue related expenses	103,873	103,873
Diversification into new businesses & markets	157,206	42,833
Development of new businesses & product enhancement	210,828	48,639
Total Utilisation	884,523	517,631
Balance amount available for utilisation	819,109	1,186,001

SCHEDULES TO THE ACCOUNTS

19. As at March 31, 2010 the company had Rs 122 Thousand (Previous Year Rs. 122 Thousand) outstanding with ICICI bank towards unpaid application money received by the company for allotment of securities and due for refund and Rs 46 Thousand (Previous Year Rs. 33 Thousand) as unclaimed dividend outstanding with Kotak Mahindra Bank. These amounts are not available for use by the company and will be credited to Investor Education & Protection Fund as and when due.
20. The aggregate managerial remuneration under section 198 of the Companies Act, 1956 to the Directors including Managing Director is:

Amount (Rs.'000)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Whole Time Directors (including Managing Director)		
Salary	22,730	22,256
Reimbursements	1,060	1,216
Bonus	11,500	8,180
Total Remuneration (A)	35,290	31,652
Non Whole Time Directors:		
Commission	2,500	2,500
Sitting Fee	490	500
Total Remuneration (B)	2,990	3,000
Total Managerial Remuneration Paid/Payable (A+B)	38,280	34,652

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:

Amount (Rs.'000)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Net Profit before tax	924,504	867,185
Add: Depreciation as per accounts	61,066	71,104
Add: Wholetime Director's Remuneration	35,290	31,652
Add: Directors sitting Fee	490	500
Add: Commission to Non Whole time Directors	2,500	2,500
Add: Provision for Bad Debts	2,838	5,500
Add: Loss on sale of fixed assets (net)	3	-
Add: Loss on sale of Investments (net)	928	-
Less: Depreciation as per Section 350 of the Companies Act, 1956	61,066	71,104
Less: Profit on sale of fixed assets (net)	-	39
Less: Profit on sale of Investment (net)	-	83,267
Net Profit for the year under section 349	966,553	824,031
Maximum amount payable to Non whole time Directors (restricted to 1%)	9,666	8,240
Maximum amount payable to Whole time Directors (restricted to 10%)	96,655	82,403
Maximum Amount payable to Directors	106,321	90,643

21. Employee Benefits

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

A. Defined Contribution Plans

Amount (Rs.'000)

a) Provident Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Provident Fund *	15,159
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B. State Plans

Amount (Rs.'000)

a) Employers' Contribution to Employee State Insurance

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Employee State Insurance *	177
---	-----

*Included in Contributions to Provident and Other Funds under Personnel Expenses (Refer Schedule 14)

SCHEDULES TO THE ACCOUNTS

C. Defined Benefit Plans

- a) Contribution to Gratuity Funds – Life Insurance Corporation of India
b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	Employee's Gratuity Fund
Discount Rate (per annum)	8.00%	8.00%
Rate of increase in Compensation levels	15.0% in first 4 years, 10.0% in next 5 years, & 7% thereafter	15% in first 4 years, 10% in next 5 years, & 7% thereafter
Rate of Return on Plan Assets	-	7.50%
Expected Average remaining working lives of employees (years)	-	13.15

(A) Changes in the Present Value of Obligation	Employee's Gratuity Fund Amount (Rs.'000)
Present Value of Obligation as at Apr 1, 2009	39,063
Interest Cost	3,724
Past Service Cost	Nil
Current Service Cost	11,478
Curtailement Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Benefits paid	(1,555)
Actuarial (gain)/ loss on obligations	(7,748)
Present Value of Obligation as at March 31, 2010	44,962

(B) Changes in the Fair value of Plan Assets	Employee's Gratuity Fund Amount (Rs.'000)
Fair Value of Plan Assets at the April 1, 2009	22,268
Expected Return on Plan Assets	2,567
Actuarial Gains and (Losses)	(1,031)
Contributions	16,147
Benefits Paid	(1,555)
Fair Value of Plan Assets at March 31, 2010	38,396

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	Employee's Gratuity Fund Amount (Rs.'000)
Present Value of funded Obligation as at March 31, 2010	(44,962)
Fair Value of Plan Assets as at the end of the period	38,396
Funded Status	
Present Value of unfunded Obligation as at March 31, 2010	Nil
Unrecognized Actuarial (gains) / losses	Nil
Unfunded Net Asset / (Liability) Recognized in Balance Sheet*	(6,566)
*included in Employee Benefits (Refer Schedule 11)	

(D) Expense recognized in the Profit and Loss Account	Employee's Gratuity Fund Amount (Rs.'000)
Current Service Cost	11,478
Past Service Cost	Nil
Interest Cost	3,724
Expected Return on Plan Assets	(2,567)
Curtailement Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Net actuarial (gain)/ loss recognized in the period	(6,717)
Total Expenses recognized in the Profit & Loss Account #	5,918
#Included in Contribution to Provident and Other Funds under Personnel Cost (Refer Schedule 14)	

In respect of leave encashment/compensated absence the present value of obligation is Rs. 17,183* thousand as at March 31, 2010. The expense recognized in the profit & loss account is Rs 13,800** thousand.

*included in Employee Benefits (Refer Schedule 11)

**Included in Staff Welfare and Benefits under Personnel Cost (Refer Schedule 14)

SCHEDULES TO THE ACCOUNTS

21 (B) Employee Benefits for the previous financial year 2008-09:-

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

A. Defined Contribution Plans Amount (Rs.'000)

a) Provident Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Provident Fund *	17,879
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B. State Plans Amount (Rs.'000)

a) Employers' Contribution to Employee State Insurance

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Employee State Insurance *	358
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*Included in Contributions to Provident and Other Funds under Personnel Expenses (Refer Schedule 14)

C. Defined Benefit Plans

a) Contribution to Gratuity Funds – Life Insurance Corporation of India

b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	Employee's Gratuity Fund
Discount Rate (per annum)	7.60%	7.60%
Rate of increase in Compensation levels	15.0% in first 4 years, 10.0% in next 5 years, & 7% thereafter	15% in first 4 years, 10% in next 5 years, & 7% thereafter
Rate of Return on Plan Assets	-	7.50%
Expected Average remaining working lives of employees (years)	-	13.09

(A) Changes in the Present Value of Obligation	Employee's Gratuity Fund Amount (Rs.'000)
Present Value of Obligation as at Apr 1, 2008	22,419
Interest Cost	2,588
Past Service Cost	Nil
Current Service Cost	8,880
Curtailement Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Benefits paid	(1,191)
Actuarial (gain)/ loss on obligations	6,367
Present Value of Obligation as at March 31, 2009	39,063

(B) Changes in the Fair value of Plan Assets	Employee's Gratuity Fund Amount (Rs.'000)
Fair Value of Plan Assets at the April 1, 2008	13,858
Expected Return on Plan Assets	1,163
Actuarial Gains and Losses	545
Contributions	7,893
Benefits Paid	(1,191)
Fair Value of Plan Assets at March 31, 2009	22,268

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	Employee's Gratuity Fund Amount (Rs.'000)
Present Value of funded Obligation as at March 31, 2009	(39,063)
Fair Value of Plan Assets as at the end of the period	22,268
Funded Status	
Present Value of unfunded Obligation as at March 31, 2009	Nil
Unrecognized Actuarial (gains) / losses	Nil
Unfunded Net Asset / (Liability) Recognized in Balance Sheet*	(16,795)
*included in Employee Benefits (Refer Schedule 11)	

SCHEDULES TO THE ACCOUNTS

(D) Expense recognised in the Profit and Loss Account	Employee's Gratuity Fund Amount (Rs.'000)
Current Service Cost	8,880
Past Service Cost	Nil
Interest Cost	2,588
Expected Return on Plan Assets	(1,163)
Curtailment Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Net actuarial (gain)/ loss recognized in the period	5,822
Total Expenses recognized in the Profit & Loss Account #	16,127
# Included in Contribution to Provident and Other Funds under Personnel Cost (Refer Schedule 14)	

In respect of leave encashment/compensated absence the present value of obligation is Rs. 17,620* thousand as at March 31, 2009. The expense recognized in the profit & loss account is Rs 18,773** thousand.

*included in Employee Benefits (Refer Schedule 11)

**Included in Staff Welfare and Benefits under Personnel Cost (Refer Schedule 14)

22. Details of Bank Balances:

A. Bank Balances with scheduled Banks:

-In Current Accounts

Balance with Banks in India	As at March 31, 2010 (Rs.'000)	As at March 31, 2009 (Rs.'000)
ICICI Bank Ltd	87,239	69,478
HSBC Bank	12,418	9,653
HDFC Bank Ltd	502	56
State Bank of India	92	108
State Bank of Hyderabad	54	11
HDFC Bank (erstwhile Bank of Punjab Ltd.)	30	30
Canara Bank	23	9
Bank of India	15	-
Bank of Baroda	11	-
Oriental Bank of Commerce	10	-
Punjab National Bank	3	212
Total	100,397	79,557

-In Fixed deposit accounts

Fixed Deposit in India	As at March 31, 2010 (Rs.'000)	As at March 31, 2009 (Rs.'000)
Punjab National Bank	631,085	651,001
HDFC Bank Ltd	566,030	614,345
ICICI Bank Ltd	465,084	455,881
State Bank of Hyderabad	373,600	129,300
State Bank of India	228,931	683,000
Bank of Baroda	170,000	-
Canara Bank	94,277	592,800
Oriental Bank of Commerce	91,700	-
Bank of India	47,600	-
HSBC Bank	4,291	3,871
Total	2,672,598	3,130,198

SCHEDULES TO THE ACCOUNTS

B. Bank Balances with other banks:
-In Current Accounts

Particulars	F.Y. 2009-10		F.Y. 2008-09	
	As at March 31, 2010	Maximum Amount outstanding during the year	As at March 31, 2009	Maximum Amount outstanding during the year
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
The Saudi Hollandi Bank	2,202	5,778	6,102	6,052
Total (B)	2,202	5,778	6,102	6,052

23. Exceptional item in Profit & Loss Account represents provision for permanent diminution in carrying value of long term investment in Info Edge (India) Mauritius Limited.
24. The company has made long term strategic investments in certain subsidiary/associate companies, which are in their initial stages of operations 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. In the opinion of the management considering the nature of the industry and the stage of operations of these entities, the diminution in carrying value of the investments is considered to be temporary in nature and therefore not considered for any provision at this stage (other than the investments referred in Note 23 above).
25. Previous year's figures have been regrouped / recast to confirm to current year's presentation.

For Price Waterhouse
Firm Registration Number 0075685
Chartered Accountants

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership Number F 056155

Sanjeev Bikhchandani
Managing Director

Ambarish Raghuvanshi
Director & CFO

Place : Gurgaon
Date : April 30, 2010

Amit Gupta
Company Secretary

INFO EDGE (INDIA) LIMITED

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF INFO EDGE (INDIA) LIMITED

The Board of Directors of Info Edge (India) Limited

1. We have audited the attached consolidated Balance Sheet of Info Edge (India) Limited (the "Company") and its subsidiaries and associate company; hereinafter referred to as the "Group" (refer Note 1 on Schedule 17 to the attached consolidated financial statements) as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the 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.
3. 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 and Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements notified under Section 211(3C) of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, the attached 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, 2010;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse
Firm Registration Number 007568S
Chartered Accountants

Gurgaon
April 30, 2010

Avijit Mukerji
Partner
Membership Number F-56155

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at	
		March 31, 2010 (Rs.'000)	March 31, 2009 (Rs.'000)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Capital	1		272,953
Stock Options Outstanding Account	2		27,807
Reserves and Surplus	3		3,445,733
LOAN FUNDS			
Secured Loans	4		6,132
		3,752,625	3,256,124
APPLICATION OF FUNDS			
GOODWILL ON CONSOLIDATION (Refer Note 3 on Schedule 17)			253
FIXED ASSETS	5		
Gross Block		581,147	528,234
Less : Depreciation		287,260	225,930
Net Block		293,887	302,304
Capital Advances		69,270	82,942
DEFERRED TAX ASSETS	6		33,742
INVESTMENTS	7		1,141,272
ADVANCE RECOVERABLE FROM ESOP TRUST (Refer Note 10 & 11 on Schedule 18)			20,291
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	8	79,545	34,536
Cash and Bank Balances	9	2,790,691	3,220,962
Loans and Advances and Other Current Assets	10	219,373	163,826
		3,089,609	3,419,324
LESS : CURRENT LIABILITIES AND PROVISIONS	11		
Current liabilities		811,910	705,892
Provisions		83,789	60,694
		895,699	766,586
NET CURRENT ASSETS			2,193,910
		3,752,625	3,256,124
SIGNIFICANT ACCOUNTING POLICIES	17		
NOTES TO ACCOUNTS	18		

This is the Consolidated Balance Sheet referred to in our report of even date.

The schedules referred to above form an integral part of these accounts.

For Price Waterhouse
Firm Registration Number 007568S
Chartered Accountants

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership Number F 056155

Sanjeev Bikhchandani
Managing Director

Ambarish Raghuvanshi
Director & CFO

Place : Gurgaon
Date : April 30, 2010

Amit Gupta
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Sr. No.	Particulars	For the year ended March 31, 2010 Amount (Rs.'000)	For the year ended March 31, 2009 Amount (Rs.'000)
A.	Cash flow from operating activities:		
	Net profit before exception item and tax	847,687	852,577
	Adjustments for:		
	Depreciation	64,907	71,150
	Interest Expense	602	368
	Interest Income	(276,085)	(132,862)
	Dividend Income from Mutual Funds	(13,355)	(60,205)
	(Profit)/Loss on Fixed Assets sold (net)	928	(39)
	(Profit)/Loss on sale of Investments (net)	3	(83,267)
	Provision for Bad & Doubtful Debts	9,364	5,547
	Liability no longer required written back	(14,484)	(1,020)
	Provision for Gratuity & Leave Encashment	(9,021)	13,595
	TDS on revenue receipts	(116,175)	(122,049)
	Employee Stock Option Scheme Compensation Expense	8,726	12,958
	Operating profit before working capital changes	503,097	556,753
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in Sundry Debtors	(54,373)	(4,465)
	- (INCREASE)/DECREASE in Loans, Advances and Other Current Assets	(40,571)	22,578
	- INCREASE/DECREASE in Current Liabilities and Provisions	116,494	(258,165)
	Cash generated from operating activities	524,647	316,701
	- Taxes (Paid) / Received (Net of TDS)	(148,626)	(118,857)
	Net cash from operating activities	376,021	197,844
B.	Cash flow from Investing activities:		
	Purchase of fixed assets	(44,355)	(86,550)
	Proceeds from Sale of fixed assets	609	806
	Proceeds from Sale of Investments	3,136,184	5,639,440
	Purchase of Investments	(4,134,666)	(2,997,679)
	Interest Received (Revenue)	244,376	46,135
	Dividend Received	13,355	60,205
	Share in loss of Associate Companies	(5,584)	(11,921)
	Share of Minority Interest in loss of Subsidiary Company	(33,945)	-
	Amount Paid on Acquisition	39,747	(87,454)
	Net cash used in investing activities	(784,279)	2,562,982
C.	Cash flow from financing activities:		
	Proceeds from long term borrowings (Net)	2,520	(808)
	Interest Paid	(583)	(374)
	Dividend Paid	(20,471)	(20,471)
	Dividend Tax Paid	(3,479)	(3,479)
	Net cash used in financing activities	(22,013)	(25,132)
	Net Increase/(Decrease) in Cash & Cash Equivalents	(430,271)	2,735,694
	Opening Balance of Cash and cash equivalents	3,220,962	485,268
	Closing Balance of Cash and cash equivalents	2,790,691	3,220,962
	Cash and cash equivalents comprise		
	Cash in hand	1,804	2,074
	Balance with Scheduled Banks		
	-in current accounts (Refer note 2 and 3 below)	105,781	82,518
	-in fixed deposits	2,680,904	3,130,268
	Balance with Other Banks		
	-in current accounts	2,202	6,102
	Total	2,790,691	3,220,962

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 Rs 122 Thousand (previous period 122 Thousand) 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 Rs 46 Thousand (previous period 33 Thousand) in respect of unclaimed dividend, which is not available for use by the company.
- Figures in brackets indicate cash outflow.

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

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number 0075685
Chartered Accountants

Sanjeev Bikhchandani
Managing Director

Ambarish Raghuvanshi
Director & CFO

Avijit Mukerji
Partner
Membership Number F 056155

Amit Gupta
Company Secretary

Place : Gurgaon
Date : April 30, 2010

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	(Rs.'000)	As at	(Rs.'000)	As at
		March 31, 2010		March 31, 2009
		(Rs.'000)		(Rs.'000)
SCHEDULE 1				
CAPITAL				
AUTHORIZED CAPITAL				
40,000 Thousand Equity Shares of Rs.10/- each (Previous year - 40,000 Thousand Equity Shares of Rs. 10/- each)		400,000		400,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
27,295 Thousand Equity Shares of Rs. 10/- each fully paid up (Previous year - 27,295 Thousand Equity Shares of Rs. 10/- each fully paid up)		272,953		272,953
[Of the above, 21,705 Thousand Equity Shares of Rs.10/- each (Previous year 21,705 Thousand Equity Shares of Rs.10 each) were allotted as fully paid up by way of bonus shares out of Securities Premium, General Reserve and Profit & Loss Account]				
		272,953		272,953
SCHEDULE 2				
Stock Options Outstanding Account				
(Refer Note 13 on Schedule 17 & Note 11 on Schedule 18)				
Opening Balance	28,330		17,584	
Add: Transfer during the year	8,726		12,958	
Less: Adjusted against advance given to Info Edge Employees Stock Option Trust	40		47	
Less: Transfer to Profit & Loss Account	9,209	27,807	2,165	28,330
		27,807		28,330
SCHEDULE 3				
RESERVES AND SURPLUS				
Securities Premium Account		1,583,026		1,583,026
Profit & Loss Account				
Opening Balance	1,330,437		784,102	
Add: Transfer from Profit & loss Account	496,814	1,827,251	546,335	1,330,437
General Reserve				
Opening Balance	25,773		23,608	
Add: Transfer from Profit and Loss Account (Stock Options Outstanding Account)	9,209	34,982	2,165	25,773
Foreign Currency Translation Reserve		474		11,993
		3,445,733		2,951,229
SCHEDULE 4				
SECURED LOANS				
Deferred payment liability (Refer Note 10 (i) on Schedule 17 and 7 on Schedule 18)				
(Secured by way of hypothecation of vehicles)		6,132		3,612
[Payable within one year Rs. 3,088 Thousand (Previous year Rs. 2,119 Thousand)]				
		6,132		3,612

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 5

FIXED ASSETS (Refer Note 4,5 and 10 (i) on Schedule 17)

(Rs.'000)

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions during the year	Deletions during the year	As at March 31, 2010	Up to April 1, 2009	Depreciation/ Amortisation for the year	Accumulated Depreciation on Deletions	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
OWN ASSETS										
Intangible Assets										
Goodwill	265	-	-	265	265	-	-	265	-	-
Operating and Marketing Rights	27,560	-	-	27,560	25,068	2,492	-	27,560	-	2,492
Enterprise Resource Planning Software	-	15,834	-	15,834	-	1,578	-	1,578	14,256	-
Other Software Licenses	-	4,921	-	4,921	-	781	-	781	4,140	-
Tangible Assets										
Leasehold Land	202,457	-	-	202,457	3,408	3,190	-	6,598	195,859	199,049
Leasehold Improvements	70,377	6,760	2,066	75,071	36,354	15,120	962	50,512	24,559	34,023
Computers	140,223	17,921	542	157,602	100,208	26,597	537	126,268	31,334	40,015
Plant and Machinery	15,863	967	62	16,768	10,292	2,054	14	12,332	4,436	5,571
Furniture and Fixtures	19,582	755	104	20,233	15,481	1,702	78	17,105	3,128	4,101
Office Equipment	38,005	3,879	53	41,831	27,184	7,619	21	34,782	7,049	10,821
Vehicles	733	-	-	733	625	92	-	717	16	108
Assets taken on lease										
Vehicles	13,169	6,990	2,287	17,872	7,045	3,682	1,965	8,762	9,110	6,124
Total	528,234	58,027	5,114	581,147	225,930	64,907	3,577	287,260	293,887	302,304
Capital Advances*									69,270	82,942
Previous period	473,971	56,066	1,803	528,234	155,816	71,150	1,036	225,930	302,304	

* Refer Note 3 on Schedule 18

Particulars	(Rs.'000)	As at March 31, 2010 (Rs.'000)	(Rs.'000)	As at March 31, 2009 (Rs.'000)
SCHEDULE 6				
DEFERRED TAX ASSET/ (LIABILITY)				
(Refer Note 11 on Schedule 17 and Note 4 on Schedule 18)				
Deferred Tax Asset / (Liability)				
- Opening Balance		19,096		11,293
- Adjustment for the current year		14,646		7,803
		33,742		19,096
SCHEDULE 7				
INVESTMENTS				
(Refer Note 8 on Schedule 17 and Note 2 and 18 on Schedule 18)				
Other Investments				
- Long Term (Unquoted)				
-Equity Shares of associate companies and others [including Goodwill on acquisition of Associate Companies amounting to Rs 57,130 Thousand (Previous year Rs 49,731 Thousand (net))	105,394		107,404	
Less: Provision for diminution in value of investment	37,737	67,657	-	107,404
- Short Term (Unquoted)				
-Debt Mutual Funds		1,073,615		75,137
		1,141,272		182,541

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As at		As at	
	(Rs.'000)	March 31, 2010 (Rs.'000)	(Rs.'000)	March 31, 2009 (Rs.'000)
SCHEDULE 8				
SUNDRY DEBTORS (Unsecured, considered good unless otherwise stated)				
Debts outstanding for a period exceeding six months				
Considered doubtful	10,456		2,042	
Less: Provision for Doubtful Debts	10,456	-	2,042	-
Other Debts				
Considered good		79,545		34,536
Considered doubtful	2,944		3,505	
Less: Provision for Doubtful Debts	2,944	-	3,505	-
		79,545		34,536
SCHEDULE 9				
CASH AND BANK BALANCES				
Cash in hand		1,804		2,074
Bank Balances with scheduled banks:				
-in Current Accounts		105,613		82,363
-in Fixed Deposit Accounts*		2,680,904		3,130,268
Bank Balances with other banks:				
-in Current Accounts		2,202		6,102
Unpaid Application Money received by the company for allotment of securities and due for refund **		122		122
Unclaimed Dividend **		46		33
* includes Rs. 56,000 Thousand (Previous year 64,789 Thousand) as margin money with bank				
** (Not available for use by the company)				
		2,790,691		3,220,962
SCHEDULE 10				
LOANS AND ADVANCES AND OTHER CURRENT ASSETS (Unsecured, considered good)				
Advance to Associate Company (Refer Note 10 on Schedule 18)		69		13
Share of Minority Interest		33,945		-
Advance recoverable in cash or in kind or for value to be received *		58,946		39,682
Balance with Service Tax Authorities		7,567		83
Security Deposits		58,986		60,746
Advance Tax - Fringe Benefits	29,697		29,686	
Less: Provision for Tax - Fringe Benefits	28,685	1,012	28,685	1,001
Interest Accrued on Fixed Deposits		58,848		62,301
		219,373		163,826
* Includes Rs 354 Thousand (Previous year Rs 221 Thousand) outstanding with directors				
Maximum amount outstanding during the year Rs 1,114 Thousand (Previous year Rs 2,238 Thousand)				

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As at		As at	
	(Rs.'000)	March 31, 2010 (Rs.'000)	(Rs.'000)	March 31, 2009 (Rs.'000)
SCHEDULE 11				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors (Refer Note 5 on Schedule 18)				
- total outstanding dues of micro and small enterprises	-		-	
- total outstanding dues of creditors other than micro and small enterprises	209,455	209,455	157,700	157,700
Deferred Sales Revenue (Refer Note 7 on Schedule 17)		536,230		494,925
Accrued Bonus		34,992		33,044
Unpaid Application Money received by the company for allotment of securities and due for refund *		122		122
Unclaimed Dividend *		46		33
Other liabilities		31,027		20,049
Interest accrued but not due on loans		38		19
		811,910		705,892
* Will be credited to Investor Education and Protection Fund as and when due				
PROVISIONS				
Employee benefits (Refer Note 9 on Schedule 17 and Note 17 on Schedule 18)		25,394		34,415
Provision for Tax	1,028,355		696,239	
Less: Advance Tax	993,910	34,445	693,910	2,329
Proposed Dividend		20,471		20,471
Dividend Tax		3,479		3,479
		83,789		60,694

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

Particulars	Year ended March 31, 2010 (Rs.'000)	Year ended March 31, 2009 (Rs.'000)
SCHEDULE 12		
OTHER INCOME (Refer Note 15 & 16 on Schedule 17)		
Interest Received/Receivable on Fixed Deposits with Banks [(Tax deducted at source Rs 35,162 Thousand (Previous Year Rs 26,468 Thousand)]	276,085	132,862
Dividend Income from Mutual Funds	13,355	60,205
Profit on sale of Investment (net)	-	83,267
Profit on sale of Fixed Assets (net)	-	39
Provision no longer required written back	14,484	1,020
Miscellaneous Income	2,829	1,850
	306,753	279,243
SCHEDULE 13		
ADMINISTRATION AND OTHER EXPENSES		
Electricity and Water	23,484	25,414
Rent (Refer Note 6 on Schedule 18)	115,825	109,097
Repairs and Maintenance (Building)	12,136	13,989
Repairs and Maintenance (Machinery)	13,077	8,742
Legal and Professional Charges	22,262	19,547
Rates & Taxes	208	45
Insurance	8,849	7,901
Communication expenses	34,759	40,651
Travel & Conveyance	36,085	46,893
Provision for Doubtful Debts	9,364	5,547
Loss on sale of Investments (net)	3	-
Loss on sale of fixed assets (net)	928	-
Miscellaneous expenses	62,824	60,916
	339,804	338,742
SCHEDULE 14		
PERSONNEL EXPENSES		
(Refer Note 9 on Schedule 17 and Note 17 on Schedule 18)		
Salaries, Wages and Bonus	699,362	726,147
Contributions to Provident and other funds	23,498	34,401
Sales Incentives and Commissions	121,228	88,562
Staff Welfare and Benefits	39,609	44,157
Employee Stock Option Scheme Compensation (Refer Note 13 on Schedule 17 and Note 11 on Schedule 18)	8,726	12,958
Other Employee Expenses	28,001	27,655
	920,424	933,880
SCHEDULE 15		
NETWORK AND OTHER CHARGES		
Internet and Server Charges	86,072	85,457
Others	4,728	4,951
	90,800	90,408
SCHEDULE 16		
FINANCE AND BANK CHARGES		
Interest on fixed loans	602	368
Bank Charges	18,963	16,911
	19,565	17,279

SCHEDULES TO THE ACCOUNTS

Schedule 17

SIGNIFICANT ACCOUNTING POLICIES

1. Background

Info Edge (India) Limited (the Company) was incorporated under the laws of India on May 1, 1995 and has six subsidiaries and one associate company (The Group) as at March 31, 2010. The subsidiaries are Jeevansathi Internet Services Private Limited, Naukri Internet Services Private Limited, Info (Edge) India Mauritius Ltd, Allcheckdeals India Pvt. Ltd, Info Edge USA Inc and Applect Learning Systems Pvt. Ltd. The associate is Etechaces Marketing & Consulting Pvt. Ltd.

2. Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements of the Group have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified u/s 211(3C) of the Companies Act, 1956 to the extent applicable.

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.

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

3. 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/associate 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.

4. Fixed Assets

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 recognized in the Profit & Loss Account.

5. Depreciation

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

Assets	Estimated life (Years)
Computers	3
Other Software Licenses	3
Enterprise Resource Planning Software	5
Office Equipment	3
Vehicles	4
Plant and Machinery	5
Furniture & Fixtures	7

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

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

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

SCHEDULES TO THE ACCOUNTS

6. 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 Profit and Loss Account. 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 Profit and Loss Account. Gain/Loss on consolidation of foreign subsidiary is taken to Foreign Currency Translation Reserve.

7. 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 ratably 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.

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

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

8. 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.

9. Employee Benefits (Refer Note 17 on Schedule 18 to Accounts)

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 Profit and Loss Account as income or expense.

10. 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.

SCHEDULES TO THE ACCOUNTS

- 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 Profit and Loss Account on a straight line basis over the lease term.

11. Taxes on Income

Tax expense comprises of current tax, deferred tax and fringe benefit 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.

12. 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.

13. 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 in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme) Guidelines, 1999 as amended from time to time. 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 straight line basis over the vesting period.

14. 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.

15. 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 collectibility exists.

16. 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.

SCHEDULES TO THE ACCOUNTS

Schedule 18

NOTES TO ACCOUNTS

1. Info Edge (India) Limited (the Company) has six Subsidiaries and one associate company, as given in the following table:

Name of the Company	Percentage of ownership interest as on March 31, 2010	Relationship	Date of Incorporation	Country of Origin	Date of Investment
Naukri Internet Services Private Limited (NISPL)*	99.98	Subsidiary	December 9, 1999	India	January 30, 2002
Jeevansathi Internet Services Private Limited (JISPL)*	98	Subsidiary	December 9, 1999	India	September 13, 2004
Info (Edge) India Mauritius Ltd.	100	Subsidiary	October 30, 2007	Mauritius	January 18, 2008
Allcheckdeals India Pvt. Ltd.*	99.99	Subsidiary	August 1, 2008	India	January 12, 2009
Infoedge USA Inc.**	-	Subsidiary	May 14, 2008	USA	
Applect Learning Systems Pvt. Ltd.***	40.02	Subsidiary	April 4, 2001	India	June 12, 2008
Etechaces Marketing & Consulting Pvt. Ltd.	32.34	Associate	June 04, 2008	India	September 24, 2008

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

** By virtue of control over composition of the Board of Directors.

*** Applect Learning Systems Pvt. Ltd was an "associate company" as on March 31, 2009 and became a subsidiary company during the year by virtue of control over composition of the Board of Directors.

2. A) Particulars of Investment in Associates as on March 31, 2010:

Amount (Rs.'000)

Particulars	Etechaces Marketing & Consulting Pvt. Ltd.		Applect Learning Systems Pvt. Ltd.*	
	FY 09-10	FY 08-09	FY 09-10	FY 08-09
Cost of Investment at the beginning of the year	35,569	-	-	-
Add: Investment made during the year	49,506	49,992	-	29,595
Add: Share of post acquisition (loss)/profits (Net)	(5,584)	(6,361)	-	(5,560)
Less: Goodwill written off	(19,044)	(8,062)	-	(4,370)
Carrying Value at the end of the year (A)	60,447	35,569	-	19,665

* Applect Learning Systems Pvt. Ltd was an "associate company" as on March 31, 2009 and became a subsidiary company during the year by virtue of control over composition of the Board of Directors.

B) Others

Amount (Rs.'000)

Particulars	Study Places Inc., USA	
	FY 09-10	FY 08-09
Cost of Investment at the beginning of the year	52,170	19,950
Add: Investment made during the year	4,503	26,085
Less: Adjustment on account of Foreign exchange *	(11,726)	6,135
Carrying Value at the end of the year (B)	44,947	52,170
Grand Total (A) + (B)	105,394	107,404

*The above investments are translated to the reporting currency using the closing rate for the respective year. The impact of difference in closing rate is disclosed in this figure for the purpose of reconciling the movement in the investments

3. As on March 31, 2010 there is an advance of Rs. 69,270 Thousand (Previous Year Rs. 82,942 Thousand) outstanding against capital account contracts. This primarily includes the following:
- Rs. 62,286 Thousand (Previous year Rs. 62,286 Thousand) relating to the project for construction of office building on leasehold land which remains outstanding as the project has been delayed. The management expects to commence this project in the next financial year for which appropriate permissions for extending the time limit for construction have been taken from the local development authority.
 - Rs. 6,089 Thousand (Previous year Rs. 18,926 Thousand) relating to ERP implementation project with an estimated value of contract of Rs. 8,682 Thousand (gross) (Previous year Rs 25,000 Thousand) (gross) remaining to be executed on capital account.
 - Rs. 895 Thousand (Previous year Rs. 1,730 Thousand) advanced against multiple contracts with total estimated value of contracts of Rs. 1,291 Thousand (gross) (Previous year Rs. 2,658 Thousand) (gross) remaining to be executed on capital account.

SCHEDULES TO THE ACCOUNTS

4. Deferred Taxes

Significant components of deferred tax assets/ (liabilities) are shown in the following table:

Deferred Tax Asset/(Liability)	As at March 31, 2010 Amount (Rs.'000)	As at March 31, 2009 Amount (Rs.'000)
Provision for Leave Encashment/Gratuity	5,840	5,989
Provision for Doubtful Debts	2,340	1,870
Depreciation	16,497	10,573
Others	9,065	664
Net Deferred Tax Asset/ (Liability)	33,742	19,096

5. 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, 2010.

6. 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 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 Profit & Loss Account amount to Rs 117,189 Thousand (included in Schedule 13 – Administration and Other Expenses Rs. 115,825 Thousand and in Schedule 14 – Personnel Expenses Rs 1,364 Thousand [(Previous Year Rs. 111,605 Thousand) (included in Schedule 13 – Administration and Other Expenses Rs. 109,097 Thousand and in Schedule 14 – Personnel Expenses Rs 2,508 Thousand)].

7. Leased Assets included in vehicles where the company is a lessee under finance leases are:

Finance Lease Liabilities- minimum lease payments:

Particulars	As at March 31, 2010 Amount (Rs.'000)	As at March 31, 2009 Amount (Rs.'000)
Not later than 1 year	3,599	2,389
Later than 1 year and not later than 5 years	3,271	1,617
Total minimum lease payments	6,870	4,006
Less: Future finance charges on finance leases	738	394
Present value of finance lease liabilities	6,132	3,612
Representing lease liabilities:		
-Current	3,088	2,119
-Non current	3,044	1,493
	6,132	3,612
The present value of finance lease liabilities may be analyzed as follows:		
Not later than 1 year	3,088	2,119
Later than 1 year and not later than 5 years	3,044	1,493
	6,132	3,612

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit attributable to Equity Shareholders (Rs.'000)	520,764	570,285
Weighted average number of Equity Shares outstanding during the year (Nos.)	27,295,256	27,295,256
Basic & Diluted Earnings Per Equity Share of Rs. 10 each (Rs.)	19.08	20.89

9. 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.

10. (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, 2010:

Associate

eTechAces Marketing & Consulting Pvt. Ltd. (EMCPL)

SCHEDULES TO THE ACCOUNTS

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. Rimy Oberoi (Spouse 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)

Independent Directors- Non Executive

Mr. Arun Duggal
 Mr. Ashish Gupta
 Ms. Bala Deshpande
 Mr. Naresh Gupta
 Mr. Saurabh Srivastava

Non-Executive Directors

Mr. Sandeep Murthy
 Mr. Kapil Kapoor

B) Details of transactions with related party for the year ended March 31, 2010 in the ordinary course of business:

Amount (Rs.'000)

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 Rs 13,240 Hitesh Oberoi Rs 12,767 Ambarish Raghuvanshi Rs 9,283 Surabhi Bikhchandani Rs 1,212	-	36,502	-	-	-	36,502
2	Advances Given for business purposes (net): Sanjeev Bikhchandani Rs 106 Hitesh Oberoi Rs 3 Ambarish Raghuvanshi Rs 65	-	174	-	-	-	174
3	Receipt of services: Minik Enterprises Rs 733 Oyster Learning Rs 359	-	-	-	-	1,092	1,092
4	Dividend Paid: Sanjeev Bikhchandani Rs 8,851 Hitesh Oberoi Rs 1,462 Ambarish Raghuvanshi Rs 491 Surabhi Bikhchandani Rs 280 Arun Duggal Rs 15 Ashish Gupta Rs 16 Bala Deshpande Rs 27 Kapil Kapoor Rs 905 Sandeep Murthy Rs 30	-	11,084	58	935	-	12,077
5	Services Rendered: EMCPL Rs 67	67	-	-	-	-	67
6	Investment in shares: EMCPL Rs 49,506	49,506	-	-	-	-	49,506
7	Sitting Fees paid: Arun Duggal Rs 120 Ashish Gupta Rs 90 Bala Deshpande Rs 60 Kapil Kapoor Rs 40 Naresh Gupta Rs 120 Saurabh Srivastava Rs 60	-	-	450	40	-	490
8	Commission paid/payable Arun Duggal Rs 500 Ashish Gupta Rs 500 Bala Deshpande Rs 500 Naresh Gupta Rs 500 Saurabh Srivastava Rs 500	-	-	2,500	-	-	2,500

SCHEDULES TO THE ACCOUNTS

1. Amounts paid to / on behalf of Info Edge Employee Stock Option Trust during the year are as below:
 - (a) Dividend paid Rs. 451 Thousand
 - (b) Advances paid (net) Rs. 3,470 Thousand
2. Amount due from Info Edge Employee Stock Option Trust as on March 31, 2010 is Rs. 19,720 Thousand.
3. Advance given to Applect Employees Stock Option Plan Trust during the year is Rs. 183 Thousand.
4. Amount due from Applect Employees Stock Option Plan Trust as on March 31, 2010 is Rs. 183 Thousand
5. Advance given to Allcheckdeals Employees Stock Option Plan Trust during the year is Rs. 388 Thousand.
6. Amount due from Allcheckdeals Employees Stock Option Plan Trust as on March 31, 2010 is Rs. 388 Thousand

C) Amount due to/from related parties as at March 31, 2010

Amount (Rs.'000)

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	69	354	-	423
2	Maximum amount outstanding during the year	69	1,114	-	1,183

10 (2) Related Party Transactions for the year ended 31st March, 2009

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, 2009:

Associates

Etchaces Marketing & Consulting Pvt. Ltd. (EMCPL)
Applect Learning Systems Pvt. Ltd. (ALSPL)

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. Rimy Oberoi (Spouse 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)

Independent Directors- Non Executive

Mr. Arun Duggal
Mr. Ashish Gupta
Ms. Bala deshpane
Mr. Naresh Gupta
Mr. Saurabh Srivastava

Non executive Directors

Mr. Kapil Kapoor
Mr. Sandeep Murthy

SCHEDULES TO THE ACCOUNTS

Amount (Rs.'000)

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 Rs 11,144 Hitesh Oberoi Rs 12,187 Ambarish Raghuvanshi Rs 8,321 Surabhi Bikhchandani Rs 262	-	31,914	-	-	-	31,914
2	Advances Given for business purposes (net): Sanjeev Bikhchandani Rs 502 Hitesh Oberoi Rs 50 Ambarish Raghuvanshi Rs 249	-	801	-	-	-	801
3	Receipt of services: Minik Enterprises Rs 59,382 Oyster Learning Rs 442	-	-	-	-	59,824	59,824
4	Dividend Paid: Sanjeev Bikhchandani Rs 8,851 Hitesh Oberoi Rs 1,462 Ambarish Raghuvanshi Rs 491 Surabhi Bikhchandani Rs 280 Arun Duggal Rs 15 Ashish Gupta Rs 16 Bala Deshpande Rs 27 Kapil Kapoor Rs 905 Saurabh Srivastava Rs 13 Sandeep Murthy Rs 40	-	11,084	71	945	-	12,100
4	Services Rendered: EMCPL Rs 78 ALSPL Rs 14	92	-	-	-	-	92
6	Investment in shares: EMCPL Rs 49,992 ALSPL Rs 29,595	79,587	-	-	-	-	79,587
8	Commission paid/payable : Arun Duggal Rs 500 Ashish Gupta Rs 500 Bala Deshpande Rs 500 Naresh Gupta Rs 500 Saurabh Srivastava Rs 500	-	-	2,500	-	-	2,500

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

- Dividend paid Rs. 468 Thousand
- Advances paid (net) Rs. 2,915 Thousand

2. Amount due from Info Edge Employee Stock Option Trust as on March 31, 2009 is Rs. 16,250 Thousand.

C) Amount due to/from related parties as at March 31, 2009

Amount (Rs.'000)

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	13	385	-	398
	Maximum amount outstanding during the year	13	2,238	-	2,251
	Credit balances				
1	Outstanding Payable	-	164	70	234

11. (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 31st 2010 have a vesting period of maximum of 3 years from the date of grant.

SCHEDULES TO THE ACCOUNTS

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

Particulars	2009-10		2008-09	
	Number	Weighted Average Price (Rs.)	Number	Weighted Average Price (Rs.)
Options outstanding at beginning of year	904,890	609.24	699,254	464.40
Add:				
Options granted*	239,600	633.67	328,900	932.45
Less:				
Options exercised	85,100	257.91	17,215	203.86
Options forfeited	69,477	792.89	106,049	722.46
Options outstanding at the end of year	989,913	632.46	904,890	609.24
Option exercisable at the end of year	427,614	459.36	338,267	378.35

* During the year the company granted 238,100 Stock Appreciation Rights (SAR) with a maximum exercise period of five years.

The options outstanding at the end of year had exercise prices in the range of Rs. 10/- to Rs. 1200/- (Previous Year Rs. 10/- to Rs. 1200/-) and a weighted average remaining contractual life of 6.6 years (Previous Year 9 years).

Exercise Amount Range (Rs.)	Options outstanding as at March 31, 2010	Options outstanding as at March 31, 2009
10-300	270,878	344,251
301-600	71,485	91,689
601-900	372,550	168,750
901-1200	275,000	300,200
1201-1500	-	-
Grand Total	989,913	904,890

In accordance with the above mentioned ESOP Scheme, Rs. 7,565 Thousand (Previous Year Rs 12,958 Thousand) has been charged to the Profit and Loss Account in relation to the options vested during the year ended March 31, 2010 as Employee Stock Option Scheme Compensation.

- 11 (2) During the year, Allcheckdeals India Private Limited, established a stock option plan called "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 31st 2010 have a vesting period of maximum of 6 years from the date of grant.

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

Particulars	FY 2009-10	
	Number	Weighted Average Price (Rs.)
Options outstanding at beginning of year	-	-
Add:		
Options granted	418,400	1.93
Less:		
Options exercised	-	-
Options forfeited	8,100	10.00
Options outstanding at the end of year	410,300	1.77
Option exercisable at the end of year	37,500	1.00

The options outstanding at the end of year had exercise prices in the range of Rs. 1/- to 10/- (Previous Year Nil) and a weighted average remaining contractual life of 6 years (Previous Year Nil years).

SCHEDULES TO THE ACCOUNTS

Exercise Amount Range (Rs.)	Options outstanding as at March 31, 2010
1-10	410,300
Grand Total	410,300

In accordance with the above mentioned ESOP Scheme, Rs. 1,132 Thousand (Previous Year Nil) has been charged to the Profit and Loss Account in relation to the options vested during the year ended March 31, 2010 as Employee Stock Option Scheme Compensation.

- 11 (3) During the year, Applect Learning Systems Private Limited, established a stock option plan called "Employees Stock Option Scheme 2009". The company has set up a trust to administer the ESOP scheme under which options have been granted to the employees. Under this option, 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, 2010 have a vesting period of 2 years from the date of grant.

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

Particulars	Number of options	Weighted average exercise price
Outstanding at start of year	-	-
Granted	1,138	Rs. 10
Outstanding at end of year	1,138	Rs. 10
Exercisable at end of year	0	Rs. 10

The options outstanding at March 31, 2010 had an exercise price of Rs.10 and a weighted average remaining contractual life of 25 years.

In accordance with the above mentioned ESOP Scheme, Rs. 29 Thousand has been charged to the Profit & Loss Account in relation to the options vested during the year ended March 31, 2010 as Employee Stock Option Scheme Compensation.

12. (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 Rs 77,005 Thousand (Previous year Rs. 108,038 Thousand) and the EPS would be Rs 16.26 (Previous year Rs. 17.91).

(B) - (1) The fair value of each option for the Company and its subsidiaries is estimated on the date of grant using the Black Scholes model with the below listed assumptions:

Employee Stock Option Scheme 2007	2009-10		2008-09
	ESOP 2007	ESOP 2007 SAR	
Weighted average fair value of the options at the grant dates	375.09	291.79	558.00
Dividend Yield (%)	0.10%	0.10%	0.10%
Risk free rate	6.59%	6.03%	7.87%
Expected life (years)	6.13	3.65	6.46
Expected volatility	48.17%	50.62%	46.97%
Weighted average share price	678.00	633.40	950.61

Since the stock was listed in November 2006, the historical stock data for computing the volatility over the expected life of options is not sufficient, therefore the historical volatility of similar companies has been considered.

(2) ACD ESOP Plan 2009	FY 2009-10
Weighted average fair value of the options at the grant dates	8.57
Dividend Yield (%)	0.00%
Risk free rate	6.90%
Expected life (years)	5.14
Expected volatility	0.00%
Weighted average share price	10.05

(3) Employees Stock Option Scheme 2009 (ESOP) *	FY 2009-10
Weighted average fair value of the options at the grant date	155.82
Dividend Yield (%)	0.00%
Risk free rate	6.53%
Expected life (years)	2.50
Expected volatility	0.00%
Weighted average share value	164.36

* For Applect Learning Systems Private Limited

SCHEDULES TO THE ACCOUNTS

13. 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.
14. The Group is primarily in the business of internet based service delivery operating in four service verticals through web portals in respective verticals 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, real estate broking services and online coaching 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 is required.
15. As at March 31, 2010 the company had Rs 122 Thousand (Previous Year Rs. 122 Thousand) outstanding with ICICI bank towards unpaid application money received by the company for allotment of securities and due for refund and Rs 46 Thousand (Previous Year Rs 33 Thousand) as unclaimed dividend outstanding with Kotak Mahindra Bank. These amount are not available for use by the company and will be credited to Investor Education & Protection Fund as and when due.
16. The aggregate managerial remuneration under section 198 of the Companies Act, 1956 to the Directors including Managing Director is:

Particulars	Amount (Rs.'000)	
	Year ended 31 st March, 2010	Year ended 31 st March, 2009
Whole Time Directors (including Managing Director)		
Salary	22,730	22,256
Reimbursements	1,060	1,216
Bonus	11,500	8,180
Total Remuneration (A)	35,290	31,652
Non Whole Time Directors:		
Commission	2,500	2,500
Sitting Fee	490	500
Total Remuneration (B)	2,990	3,000
Total Managerial Remuneration Paid/Payable (A+B)	38,280	34,652

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

17. Employee Benefits

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

A. Defined Contribution Plans

Amount (Rs.'000)

a) Provident Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Provident Fund *	16,371
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B. State Plans

Amount (Rs.'000)

a) Employers' Contribution to Employee State Insurance

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Employee State Insurance *	177
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*Included in Contributions to Provident and Other Funds under Personnel Expenses (Refer Schedule 14)

C. Defined Benefit Plans

- a) Contribution to Gratuity Funds – Life Insurance Corporation of India
b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	Employee's Gratuity Fund
Discount Rate (per annum)	7.5% to 8.00%	7.5% to 8.00%
Rate of increase in Compensation levels	15.0% in first 4 years, 10.0% in next 5 years, & 7% thereafter	15% in first 4 years, 10% in next 5 years, & 7% thereafter
Rate of Return on Plan Assets	-	7.50%
Expected Average remaining working lives of employees (years)	-	11.60 to 31.38

SCHEDULES TO THE ACCOUNTS

(A) Changes in the Present Value of Obligation	Employee's Gratuity Fund Amount (Rs.'000)
Present Value of Obligation as at April 1, 2009	39,209 \$
Interest Cost	3,735
Past Service Cost	Nil
Current Service Cost	12,355
Curtailment Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Benefits paid	(1,555)
Actuarial (gain)/ loss on obligations	(7,766)
Present Value of Obligation as at March 31, 2010	45,978

(B) Changes in the Fair value of Plan Assets	Employee's Gratuity Fund Amount (Rs.'000)
Fair Value of Plan Assets at the April 1, 2009	22,268
Expected Return on Plan Assets	2,567
Actuarial Gains and Losses	(1,031)
Contributions	16,147
Benefits Paid	(1,555)
Fair Value of Plan Assets at March 31, 2010	38,396

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	Employee's Gratuity Fund Amount (Rs.'000)
Present Value of funded Obligation as at March 31, 2010	(44,962)
Fair Value of Plan Assets as at the end of the period	38,396
Funded Status	
Present Value of unfunded Obligation as at March 31, 2010	(1,016)
Unrecognized Actuarial (gains) / losses	Nil
Unfunded Net Asset / (Liability) Recognized in Balance Sheet*	(7,582)
*included in Employee Benefits (Refer Schedule 11)	

(D) Expense recognized in the Profit and Loss Account	Employee's Gratuity Fund Amount (Rs.'000)
Current Service Cost	12,355
Past Service Cost	Nil
Interest Cost	3,735
Expected Return on Plan Assets	(2,567)
Curtailment Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Net actuarial (gain)/ loss recognized in the period	(6,735)
Total Expenses recognized in the Profit & Loss Account#	6,788
#Included in Contribution to Provident and Other Funds under Personnel Cost (Refer Schedule 14)	

\$ includes amount in respect of Applect Learning Systems Pvt Ltd which was an "associate company" as on March 31, 2009 and became a subsidiary company during the year by virtue of control over composition of the Board of Directors.

In respect of leave encashment/compensated absence the present value of obligation is Rs. 17,812* thousand as at March 31, 2010. The expense recognized in the profit & loss account is Rs 14,546** thousand.

*included in Employee Benefits (Refer Schedule 11)

**Included in Staff Welfare and Benefits under Personnel Cost (Refer Schedule 14)

17 (B) Employee Benefits for the previous financial year 2008-09:-

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

A. Defined Contribution Plans	Amount (Rs.'000)
a) Provident Fund	
During the year, the Company has recognized the following amounts in the Profit and Loss Account -	
Employers' Contribution to Provident Fund *	17,879

SCHEDULES TO THE ACCOUNTS

B. State Plans

Amount (Rs.'000)

a) Employers' Contribution to Employee State Insurance

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Employee State Insurance *	358
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*Included in Contributions to Provident and Other Funds under Personnel Expenses (Refer Schedule 14)

C. Defined Benefit Plans

a) Contribution to Gratuity Funds – Life Insurance Corporation of India

b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	Employee's Gratuity Fund
Discount Rate (per annum)	7.60%	7.60%
Rate of increase in Compensation levels	15.0% in first 4 years, 10.0% in next 5 years, & 7% thereafter	15% in first 4 years, 10% in next 5 years, & 7% thereafter
Rate of Return on Plan Assets	-	7.50%
Expected Average remaining working lives of employees (years)	-	13.09

(A) Changes in the Present Value of Obligation	Employee's Gratuity Fund Amount (Rs.'000)
Present Value of Obligation as at Apr 1, 2008	22,419
Interest Cost	2,588
Past Service Cost	Nil
Current Service Cost	8,880
Curtailement Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Benefits paid	(1,191)
Actuarial (gain)/ loss on obligations	6,367
Present Value of Obligation as at March 31, 2009	39,063

(B) Changes in the Fair value of Plan Assets	Employee's Gratuity Fund Amount (Rs.'000)
Fair Value of Plan Assets at the April 1, 2008	13,858
Expected Return on Plan Assets	1,163
Actuarial Gains and Losses	545
Contributions	7,893
Benefits Paid	(1,191)
Fair Value of Plan Assets at March 31, 2009	22,268

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	Employee's Gratuity Fund Amount (Rs.'000)
Present Value of funded Obligation as at March 31, 2009	(39,063)
Fair Value of Plan Assets as at the end of the period	22,268
Funded Status	
Present Value of unfunded Obligation as at March 31, 2009	Nil
Unrecognized Actuarial (gains) / losses	Nil
Unfunded Net Asset / (Liability) Recognized in Balance Sheet*	(16,795)
*included in Employee Benefits (Refer Schedule 11)	

(D) Expense recognized in the Profit and Loss Account	Employee's Gratuity Fund Amount (Rs.'000)
Current Service Cost	8,880
Past Service Cost	Nil
Interest Cost	2,588
Expected Return on Plan Assets	(1,163)
Curtailement Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Net actuarial (gain)/ loss recognized in the period	5,822
Total Expenses recognized in the Profit & Loss Account#	16,127
# Included in Contribution to Provident and Other Funds under Personnel Cost (Refer Schedule 14)	

SCHEDULES TO THE ACCOUNTS

In respect of leave encashment/compensated absence the present value of obligation is Rs. 17,620* thousand as at March 31, 2009. The expense recognized in the profit & loss account is Rs 18,773** thousand.

*included in Employee Benefits (Refer Schedule 11)

**Included in Staff Welfare and Benefits under Personnel Cost (Refer Schedule 14)

18. Exceptional item in Profit & Loss Account represents provision for permanent diminution in carrying value of long term investment made by the group in Study Places Inc., USA.
19. The accounts of some of the subsidiaries and the associate company 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.
20. The parent company holds 40.02% shares in Applect Learning Systems Private Limited, which has become a subsidiary in the current year by virtue of control over the composition of the Board of Directors. The investment cum shareholder agreement basis which this strategic investment has been made ensures a return on the investments to the parent company as an investor in case of non adherence to certain provisions contained therein. Further, this company is at its initial stages of operations and would generate growth and returns over a period of time. In view of the above, the losses of this subsidiary have been adjusted against the share of the parent and the other shareholders in the ratio of their shareholding resulting in a debit balance in the interest of the other shareholders which is disclosed under loans and advances as minority interest.
21. Previous year's figures have been regrouped / recast to confirm to current year's presentation.

For Price Waterhouse
Firm Registration Number 0075685
Chartered Accountants

For and on behalf of the Board of Directors

Avijit Mukerji
Partner
Membership Number F 056155

Sanjeev Bikhchandani
Managing Director

Ambarish Raghuvanshi
Director & CFO

Place : Gurgaon
Date : April 30, 2010

Amit Gupta
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	68021	State Code	55
Balance Sheet Date	March 31, 2010		

II. Capital Raised during the year (Amount in Rs Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousand)

Total Liabilities	3,826,015	Total Assets	3,826,015
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Sources of Funds:

Paid-up Capital	272,953
Secured Loans	5,700
Stock Options Outstanding	26,646
Reserves and Surplus	3,520,716
Unsecured Loans	NIL

Application of Funds:

Net Fixed Assets	356,975
Investments	1,276,272
Net Current Assets	2,159,026
Deferred Tax	33,742
Misc. Expenditure	NIL

IV. Performance of the Company (Amount in Rs. Thousand)

Turnover (including Other Income)	2,642,367	Total Expenditure	1,717,863
Profit before tax *	886,767	Profit after tax	569,281
* net of exceptional item of 37,737			
Earnings per Share in Rs. (Weighted Average)	20.86	Dividend Rate (%)	7.50%

V. Generic Names of Three Principal products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	N/A
Product Description	Internet services
Item Code No. (ITC Code)	N/A
Product Description	Data Sales
Item Code No. (ITC Code)	N/A
Product Description	Consultancy Services

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to company's interest in the subsidiary companies for the year ended March 31, 2010

1	Name of subsidiary company	Jeevansathi Internet Services Pvt. Ltd.	Naukri Internet Services Pvt. Ltd.	Info Edge (India) Mauritius Limited (Refer Note 1)	Allcheckdeals India Pvt. Ltd.	Infoedge USA Inc. (Refer Note 1 & 2)	Applect Learning Systems Pvt. Ltd.
2	Financial Year of the Subsidiary ended on	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
3	Date from which it became subsidiary	September 13, 2004	January 30, 2002	January 18, 2008	August 1, 2008	May 14, 2008	Refer Note 3
4	Extent of Interest						
	a) Number of Shares held in subsidiary company at the end of the financial year	9,800	9,998	1,112,001	3,009,999	-	7,865
	b) Extent of Holding	98%	99.98%	100%	99.99%	-	40.02%
5	The net aggregate of profit/ loss of subsidiary company so far as it concerns the members of the holding company						
	a) Not dealt with in the holding company's accounts:						
	(i) For the Financial year of the subsidiaries as aforesaid	58,031	67,340	(486,626)	(23,677,358)	(67,129)	(35,915,952)
	(ii) For the previous financial years of the subsidiaries since it became the holding company's subsidiary	(209,074)	194,425	(864,052)	(2,420,509)	(40,687)	(20,678,183)
	b) Dealt with in the holding company's accounts:						
	(i) For the Financial year of the subsidiaries as aforesaid	Nil	Nil	Nil	Nil	-	-
	(ii) For the previous financial years of the subsidiaries since it became the holding company's subsidiary	Nil	Nil	Nil	Nil	-	-

Note 1: The standalone financial statement of Info Edge (india) Mauritius Limited & Infoedge USA Inc. has been reported in US Dollar.

Note 2: Infoedge USA Inc. is subsidiary by virtue of control over composition of the Board of Directors.

Note 3: Applect Learning Systems Pvt. Ltd was an "associate company" as on March 31, 2009 and became a subsidiary company during the year by virtue of control over composition of the Board of Directors.

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 2010.

Financial Results

Your company has earned a profit after tax of Rs. 67,340 in financial year 2009-10 as compared to Rs. 76,496 in financial year 2008-09.

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

The Directors have nothing to report on the aforesaid matters as the Company is not engaged in manufacturing activities. 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 sec 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 this Act 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 towards bankers, associates and shareholders of the company for their continuous and whole-hearted cooperation.

For and on behalf of the Board

Sanjeev Bikhchandani
Ambarish Raghuvanshi
(Directors)

Place: Noida
Date: April 29, 2010

AUDITORS' REPORT

AUDITOR'S REPORT TO THE MEMBERS OF NAUKRI INTERNET SERVICES PRIVATE LIMITED.

We have audited the attached Balance Sheet of Naukri Internet Services Private Limited as at March 31, 2010 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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, 2010; 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
Date: April 28, 2010

Rajesh Mittal
Partner

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
FUNDS EMPLOYED			
Shareholders Funds			
Share Capital	A	100,000	100,000
Reserve & Surplus		261,765	194,425
Loan Funds			
Secured Loans		-	-
Unsecured Loans		-	-
T O T A L		361,765	294,425
APPLICATION OF FUNDS			
Fixed Assets		-	-
Investments	B	10	10
Current Assets, Loans & Advances	C		
Sundry Debtors		-	-
Cash & Bank Balances		343,963	338,102
Loans & Advances		196,367	129,086
		540,330	467,188
Less :Current Liabilities and Provisions			
Current Liabilities	D	178,576	173,321
		178,576	173,321
Net Current Assets		361,755	293,867
Miscellaneous Expenditure (to the extent not written off or adjusted)	E	-	548
T O T A L		361,765	294,425
Accounting Policies	F		
Notes to the Accounts	G		

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: April 28, 2010

Ambarish Raghuvanshi
Director

Sanjeev Bikhchandani
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Year Ended March 31, 2010 Amount (Rs.)	Year Ended March 31, 2009 Amount (Rs.)
INCOME			
License Fees		100,000	100,000
Interest on Fixed Deposit		5,477	5,184
Excess provision for tax written back		2,835	-
TOTAL		108,312	105,184
EXPENDITURE			
Auditor Remuneration		8,273	5,515
Rent, Rates & Taxes		600	400
Preliminary Expenses written off		548	548
Subscription & Fees		110	-
TOTAL		9,531	6,463
Net Profit Before Tax		98,782	98,721
Tax Expense			
- Current year		31,442	22,225
Net Profit after tax		67,340	76,496
Balance Brought Forward		194,425	117,929
Balance carried to the balance sheet		261,765	194,425

Earnings Per Share- Basic & Diluted

(Refer Note 5 on Schedule H)

6.73

7.65

Accounting Policies

F

Notes to Accounts

G

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: April 28, 2010

Ambarish Raghuvanshi
Director

Sanjeev Bikhchandani
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Sr. No.	Particulars	For the year ended March 31, 2010 Amount (Rs.)	For the year ended March 31, 2009 Amount (Rs.)
A.	Cash flow from operating activities:		
	Net profit before tax	98,782	98,721
	Adjustments for:		
	Preliminary expenditure written off	548	548
	Interest received on Fixed Deposits	(5,477)	(5,184)
	Excess provision for tax written back	(2,835)	-
	Operating profit before working capital changes	91,018	94,085
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in Sundry Debtors	-	-
	- (INCREASE)/DECREASE in Loans, Advances and Other Current Assets	(66,441)	(57,656)
	- INCREASE/(DECREASE) in Current Liabilities and Provisions	8,273	5,515
	Cash generated from operating activities	32,849	41,944
	- Taxes (Paid) / Received (Net of TDS)	(29,799)	(34,785)
	Net cash from operating activities	3,050	7,159
B.	Cash flow from Investing activities:		
	Purchase of Share in Allcheckdeals India Pvt Ltd	-	(10)
	Interest received on Fixed Deposits	2,811	5,184
	Net cash used in investing activities	2,811	5,174
C.	Cash flow from financing activities:		
	Net cash used in financing activities	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents	5,861	12,333
	Opening Balance of Cash and cash equivalents	338,102	325,769
	Closing Balance of Cash and cash equivalents	343,963	338,102
	Cash and cash equivalents comprise		
	Cash in hand	80	190
	Balance with Scheduled Banks		
	-in current accounts	271,179	268,019
	-in fixed deposits	72,704	69,893
	Total	343,963	338,102

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 07, 2006.
- 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.- 95681
For and on behalf of
Sharma Goel & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Place: New Delhi
Date: April 28, 2010

Ambarish Raghuvanshi
Director

Sanjeev Bikhchandani
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
SCHEDULE A		
SHARE CAPITAL		
AUTHORISED		
10,000 Equity Shares of Rs. 10/- each (Previous Year - 10,000 Equity Shares of Rs 10/- each)	100,000	100,000
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)	100,000	100,000
	100,000	100,000
SCHEDULE B		
INVESTMENTS		
Shares in Allcheckdeals India Pvt Ltd 1 (Previous Year NIL) Equity Share of Rs 10/- fully paid up)	10	-
	10	-
SCHEDULE C		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
(i) Sundry Debtors		
(Unsecured considered good)		
(a) Outstanding for more than 6 months	-	-
(b) Other Debts (considered good)	-	-
	-	-
(ii) Cash and Bank Balances		
(a) Cash in Hand	80	190
(b) Balance with Scheduled Banks:		
- ICICI Bank	271,179	268,019
(c) Fixed Deposit with ICICI Bank	72,704	69,893
	343,963	338,102
(iii) Loans & Advances		
Info Edge (India) Ltd.	124,097	57,656
Advance Tax	69,604	71,430
Interest accrued on fixed deposit	2,666	-
	196,367	129,086

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
SCHEDULE D		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors:	-	-
Provision for Income Tax	120,238	123,256
Expenses Payable:		
Audit Fees Payable	58,338	50,065
	178,576	173,321
SCHEDULE E		
MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	548	1,096
Less: Written off during the period	548	548
	-	548

SCHEDULES TO THE ACCOUNTS

Schedule F

SIGNIFICANT ACCOUNTING POLICIES

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 Companies Act, 1956.

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.

3. Revenue Recognition

Naukri Internet Services Pvt. Ltd. has entered into an agreement with Info Edge (India) Pvt. 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 Naukri Internet Services Pvt. Ltd. as License fee for usage of its domain name(s), trade mark(s) etc.

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.

5. 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.

Schedule G

Notes to Accounts

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, 2010.

2. Expenditure in Foreign Currency (on cash basis)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
	NIL	NIL

3. Earnings in Foreign Exchange (on cash basis)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
	NIL	NIL

4. Auditor's Remuneration

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
As Auditors	7500	5000
In capacity of Tax Auditors	-	-
Certification	-	-
Out of Pocket Expenses & Service Tax	773	618
Total	8,273	5,618

SCHEDULES TO THE ACCOUNTS

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit attributable to Equity Shareholders (Rs.)	67,340	76,496
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.)	6.73	7.65

6. 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 Companies Act, 1956 with regard to finished goods / raw materials and components consumed are not applicable.

7. (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, 2010:

Holding Company

Info Edge (India) Limited

Key Management Personnel & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

Enterprises over which KMP & Relatives have significant influence

None

B) Details of transactions with related party for the year ended March 31, 2010 in the ordinary course of business:

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
1	License Fee Received:	100,000	-	-	100,000
2	Advances received for business purposes (net):	33,559	-	-	33,559

C) Amount due to/from related parties as at March 31, 2010

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
	Debit balances				
1	Outstanding Advances	124,097	-	-	124,097
2	Maximum amount outstanding during the year	124,097	-	-	124,097
	Credit balances				
1	Outstanding Payable	-	-	-	-

7 (2) Related Party Transaction for the year ended 31st March, 2009

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, 2009.

Holding Company

Info Edge (India) Limited

Key Management Personnel & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

Enterprises over which KMP & Relatives have significant influence

None

SCHEDULES TO THE ACCOUNTS

B) Details of transactions with related party for the year ended March 31, 2009 in the ordinary course of business:

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
1	License Fee Received	100,000	-	-	100,000
2	Advances received for business purposes (net)	42,344	-	-	42,344

C) Amount due to/from related parties as at March 31, 2009

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
	Debit balances				
1	Outstanding Advances	57,656	-	-	57,656
2	Maximum amount outstanding during the year	57,656	-	-	57,656
	Credit balances				
1	Outstanding Payable	-	-	-	-

8. 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.
9. **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.
10. Previous year's figures have been regrouped / recast to confirm to current year's presentation.

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 2010.

Financial Results

Your company has earned a profit after tax of Rs. 58,031 in financial year 2009-10 as compared to Rs. 41,424 in financial year 2008-09.

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

The Directors have nothing to report on the aforesaid matters as the Company is not engaged in manufacturing activities. 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 sec 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 this Act 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 towards bankers, associates and shareholders of the company for their continuous and whole-hearted cooperation.

For and on behalf of the Board

Sanjeev Bikhchandani
Ambarish Raghuvanshi
(Directors)

Place: Noida

Date: April 29, 2010

AUDITORS' REPORT

AUDITOR'S REPORT TO THE MEMBERS OF JEEVANSATHI INTERNET SERVICES PVT. LTD.

We have audited the attached Balance Sheet of Jeevansathi Internet Services Pvt. Ltd. as at March 31, 2010 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 the 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 the 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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, 2010; 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
Date: April 28, 2010

Rajesh Mittal
Partner

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	Amount (Rs.)	As at	Amount (Rs.)	As at
			March 31, 2010		March 31, 2009
			Amount (Rs.)		
FUNDS EMPLOYED					
Shareholders Funds					
Share Capital	A		100,000		100,000
Reserve & Surplus			-		-
Loan Funds					
Secured Loans			-		-
Unsecured Loans	B		98,736		175,490
TOTAL			198,736		275,490
APPLICATION OF FUNDS					
Fixed Assets	C				
Gross Block		296,805		296,805	
Less: Depreciation		291,638	5,167	288,193	8,612
Current Assets, Loans & Advances	D				
Sundry Debtors		-			-
Cash & Bank Balances		122,893		123,003	
Loans & Advances		90,180		67,534	
		213,073		190,537	
Less :Current Liabilities and Provisions	E				
Current Liabilities		170,548		132,733	
		170,548	42,525	132,733	57,804
Miscellaneous Expenditure (to the extent not written off or adjusted)	F				
Preliminary Expenses			-		-
Profit & Loss A/c			151,044		209,074
TOTAL			198,736		275,490
Accounting Policies	G				
Notes to the Accounts	H				

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: April 28, 2010

Ambarish Raghuvanshi
Director

Sanjeev Bikhchandani
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Year Ended March 31, 2010 Amount (Rs.)	Year Ended March 31, 2009 Amount (Rs.)
INCOME			
License Fees (Refer Note 4 on Schedule G)		100,000	100,000
		100,000	100,000
EXPENDITURE			
Auditor Remuneration		8,273	5,515
Depreciation	C	3,445	5,741
Rent		-	24,000
ROC fees		600	400
Subscription & fees		110	-
Preliminary Expenses w/off		-	274
		12,428	35,930
Net Profit Before Tax		87,573	64,070
Tax Expense			
- Current year		29,542	22,646
Net Profit after tax		58,031	41,424
Balance Brought Forward		(209,074)	(250,498)
Balance carried to the balance sheet		(151,044)	(209,074)

Earnings Per Share- Basic & Diluted

(Refer Note 5 on Schedule H)

5.80

4.14

Accounting Policies**G****Notes to Accounts****H**

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

For and on behalf of the Board of Directors

Place: New Delhi
Date: Apeil 28, 2010

Ambarish Raghuvanshi
Director

Sanjeev Bikhchandani
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Sr. No.	Particulars	For the year ended March 31, 2010 Amount (Rs.)	For the year ended March 31, 2009 Amount (Rs.)
A.	Cash flow from operating activities:		
	Net profit before tax	87,573	64,070
	Adjustments for:		
	Preliminary expenditure written off	-	274
	Depreciation	3,445	5,741
	Operating profit before working capital changes	91,018	70,085
	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	(68,482)	(63,752)
	Cash generated from operating activities	22,536	6,333
	- Taxes (Paid) / Received (Net of TDS)	(22,646)	(22,833)
	Net cash from operating activities	(110)	(16,500)
B.	Cash flow from Investing activities:		
	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	(110)	(16,500)
	Opening Balance of Cash and cash equivalents	123,003	139,503
	Closing Balance of Cash and cash equivalents	122,893	123,003
	Cash and cash equivalents comprise		
	Cash in hand	315	425
	Balance with Scheduled Banks		
	-in current accounts	122,578	122,578
	Total	122,893	123,003

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 07, 2006.
- 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.- 95681
For and on behalf of
Sharma Goel & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Place: New Delhi
Date: April 28, 2010

Ambarish Raghuvanshi
Director

Sanjeev Bikhchandani
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
SCHEDULE A SHARE CAPITAL		
AUTHORISED 10,000 Equity Shares of Rs. 10/- each (Previous Year - 10,000 Equity Shares of Rs 10/- each)	100,000	100,000
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)	100,000	100,000
	100,000	100,000
SCHEDULE B UNSECURED LOANS		
Info Edge (India) Ltd.	98,736	175,490
	98,736	175,490

SCHEDULE-C
FIXED ASSETS

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions during the year	Deletions during the year	As at March 31, 2010	Up to April 1, 2009	Depreciation/ Amortisation for the year	Accumulated Depreciation on Deletions	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets										
Computers and Software	296,805			296,805	288,193	3,445		291,638	5,167	8,612
Total	296,805	-	-	296,805	288,193	3,445	-	291,638	5,167	8,612
Capital Advances									-	-
Previous Year	296,805	-	-	296,805	282,452	5,741	-	288,193	8,612	-

Particulars	Amount as at March 31, 2010 (Rs.)	Amount as at March 31, 2009 (Rs.)
SCHEDULE D CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
(i) Sundry Debtors (Unsecured considered good)		
(a) Outstanding for more than 6 months	-	-
(b) Other Debts (considered good)	-	-
	-	-
(ii) Cash and Bank Balances		
(a) Cash in Hand	315	425
(b) Balance with Scheduled Banks		
i) Citibank	83,950	83,950
ii) ICICI Bank	38,628	38,628
	122,893	123,003
(iii) Loans & Advances		
Advance Tax	90,180	67,534
	90,180	67,534

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	Amount as at March 31, 2010 (Rs.)	Amount as at March 31, 2009 (Rs.)
SCHEDULE E		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	-	-
Provision for Income Tax	115,020	85,478
EXPENSES PAYABLE		
Audit Fees Payable	55,528	47,255
Service Tax Payable	-	-
	170,548	132,733
SCHEDULE F		
MISCELLANEOUS EXPENDITURE		
Preliminary Expenses	-	274
Less: Written off during the period	-	274
	-	-

SCHEDULES TO THE ACCOUNTS

Schedule G

SIGNIFICANT ACCOUNTING POLICIES

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 and the relevant provisions of the Companies Act, 1956.

2. Fixed Assets

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

3. 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.

4. Revenue Recognition

Jeevansathi Internet Services Pvt. Ltd. has entered into an agreement with Info Edge (India) Pvt. Ltd. Dated 13th September 2004 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.

5. 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.

6. 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.

SCHEDULES TO THE ACCOUNTS

Schedule H

Notes to Accounts

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, 2010.

2. Expenditure in Foreign Currency (on cash basis)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
	NIL	NIL

3. Earnings in Foreign Exchange (on cash basis)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
	NIL	NIL

4. Auditor's Remuneration

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
As Auditors	7500	5000
In capacity of Tax Auditors	-	-
Certification	-	-
Out of Pocket Expenses & Service Tax	773	618
Total	8,273	5,618

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit attributable to Equity Shareholders (Rs.)	58,031	41,424
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.)	5.80	4.14

6. 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 Companies Act, 1956 with regard to finished goods / raw materials and components consumed are not applicable.

7. (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, 2010:

Holding Company

Info Edge (India) Limited

Key Management Personnel & Relatives

Mr. Sanjeev Bikhchandani

Mr. Hitesh Oberoi

Mr. Ambarish Raghuvanshi

Enterprises over which KMP & Relatives have significant influence

None

- B) Details of transactions with related party for the year ended March 31, 2010 in the ordinary course of business:

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
1	License Fee Received:	100,000	-	-	100,000
2	Advances received for business purposes (net):	23,246	-	-	23,246

SCHEDULES TO THE ACCOUNTS

C) Amount due to/from related parties as at March 31, 2010

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
	Debit balances				
1	Outstanding Advances	-	-	-	-
2	Maximum amount outstanding during the year	198,136	-	-	198,136
	Credit balances				
1	Outstanding Payable	98,736	-	-	98,736

7 (2) Related Party Transaction for the year ended 31st March, 2009

- 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, 2009:

Holding Company

Info Edge (India) Limited

Key Management Personnel & Relatives

Mr Sanjeev Bikhchandani

Mr Hitesh Oberoi

Mr Ambarish Raghuvanshi

Dr. Ram Bikhchandani (Father of Sanjeev Bikhchandani)

Enterprises over which KMP & Relatives have significant influence

None

B) Details of transactions with related party for the year ended March 31, 2009 in the ordinary course of business:

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
1	License Fee Received	100,000	-	-	100,000
2	Advances received for business purposes (net)	30,873	-	-	30873
3	Payment of Rent	-	24,000	-	24,000

C) Amount due to/from related parties as at March 31, 2009

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	Key Management Personnel & Relatives	Enterprises over which KMP & Relatives have significant influence	Total
	Debit balances				
1	Outstanding Advances	-	-	-	-
2	Maximum amount outstanding during the year	270,090	-	-	270,090
	Credit balances				
1	Outstanding Payable	175,490	-	-	175,490

8. No disclosure is required under Accounting Standard 17 on Segment Reporting specified in Companies (Accounting Standard) Rules, 2006 as the Company is having the only income from license fees received for the usage of its domain name, trademark etc.
9. **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.
10. Previous year's figures have been regrouped / recast to confirm to current year's presentation.

INFO EDGE (INDIA) MAURITIUS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2010.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as an investment holding company.

BUSINESS REVIEW AND DIVIDEND

The loss for the year ended 31 March 2010 was **USD 10,695** (31 March 2009 – USD 7,070).

The directors do not recommend the payment of dividend for the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance, and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditors, Shareef Ramjan & Associates, have indicated their willingness to continue in office and will be automatically reappointed at the Annual Meeting.

By Order of the Board

SECRETARY

SECRETARY'S REPORT

INFO EDGE (INDIA) MAURITIUS LIMITED

UNDER SECTION 166(D) OF THE MAURITIAN COMPANIES ACT 2001

We confirm that, based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 March 2010, all such returns as are required of the Company under the Mauritian Companies Act 2001.

Abax Corporate Services Ltd
CORPORATE SECRETARY

Date: April 29, 2010

AUDITORS' REPORT TO THE MEMBER OF INFO EDGE (INDIA) MAURITIUS LIMITED

Report on the Financial Statements

1. We have audited the financial statements of Info Edge (India) Mauritius Limited on pages 7 to 19 which comprise the statement of financial position at 31 March 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

2. The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's judgement, 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 entity'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 accounting estimates made by the directors, 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, the financial statements on pages 7 to 19 give a true and fair view of the financial position of the Company at 31 March 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

7. The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:
 - (a) we have no relationship with or interests in the Company other than in our capacity as auditors;
 - (b) we have obtained all the information and explanations we have required; and
 - (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other matters

8. This report, including the opinion, has been prepared for and only for the Company's member, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Shareef Ramjan & Associates

Date: April 29, 2010

Shareef Ramjan
Signing partner

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

Particulars	2010 USD	2009 USD
INCOME		
Interest income	-	1
	-	1
EXPENSES		
Licence fees	1,500	750
Secretarial fees	3,000	1,250
Accountancy fees	800	1,000
Audit fees	1,265	1,200
Directors fees	1,800	1,200
Domiciliation and compliance fees	800	600
Registration fees	250	250
Disbursements	195	100
Certification charges	800	518
Bank charges	285	203
	10,695	7,071
LOSS BEFORE TAXATION	(10,695)	(7,070)
Taxation (Note 4)	-	-
NET LOSS FOR THE YEAR	(10,695)	(7,070)
OTHER COMPREHENSIVE INCOME		
<i>Losses recognised directly in equity:</i>		
Fair value loss on available-for-sale financial assets	(939,907)	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(950,602)	(7,070)

STATEMENT OF FINANCIAL POSITION - 31 MARCH 2010

Particulars	USD 2010	USD 2009
ASSETS		
Non-current assets		
Available-for-sale financial assets (note 5)	160,093	1,000,000
Current assets		
Receivables (note 6)	375	375
Cash and cash equivalents (Note 7)	6,565	4,775
	6,940	5,150
Total assets	167,033	1,005,150
EQUITY		
Capital and reserves		
Stated capital (Note 8)	1,112,001	1,000,001
Retained earnings	(29,995)	(19,300)
Fair value reserve (Note 5)	(939,907)	-
Total equity	142,099	980,701
LIABILITIES		
Current liabilities		
Amount due to ultimate holding company (Note 9)	19,999	19,999
Accruals	4,935	4,450
	24,934	24,449
Total equity and liabilities	167,033	1,005,150

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010

Particulars	Stated capital USD	Retained earnings USD	Fair value reserve* USD	Total equity USD
At 01 April 2008	500,001	(12,230)	-	487,771
Issue of shares	500,000	-	-	500,000
Net loss for the year	-	(7,070)	-	(7,070)
At 31 March 2009	1,000,001	(19,300)	-	980,701
Issue of shares	112,000	-	-	112,000
Loss for the year	-	(10,695)	-	(10,695)
Fair value loss on available-for-sale financial assets	-	-	(939,907)	(939,907)
At 31 March 2010	1,112,001	(29,995)	(939,907)	142,099

* Fair value reserve represents the movement in the fair value of available for sale financial asset.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

Particulars	2010 USD	2009 USD
Cash flows from operating activities		
Loss before taxation	(10,695)	(7,070)
<i>Adjustment for:</i>		
Increase in accruals	485	550
Increase in receivables	-	(375)
Net cash used in operations	(10,210)	(6,895)
Cash flows from investing activities		
Payments for acquisition of available-for-sale financial assets	(100,000)	(500,000)
Net cash used in investing activities	(100,000)	(500,000)
Cash flows from financing activities		
Issue of share capital	112,000	500,000
Advance from ultimate holding company	-	5,000
Net cash from financing activities	112,000	505,000
	1,790	(1,895)
Net movement in cash and cash equivalents		
Cash and cash equivalents at beginning of year	4,775	6,670
Cash and cash equivalents at end of year (Note 7)	6,565	4,775

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

1 GENERAL INFORMATION

Info Edge (India) Mauritius Limited (the "Company") is a limited liability company incorporated and domiciled in Mauritius. The address of its registered office is c/o Abax Corporate Services Ltd, 6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius. The Company holds a Category 1 Global Business Licence and its main activity is to act as an investment holding company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention as modified by the fair valuation of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company does not have any areas involving a higher degree of judgement or complexity, nor any areas where assumptions and estimates are significant to the financial statements.

(a) Standards, amendments and interpretations to published standards effective in the current year.

The directors have assessed the relevance of the standards, amendments and interpretations to the existing standards which have been published and are mandatory for the Company's accounting period beginning on or after 01 April 2009 or later periods, and concluded that these are not relevant to the Company's operations except as below:

IFRS 7 'Financial instruments- Disclosures' (amendment) – effective 01 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment only results in additional disclosures.

IAS 1 (revised) 'Presentation of Financial Statements' – effective 01 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is; 'non-owner changes in equity') in the Statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of Comprehensive income. As result the Company presents in the statement of changes in equity all owners changes in equity, whereas all non owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. The revised standard only impacts the presentation aspects.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The directors have assessed the relevance of standards, interpretations and amendments to existing standards that have been published and are mandatory for the Company's accounting periods beginning on or after 01 April 2010 and which the Company has not early adopted, and have concluded that these will not have a significant impact on the financial statements for the year ended 31 March 2010.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations is subject to interpretations and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Foreign currency translation

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

(a) Functional and presentation currency

Items included in the financial statements are measured in United States dollars (USD), the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the functional currency").

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Available-for-sale financial assets

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any other categories.

They are included in non-current assets unless management intends to dispose the investment within 12 months of the statement of financial position date.

Available-for-sale investments are initially recognised at fair value plus transaction costs. They are subsequently remeasured at fair value. Gains and losses arising from changes in fair value of securities classified as available-for-sale are recognised in equity.

Fair values for unlisted equity securities are estimated using comparable recent arm's length transactions, applicable price/book value, price/earnings or price/cash flow ratios or discounted cash flow analysis refined to reflect the specific circumstances of the issuer. Fair value of quoted securities are derived from quoted bid prices. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

On disposal of an investment, the cumulative gain or loss that was recognised in equity plus the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Revenue recognition

Dividend is recognised when the Company's right to receive payment is established.

Expense recognition

Expenses are accounted for in the income statement on an accrual basis.

Equity

Ordinary shares are classified as equity.

Impairment of available-for-sale investment

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Reversals of impairment losses in respect of equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the debt instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company has become a party to the contractual provisions of the financial instruments.

Financial instruments are initially measured at fair value. Subsequent to the initial recognition, they are measured as set out below:

Trade and other payables

Trade and other payables are stated at their nominal value.

Amount due to ultimate holding company

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

Amount due to ultimate holding company is recognised at proceeds received net of capital repayment.

Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

The rights to receive cash flows from the asset have expired;

The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or

The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to the various types of risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Currency profile

The Company's financial assets and liabilities are denominated in United States dollars.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has no significant currency risk exposure as all its financial assets and liabilities are denominated in USD.

Interest rate risk

The Company has no significant exposure to interest-rate risk.

Price risk

The Company is exposed to equity securities price risk as it has classified its investment in Study Places Inc. ("SPI") as available-for-sale financial assets which are valued on the basis of the market value of SPI's investments in Educomp Solutions Ltd ("ESL").

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

The Company monitors the market value of ESL and management assesses the risk of potential loss to the company of holding these shares on a long-term or short-term basis. These shares are readily marketable as ESL is listed on the National Stock Exchange of India.

The fair value at 31 March 2010 would have been higher / lower by 8,005 if the price of ESL would have increased / decreased by 5 % respectively. Accordingly, fair value reserve would have been higher / lower by an equivalent amount.

Credit risk

Credit risk also arises from deposits with banks. Credit risk is the risk that one party will be unable to pay amounts in full when due. The Company has no significant concentrations of credit risk.

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Group's main credit risk concentration is cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at 31 March 2010 date was:

Particulars	2010 USD	2009 USD
Cash and cash equivalents	6,575	4,775

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash reserves, through funding from its ultimate holding company. The table below summarises the maturity profile of its financial liabilities at 31 March 2010 based on contractual undiscounted payments.

Particulars	2010 USD	2010 USD	2009 USD	2009 USD
	On demand	Within 1 year	On demand	Within 1 year
Amount due to ultimate holding company	19,999	-	19,999	-
Other payable	-	4,935	-	4,450
At 31 March	19,999	4,935	19,999	4,450

Capital risk management

The Company manages its capital to ensure that it will be able to have sufficient funding to finance its investments and to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital management process is determined and managed at the ultimate holding company level.

Fair values

The carrying amounts of available-for-sale financial assets, cash at bank, amount due to ultimate holding company and payables approximate their fair values.

4 TAXATION

The Company is liable to income tax in Mauritius on its chargeable income at 15%. It is however entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax on its foreign source income. Capital gains of the Company are exempt from tax in Mauritius.

At 31 March 2010, the Company has accumulated tax losses of USD 26,910 (2009 – USD 16,215) and is, therefore, not liable to income tax. The tax losses are available for set off against taxable profits of the Company up to the year ending 31 March 2014.

The foregoing is based on current interpretation and practice and is subject to any future changes in Mauritius tax laws.

Tax reconciliation

The reconciliation between the actual income tax rate of 0.00% (2009 - 0.00%) and the applicable income tax rate of 15.00% (2009 - 15.00%) is as follows:

Particulars	2010 %	2009 %
Applicable income tax rate	15.00	15.00
Impact of: Unrecognised deferred tax	(15.00)	(15.00)
	-	-

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

Deferred tax

The temporary difference on which a deferred tax asset had not been recognised at 31 March 2010 relates to accumulated tax losses. The directors consider that it is not probable that the future taxable profit will be available against which the unused tax losses can be utilised.

5 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Particulars	2010 USD	2009 USD
At 01 April	1,000,000	500,000
Additions during the year	100,000	500,000
Fair value loss	(939,907)	-
At 31 March	160,093	1,000,000

Available for sale financial assets represent 14.41% (13.29% in 2008) stake in Study Places Inc. ("SPI"), a company incorporated in the USA, which is engaged in the provision of services related to Education and other related areas.

During the year, Zaptive Internet Services Pvt Ltd ("ZISPL"), subsidiary of SPI has been allotted equity shares in Educomp Solutions Ltd ("ESL") for an amount equivalent to USD 900,000 resulting from transfer of study places business including domain name and other assets in ZISPL. ESL is a diversified education solutions company listed on National Stock Exchange in India.

The fair value of the investment in SPI is based on the value of its investment in ZISPL and ZISPL's further holding in ESL which is the primary asset after transfer of the ZISPL business and assets.

6 RECEIVABLES

Particulars	2010 USD	2009 USD
Prepayment	375	375
At 31 March	375	375

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Particulars	2010 USD	2009 USD
Cash at bank	6,465	4,775

8 STATED CAPITAL

Particulars	2010 Number	2010 USD	2009 Number	2009 USD
<i>Ordinary shares of no par value Issued and fully paid up:</i>				
At 01 April	1,000,001	1,000,001	500,001	500,001
Issued during the year	112,000	112,000	500,000	500,000
At 31 March	1,112,001	1,112,001	1,000,001	1,000,001

9 RELATED PARTY TRANSACTIONS

During the year ended 31 March 2010, the Company transacted with a related entity.

The nature, volume of transactions and balance involving the Company and its ultimate holding company are as follows:

Particulars	2010 USD	2009 USD
<i>Amount due to ultimate holding company: Info Edge (India) Limited</i>		
At 01 April	19,999	14,999
Advances received during the year	-	5,000
At 31 March	19,999	19,999

The amount due to parent company is interest free, unsecured and has no fixed terms of repayment and repayable on demand.

10 PARENT AND ULTIMATE PARENT COMPANY

The directors consider Info Edge (India) Limited, a company incorporated in India, which is listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE), as the Company's holding and ultimate holding company.

DIRECTOR'S REPORT

Dear Shareholders,

We are pleased to present the First Annual Report and Audited Statement of Accounts of the company for the financial year ended 31st March 2010.

Financial Results

Being a start-up, the Company is in investment mode and therefore recorded a net loss of Rs. 23,677,358 in Financial year 2009-10 as compared to net loss of Rs. 2,420,509/- in financial year 2008-09 (1 August 2008 to 31 March 2009).

Directors

During the year, there was no change in the Directors of the Company.

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.

Personnel

During the year, the Company has implemented an Employee Stock Option Scheme for its employees and has granted options which will vest and be exercised from time to time.

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.

Conversation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Directors have nothing to report on the aforesaid matters as the Company is not engaged in manufacturing activities. 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 sec 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 this Act 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 towards clients, bankers, associates and shareholders of the company for their continuous and whole-hearted cooperation.

For and on behalf of the Board

Sanjeev Bikhchandani
Ambarish Raghuvanshi
(Directors)

Place: Noida
Dated: April 30, 2010

AUDITORS' REPORT

To the Members of Allcheckdeals India Private Limited

1. We have audited the attached Balance Sheet of Allcheckdeals India Private Limited (the "Company") as at 31st March, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 further report that:
 - (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 between the book records and the physical inventory have been noticed. 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 of by the Company during the year.
 - (ii) The Company does not maintain any inventory, accordingly clauses (ii)(a) to (ii)(c) of paragraph 4 of Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable for the year.
 - (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable for the year.
 - (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) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
 - (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) As the company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company for the current year.
 - (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, cess 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, excise duty and cess which have not been deposited on account of a dispute.
 - (x) As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable for the 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.
 - (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
 - (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
 - (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.
 - (xvi) The Company has not obtained any term loans.
 - (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which 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.
 - (xix) The Company has neither issued any debentures during the year, nor are there any debentures outstanding at year end.
 - (xx) The Company has not raised any money by public issues during the year.
 - (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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- 4 We draw your attention to Note 13 on Schedule 16 to the financial statements, regarding remuneration for the year to a whole time director in excess of the limits laid down in Schedule XIII to the Act by Rs 1,676,380. No adjustment has been made in these financial statements on the assumption that approval of the Central Government for the aforesaid excess remuneration is likely to be obtained. This could have an impact on the reported loss for the year, the net assets at the year end and the related prescribed disclosures if the Central Government does not subsequently approve the aforesaid excess remuneration or approves it for a lower amount.
5. Further to our comments in paragraph 3 and 4 above, 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 purposes of our audit;
 - (b) In our opinion, subject to the matter referred to in paragraph 4 above, 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account 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 31st March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, except for the effects of the matter referred to in paragraph 4 above give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse & Co.
Firm Registration Number: 050032S
Chartered Accountants

Place: Gurgaon
Date: 30th April, 2010

Amitesh Dutta
Partner
Membership Number F58507

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	(Rs.)	As at March 31, 2010 (Rs.)	(Rs.)	As at March 31, 2009 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS					
Capital	1		30,475,000		100,000
Stock Options Outstanding Account	2		1,131,692		-
LOAN FUNDS					
Secured Loans	4		431,995		640,279
			32,038,687		740,279
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	2,099,675		857,986	
Less : Depreciation		407,545		41,136	
Net Block		1,692,130		816,850	
Capital Advances		9,980	1,702,110	-	816,850
AMOUNT RECOVERABLE FROM ESOP TRUST (Refer Note 9 & 10 on Schedule 16)					
			388,500		-
CURRENT ASSETS, LOANS AND ADVANCES					
Sundry Debtors	6	19,972,089		4,163,051	
Cash and Bank Balances	7	3,414,997		2,167,420	
Loans and Advances and Other Current Assets	8	6,671,266		1,093,458	
		30,058,352		7,423,929	
LESS : CURRENT LIABILITIES AND PROVISIONS					
Current liabilities	9	24,922,118		9,915,706	
Provisions		1,286,024		5,303	
		26,208,142		9,921,009	
NET CURRENT ASSETS					
			3,850,210		(2,497,080)
PROFIT & LOSS ACCOUNT					
	3		26,097,867		2,420,509
			32,038,687		740,279

SIGNIFICANT ACCOUNTING POLICIES 15

NOTES TO ACCOUNTS 16

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

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

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number F 58507

Place : Gurgaon
Date : April 30, 2010

Sanjeev Bikhchandani
Director

Ambarish Raghuvanshi
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule		Year ended March 31, 2010		For the period August 1, 2008 to March 31, 2009
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
INCOME					
Commission Income (Refer Note 5 on Schedule 15)			44,659,235		6,337,699
Other Income	10		288,503		-
			44,947,738		6,337,699
EXPENDITURE					
Advertising and Promotion cost			9,986,014		-
Administration and Other expenses	11		28,607,899		8,697,684
Personnel expenses	12		28,904,246		-
Network and Other charges	13		691,739		-
Finance and Bank charges	14		68,789		14,085
Depreciation	5		366,409		41,136
			68,625,096		8,752,905
NET PROFIT BEFORE TAX			(23,677,358)		(2,415,206)
Tax Expense - Fringe Benefit Tax			-		5,303
NET PROFIT AFTER TAX			(23,677,358)		(2,420,509)
BALANCE BROUGHT FORWARD			(2,420,509)		-
BALANCE CARRIED TO THE BALANCE SHEET			(26,097,867)		(2,420,509)

Earnings Per Share - Basic and Diluted

(1,292.29)

(242.05)

(Refer Note 7 on Schedule 16)

SIGNIFICANT ACCOUNTING POLICIES 15

NOTES TO ACCOUNTS 16

This is the Profit & Loss Account referred to in our report of even date.

The schedules referred to above form an integral part of these accounts.

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

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number F 58507

Place : Gurgaon
Date : April 30, 2010

Sanjeev Bikhchandani
Director

Ambarish Raghuvanshi
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Sr. No.	Particulars	For the year ended	For the period
		March 31, 2010	August 1, 2008 to March 31, 2009
		Amount (Rs)	Amount (Rs)
A.	Cash flow from operating activities:		
	Net profit before tax	(23,677,358)	(2,415,206)
	Adjustments for:		
	Depreciation	366,409	41,136
	Interest Expense	66,055	13,656
	Interest Income	(107,252)	-
	Provision for Bad & Doubtful Debts	6,525,118	47,040
	Provision for Gratuity & Leave Encashment	1,286,024	-
	TDS on revenue receipts	(4,371,030)	(255,867)
	Employee Stock Option Scheme Compensation Expense	1,131,692	-
	Operating profit before working capital changes	(18,780,342)	(2,569,241)
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in Sundry Debtors	(22,334,156)	(4,210,091)
	- (INCREASE)/DECREASE in Loans, Advances and Other Current Assets	(1,582,967)	(837,591)
	- INCREASE/(DECREASE) in Current Liabilities and Provisions	15,007,761	9,911,251
	Cash generated from operating activities	(27,689,704)	2,294,328
	- Taxes (Paid) / Received (Net of TDS)	(5,730)	-
	Net cash from operating activities	(27,695,434)	2,294,328
B.	Cash flow from Investing activities:		
	Purchase of fixed assets	(1,251,669)	(857,986)
	Interest Received (Revenue)	95,368	-
	Net cash used in investing activities	(1,156,301)	(857,986)
C.	Cash flow from financing activities:		
	Proceeds from long term borrowings (Net)	(208,284)	640,279
	Proceed from fresh issue of share capital (Net)	30,375,000	100,000
	Interest Paid	(67,404)	(9,201)
	Net cash used in financing activities	30,099,312	731,078
	Net Increase/(Decrease) in Cash & Cash Equivalents	1,247,577	2,167,420
	Opening Balance of Cash and cash equivalents	2,167,420	-
	Closing Balance of Cash and cash equivalents	3,414,997	2,167,420
	Cash and cash equivalents comprise		
	Cash in hand	26,935	1,010
	Balance with Scheduled Banks		
	-in current accounts	1,426,779	2,166,410
	-in fixed deposits	1,961,283	-
	Total	3,414,997	2,167,420

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 07, 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 F 58507

Place : Gurgaon
Date : April 30, 2010

Sanjeev Bikhchandani
Director

Ambarish Raghuvanshi
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars		As at March 31, 2010 (Rs.)		As at March 31, 2009 (Rs.)
SCHEDULE 1 SHARE CAPITAL				
AUTHORISED CAPITAL 5,000,000 Equity shares of Rs.10/- each (Previous period - 5,000,000 shares of Rs. 10/- each)		50,000,000		50,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 3,047,500 Equity shares of Rs. 10/- each fully paid up * (Previous period - 10,000 Equity shares of Rs. 10/- each) (* 3,010,000 equity shares (Previous Year 10,000 shares) of Rs 10/- each are held by Info Edge (India) Limited, the holding company and it's nominee)		30,475,000		100,000
		30,475,000		100,000
SCHEDULE 2 Stock Options Outstanding Account (Refer Note 10 on Schedule 15 and Note 10 on Schedule 16)				
Opening Balance	-	-	-	-
Add: Transfer during the period	1,131,692	1,131,692	-	-
		1,131,692		-
SCHEDULE 3 PROFIT & LOSS ACCOUNT				
Profit & Loss Account Balance As per last Balance Sheet	(2,420,509)	-	-	(2,420,509)
Add: Transfer from Profit & loss Account	(23,677,358)	(26,097,867)	(2,420,509)	(2,420,509)
		(26,097,867)		(2,420,509)
SCHEDULE 4 SECURED LOANS				
Deferred payment liability (Refer Note 3 on Schedule 16) (Secured by way of hypothecation of vehicles) [Payable within one year Rs 235,454 (Previous period Rs. 208,284)]		431,995		640,279
		431,995		640,279

SCHEDULE 5**FIXED ASSETS** (Refer Note 3,4 and 7 (i) on Schedule 15)

(Rs.)

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions during the year	Deletions during the year	As at March 31, 2010	Up to April 1, 2009	Depreciation/ Amortisation for the year	Accumulated Depreciation on Deletions	Up to March 31, 2010	As at March 31, 2010	As at March 31, 2009
OWNED ASSETS										
Tangible Assets										
Computers and Software	-	429,282	-	429,282	-	27,947	-	27,947	401,335	-
Office Equipment	-	812,407	-	812,407	-	123,965	-	123,965	688,442	-
ASSETS TAKEN ON LEASE										
Vehicles	857,986	-	-	857,986	41,136	214,497	-	255,633	602,353	816,850
Total	857,986	1,241,689	-	2,099,675	41,136	366,409	-	407,545	1,692,130	816,850
Capital Advances									9,980	-
Previous period	-	857,986	-	857,986	-	41,136	-	41,136	816,850	-

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars		As at March 31, 2010 (Rs.)		As at March 31, 2009 (Rs.)
SCHEDULE 6				
SUNDRY DEBTORS				
(Unsecured, Considered good unless otherwise stated)				
Debts outstanding for a period exceeding six months				
Considered doubtful	4,174,395	-	-	-
Less: Provision for Doubtful Debts	4,174,395	-	-	-
Other Debts				
Considered good		19,972,089		4,163,051
Considered doubtful	2,342,076		47,040	
Less: Provision for Doubtful Debts	2,342,076	-	47,040	-
		19,972,089		4,163,051
SCHEDULE 7				
CASH AND BANK BALANCES				
Cash in hand		26,935		1,010
Bank Balances with scheduled banks :-				
-in Current Accounts		1,426,779		2,166,410
-in Fixed Deposit Accounts		1,961,283		-
		3,414,997		2,167,420
SCHEDULE 8				
LOANS AND ADVANCES AND OTHER CURRENT ASSETS				
(Unsecured, considered good)				
Advance recoverable in cash or in kind or for value to be received		477,501		-
Balance with Service Tax Authorities		304,557		637,591
Security Deposits		1,250,000		200,000
Advance Tax	4,644,511		255,867	
Less: Provision for Tax	5,303	4,639,208	-	255,867
		6,671,266		1,093,458
SCHEDULE 9				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors (Refer Note 1 on Schedule 16)				
- total outstanding dues of micro and small enterprises	-		-	
- total outstanding dues of creditors other than micro and small enterprises	21,533,729	21,533,729	750,000	750,000
Amount payable to Holding Company		16,527		8,679,041
Other liabilities		3,368,756		482,210
Interest accrued but not due on loans		3,106		4,455
		24,922,118		9,915,706
PROVISIONS				
Employee benefits		1,286,024		-
(Refer Note 6 on Schedule 15 and Note 14 on Schedule 16)				
Provision for Tax	-		5,303	
Less: Advance Tax	-	-	-	5,303
		1,286,024		5,303

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	Year ended March 31, 2010 (Rs.)	For the period August 1, 2008 to March 31, 2009 (Rs.)
SCHEDULE 10 OTHER INCOME		
Interest Received:		
- On Fixed Deposits	107,252	-
(Tax deducted at source Rs. 11,884 Previous period Rs. Nil)		
Miscellaneous Income	181,251	-
	288,503	-
SCHEDULE 11 ADMINISTRATION AND OTHER EXPENSES		
Electricity and Water	327,461	-
Rent (Refer Note 2 on Schedule 16)	1,002,000	252,000
Repairs and Maintenance (Building)	617,629	140,000
Repairs and Maintenance (Machinery)	73,137	-
Legal and Professional Charges	648,260	251,500
Rates & Taxes	4,610	445,955
Communication expenses	686,972	-
Travel & Conveyance	2,374,649	-
Provision for Doubtful Debts	6,525,118	47,040
Miscellaneous expenses	2,388,987	-
Infrastructure & Business Support Expenses	13,959,076	7,061,189
Commission Expense	-	500,000
	28,607,899	8,697,684
SCHEDULE 12 PERSONNEL EXPENSES		
(Refer Note 6 on Schedule 15 and Note 14 on Schedule 16)		
Salaries,Wages and Bonus	19,848,261	-
Contributions to Provident and other funds	1,398,899	-
Sales Incentives and Commissions	3,740,134	-
Staff Welfare and Benefits	1,534,904	-
Employee Stock Option Scheme Compensation	1,131,692	-
(Refer Note 10 on Schedule 15 and Note 10 on Schedule 16)		
Other Employee Expenses	1,250,356	-
	28,904,246	-
SCHEDULE 13 NETWORK AND OTHER CHARGES		
Internet and Server Charges	27,412	-
Others	664,327	-
	691,739	-
SCHEDULE 14 FINANCE AND BANK CHARGES		
Interest on fixed loans	66,055	13,656
Bank Charges	2,734	429
	68,789	14,085

SCHEDULES TO THE ACCOUNTS

Schedule 15

SIGNIFICANT ACCOUNTING POLICIES

1. Background

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. 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.

3. Fixed Assets

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

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

4. Depreciation

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

Asset	Estimated life (Years)
Vehicle	4
Computers & Software	3
Office Equipment	3

Assets costing less than Rs 5,000 are fully depreciated in the year 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.

5. 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.

6. Employee Benefits (Refer Note 14 on Schedule 16 to Accounts)

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 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.

Termination benefits are recognized as an expense immediately.

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

7. 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 Profit and Loss Account on a straight line basis over the lease term.

SCHEDULES TO THE ACCOUNTS**8. Taxes on Income**

Tax expense comprises of current tax, deferred tax and Fringe Benefit 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 realised.

9. 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.

10. 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.

11. 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 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 Profit and Loss Account.

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.

Schedule 16

NOTES TO ACCOUNTS

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, 2010.

2. 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 1 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 Profit & Loss Account amount to Rs 1,002,000 (Previous Period Rs. 252,000) included in Schedule 11 – Administration and Other Expenses.

3. Leased Assets included in vehicles where the company is a lessee under finance leases are:

Finance Lease Liabilities- minimum lease payments:

Particulars	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
Not later than 1 year	275,688	275,688
Later than 1 year and not later than 5 years	206,771	482,459
Total minimum lease payments	482,459	758,147
Less: Future finance charges on finance leases	50,464	117,868
Present value of finance lease liabilities	431,995	640,279
Representing lease liabilities:		
-Current	235,454	208,284
-Non current	196,541	431,995
	431,995	640,279
The present value of finance lease liabilities may be analyzed as follows:		
Not later than 1 year	235,454	208,284
Later than 1 year and not later than 5 years	196,541	431,995
	431,995	640,279

4. Expenditure in Foreign Currency (on cash basis)

Particulars	Year ended March 31, 2010	Period ended March 31, 2009
	NIL	NIL

5. Earnings in Foreign Exchange (on cash basis)

Particulars	Year ended March 31, 2010	Period ended March 31, 2009
	NIL	NIL

6. Auditor's Remuneration

Particulars	Year ended March 31, 2010 (Rs.)	Period ended March 31, 2009 (Rs.)
As Auditors	200,000	200,000
As Tax Auditors	50,000	50,000
Out of Pocket Expenses & Service Tax	37,001	-
	287,001	250,000

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

Particulars	Year ended March 31, 2010	Period ended March 31, 2009
Profit attributable to Equity Shareholders (Rs.'000)	(23,677,358)	(2,420,509)
Weighted average number of Equity Shares outstanding during the year (Nos.)	18,322	10,000
Basic & Diluted Earnings Per Equity Share of Rs. 10 each (Rs.)	(1,292.29)	(242.05)

8. 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.

SCHEDULES TO THE ACCOUNTS

9. (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, 2010:

Holding Company

Info Edge (India) Limited (IEIL)

Key Management Personnel (KMP) & Relatives

Mr. Sanjeev Bikhchandani

Mr. Hitesh Oberoi

Mr. Ambarish Raghuvanshi

Mr. Prashan Agarwal

Fellow Subsidiaries

Jeevansathi Internet Services Private Limited (JISPL)

Naukri Internet Services Private Limited (NISPL)

Info Edge (India) Mauritius Limited (IEIML)

Info Edge USA Inc.

Applect Learning Systems Private Limited (ALSPL)

B) Details of transactions with related party for the year ended March 31, 2010 in the ordinary course of business:

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	KMP & Relatives*	Fellow Subsidiaries	Total
1	Remuneration Paid: Prashan Agarwal		3,476,380	-	3,476,380
2	Advances Received for business purposes (net):	6,070,728	-	-	6,070,728
3	Receipt of services: (inclusive of service tax)	14,003,624	-	-	14,003,624
4	Reimbursements payable to:	1,263,134	-	-	1,263,134
5	Issue of shares:	30,000,000	-	-	30,000,000

*Grant of 375,000 options under the ESOP scheme to Prashan Agarwal

1. Amount paid to/on behalf of Allcheckdeals Employee Stock Option Plan Trust during the year are as follows:

(a) Issue of 37,500 shares of Rs 10/- each Rs. 375,000

(b) Advance given for business purpose Rs. 13,500

2. Amount due from Allcheckdeals Employees Stock Option Plan Trust as on March 31, 2010 is Rs.388,500

C) Amount due to related parties as at March 31, 2010

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	KMP & Relatives	Total
	Credit balance			
1	Outstanding Payable	16,527	-	16,527

9. (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 period August 01, 2008 to March 31, 2009:

Holding Company

Info Edge (India) Ltd. (IEIL)

Key Management Personnel (KMP) & Relatives

Mr. Sanjeev Bikhchandani

Mr. Hitesh Oberoi

Mr. Ambarish Raghuvanshi

Mr. Prashan Agarwal

Fellow Subsidiaries

Jeevansathi Internet Services Private Limited (JISPL)

Naukri Internet Services Private Limited (NISPL)

Info Edge (India) Mauritius Limited (IEIML)

Info Edge USA Inc.

SCHEDULES TO THE ACCOUNTS

B) Details of transactions with related party for the period August 1, 2008 to March 31, 2009 in the ordinary course of business

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	KMP & Relatives	Fellow Subsidiaries	Total
1	Advances Received for business purposes (net):	980,447	-	-	980,447
2	Receipt of services: (inclusive of service tax)	6,825,804	-	-	6,825,804
3	Reimbursements payable to:	872,790	-	-	872,790
4	Issue of shares: NISPL IEIL	99,990	-	10	100,000
	Rs 10				
	Rs 99,990				

C) Amount due to related parties as at March 31, 2009

Amount (Rs.)

Sr. No	Nature of relationship / transaction	Holding Company	KMP & Relatives	Fellow Subsidiaries	Total
	Credit balance				
1	Outstanding Payable	8,679,041	-	-	8,679,041

10. 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 31st 2010 have a vesting period of maximum of 6 years from the date of grant.

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

Particulars	2009-10	
	Number	Weighted Average Price (Rs.)
Options outstanding at beginning of year	-	-
Add:		
Options granted	418,400	1.93
Less:		
Options exercised	-	
Options forfeited	8,100	10
Options outstanding at the end of year	410,300	1.77
Option exercisable at the end of year	37,500	1

The options outstanding at the end of year had exercise prices in the range of Rs. 1/- to 10/- (Previous Year Nil) and a weighted average remaining contractual life of 6 years (Previous Year Nil years).

Exercise Amount Range (Rs.)	Options outstanding as at March 31, 2010
1-10	410,300
Grand Total	410,300

In accordance with the above mentioned ESOP Scheme, Rs. 1,131,692 (Previous Year Nil) has been charged to the Profit and Loss Account in relation to the options vested during the year ended March 31, 2010 as Employee Stock Option Scheme Compensation.

11. (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 Rs 65,748 (Previous year Nil) and the EPS would be Rs (1,295.88) (Previous year Nil).

(B) - The fair value of each option is estimated on the date of grant using the Black Scholes model with the below listed assumptions:

ACD ESOP Plan 2009	2009-10
Weighted average fair value of the options at the grant dates	8.57
Dividend Yield (%)	0.00%
Risk free rate	6.90%
Expected life (years)	5.14
Expected volatility	0.00%
Weighted average share price	10.05

12. 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.

SCHEDULES TO THE ACCOUNTS

13. The aggregate managerial remuneration under section 198 of the Companies Act, 1956 to the Director is:

Amount (Rs.)

Particulars	Year ended 31st March, 2010	Period ended 31st March, 2009
Whole Time Director		
Salary	2,490,680	-
Reimbursements	185,700	-
Bonus/Incentive	800,000	-
Total Remuneration	3,476,380	-
Total Managerial Remuneration Paid/Payable	3,476,380	-

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

During the year managerial remuneration to a whole time director has been paid in excess of the limits laid down in Schedule XIII to the Act. An application, in this regard for grant of approval, has been made to the Central Government. No adjustment has been made in these financial statements on the assumption that approval of the Central Government for the aforesaid excess remuneration is likely to be received.

14. (1) Employee Benefits for the year ended March 31, 2010:

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

A. Defined Contribution Plans

Amount (Rs.)

a) Provident Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account -

Employers' Contribution to Provident Fund *	683,465
*Included in Contribution to Provident and Other Funds under Personnel expenses (Refer Schedule 12)	

B. Defined Benefit Plans

a) Contribution to Gratuity Fund

b) Leave Encashment/ Compensated Absences for Employees

Particulars	Leave Encashment / Compensated Absences	Employee's Gratuity Fund
Discount Rate (per annum)	8.00%	8.00%
Rate of increase in Compensation levels	15.0% in first 4 years, 10.0% in next 5 years, & 7% thereafter	15% in first 4 years, 10% in next 5 years, & 7% thereafter
Rate of Return on Plan Assets	-	-
Expected Average remaining working lives of employees (years)	-	11.60

(A) Changes in the Present Value of Obligation	Employee's Gratuity Fund Amount (Rs.)
Present Value of Obligation as at Apr 1, 2009	-
Interest Cost	Nil
Past Service Cost	Nil
Current Service Cost	714,052
Curtailment Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Benefits paid	Nil
Actuarial (gain)/ loss on obligations	Nil
Present Value of Obligation as at March 31, 2010	714,052

(B) Changes in the Fair value of Plan Assets	Employee's Gratuity Fund Amount (Rs.)
Fair Value of Plan Assets at the April 1, 2009	Nil
Expected Return on Plan Assets	Nil
Actuarial Gains and Losses	Nil
Contributions	Nil
Benefits Paid	Nil
Fair Value of Plan Assets at March 31, 2010	Nil

SCHEDULES TO THE ACCOUNTS

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	Employee's Gratuity Fund Amount (Rs.)
Present Value of funded Obligation as at March 31, 2010	Nil
Fair Value of Plan Assets as at the end of the period	Nil
Funded Status	
Present Value of unfunded Obligation as at March 31, 2010	714,052
Unrecognized Actuarial (gains) / losses	Nil
Unfunded Net Asset / (Liability) Recognized in Balance Sheet*	714,052

*included in Employee Benefits (Refer Schedule 9)

(D) Expense recognized in the Profit and Loss Account	Employee's Gratuity Fund Amount (Rs.)
Current Service Cost	714,052
Past Service Cost	Nil
Interest Cost	Nil
Expected Return on Plan Assets	Nil
Curtailment Cost / (Credit)	Nil
Settlement Cost / (Credit)	Nil
Net actuarial (gain)/ loss recognized in the period	Nil
Total Expenses recognized in the Profit & Loss Account**	714,052

**Included in Contribution to Provident and Other Funds under Personnel Cost (Refer Schedule 12)

In respect of leave encashment/compensated absence the present value of obligation is Rs. 571,972* as at March 31, 2010. The expense recognized in the profit & loss account is Rs 711,012**.

*included in Employee Benefits (Refer Schedule 9)

**Included in Staff Welfare and Benefits under Personnel Cost (Refer Schedule 12)

14 (2) Employee Benefits for the period ended March 31, 2009:

The requirements of AS-15 on Employee Benefits specified in Companies (Accounting Standard) Rules, 2006 are not applicable to the company since there was no employee employed by the company during the period.

15. In the absence of virtual certainty that deferred tax asset created on the carry forward tax loss for the period will be realized against future taxable profits, the company has not recognized the deferred tax asset.
16. The Company is a Small and Medium sized company(SMC) as defined in the General instructions in respect of Accounting standards notified under section 211(3C) of the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to SMC's.
17. 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 significantly as at the year-end. Thus the Company has continued to adopt the going concern basis of accounting in preparing the financial statements.
18. The Company was incorporated on August 1, 2008 and accordingly figures for the previous year are for the period August 1, 2008 to March 31, 2009; therefore previous year figures are not comparable with the corresponding figures of current year.
19. Previous year's figures have been regrouped / recast to confirm to current year's presentation.

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

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number F 58507

Place : Gurgaon
Date : April 30, 2010

Sanjeev Bikhchandani
Director

Ambarish Raghuvanshi
Director

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Ninth Annual Report on the operations of the Company together with audited Profit and Loss Account for the year ending 31st March, 2010 and the Balance Sheet as on that date.

Financial Results

	Year ended 31 st March, 2010 (Rs.)
(a) Turnover & other income	4,147,778
(b) Profit/ (Loss) (after depreciation)	(36,238,257)
Less: Provision for Tax	(322,305)
(c) Profit/ (Loss) after Tax	(35,915,952)
Add : Prior Period Item	NIL
Add : Profit / Loss Brought Forward	(20,678,183)
Balance carried to Balance Sheet	(56,594,135)

Dividend

The Company did not declare any dividend for strengthening the financial position of the Company.

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 exchange earning: NIL

Foreign exchange expenditure : NIL

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

Pawan Chauhan
Ritesh Hemrajani
(Directors)

Place: New Delhi
Dated: April 30, 2010

AUDITORS' REPORT

To the Members of Applect Learning Systems Private Limited

1. We have audited the attached Balance Sheet of Applect Learning Systems Private Limited (the "Company") as at 31st March, 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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 further report that:
 - (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 between the book records and the physical inventory have been noticed. 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 of by the Company during the year.
 - (ii) The Company does not maintain any inventory, accordingly clauses (ii)(a) to (ii)(c) of paragraph 4 of Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable for the year.
 - (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of paragraph 4 of Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable for the year.
 - (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, 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) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
 - (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 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, except dues in respect of income-tax, where delay was noted in few cases, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth tax, service tax, customs duty, excise duty, cess 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, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at 31st March, 2010 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of certain expenses	131,908	AY 2007-08	Commissioner of Income Tax, Appeals

APPLECT LEARNING SYSTEMS PRIVATE LIMITED

- (x) The Company has accumulated losses as at 31st March, 2010 which is more than fifty percent of its net worth and it has incurred cash losses in the financial year ended on that date and 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.
 - (xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
 - (xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
 - (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.
 - (xvi) The Company has not obtained any term loans.
 - (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which 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.
 - (xix) The Company has neither issued any debentures during the year, nor are there any debentures outstanding at year end.
 - (xx) The Company has not raised any money by public issues during the year.
 - (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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
4. Further to our comments in paragraph 3 above, 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account 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 31st March, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Price Waterhouse & Co.
Firm Registration Number: 050032S
Chartered Accountants

Place : Gurgaon
Date : April 30, 2010

Amitesh Dutta
Partner
Membership Number F58507

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	(Rs)	As at March 31, 2010 (Rs.)	(Rs.)	As at March 31, 2009 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS					
Capital	1		196,550		136,810
Stock Options Outstanding			29,277		-
Reserves and Surplus	2		65,664,309		30,302,158
			65,890,136		30,438,968
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	3	7,944,123		6,755,560	
Less : Depreciation		3,468,505		1,856,577	
Net Block			4,475,618		4,898,983
Deferred Tax Assets (Refer Note 2 on Schedule 12)			322,305		-
Amount recoverable from ESOP Trust (Refer Note 9 and 10 on Schedule 12)			183,000		-
CURRENT ASSETS, LOANS AND ADVANCES					
Cash and Bank Balances	4	9,209,774		5,290,360	
Loans and Advances and Other Current Assets	5	3,912,583		2,901,920	
			13,122,357	8,192,280	
LESS : CURRENT LIABILITIES AND PROVISIONS					
Current liabilities	6	8,448,293		3,151,358	
Provisions		358,986		179,120	
			8,807,279	3,330,478	
NET CURRENT ASSETS			4,315,078		4,861,802
MISCELLANEOUS EXPENDITURE	7		-		-
PROFIT & LOSS ACCOUNT			56,594,135		20,678,183
			65,890,136		30,438,968

SIGNIFICANT ACCOUNTING POLICIES 11

NOTES TO ACCOUNTS 12

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

For Price Waterhouse & Co.
Firm Registration Number 050032S
Chartered Accountants

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number F 58507

Place : Gurgaon
Date : April 30, 2010

Pavan Chauhan
Director

Ritesh Hemrajani
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Year ended	
		March 31, 2010 (Rs.)	March 31, 2009 (Rs.)
INCOME			
Sales (Refer Note 5 on Schedule 11)		3,922,234	9,320,138
Other Income	8	225,544	620,167
		4,147,778	9,940,305
EXPENDITURE			
Advertising and Promotion Cost		10,385,652	2,515,860
Administration and Other expenses	9	7,938,413	15,331,608
Personnel expenses	10	20,450,042	11,796,426
Depreciation	3	1,611,928	1,482,880
		40,386,035	31,126,774
Net Profit/(Loss) before Tax		(36,238,257)	(21,186,469)
Tax Expense			
- Current Tax		-	-
- Deferred Tax		(322,305)	(35,204)
- Fringe Benefit Tax		-	95,053
Net Profit/(Loss) after Tax		(35,915,952)	(21,246,318)
Balance brought forward		(20,678,183)	568,135
Balance carried to the balance sheet		(56,594,135)	(20,678,183)

Earnings Per Share - Basic and Diluted

(2,290)

(1,783)

(Refer Note 7 on Schedule 12)

SIGNIFICANT ACCOUNTING POLICIES

11

NOTES TO ACCOUNTS

12

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.

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

For and on behalf of the Board of Directors

Amitesh Dutta
Partner
Membership Number: F-58507

Place : Gurgaon
Date : April 29, 2010

Pavan Chauhan
Director

Ritesh Hemrajani
Director

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2010

Sr. No.	Particulars	Year ended March 31, 2010 (Rs.)
A.	CASH FLOW FROM OPERATING ACTIVITIES	
	Net Profit/(Loss) before tax	(36,238,257)
	Adjustments for:	
	Interest Income	(222,252)
	Depreciation / Amortisation	1,611,928
	Liability no longer required written back	(3,292)
	Employee Stock Option Scheme Compensation Expense	29,277
	Operating Profit /(Loss) before working capital changes	(34,822,596)
	Adjustments for changes in working capital changes:	
	- (Increase)/Decrease in Loans and Advances and Other Current Assets	(934,497)
	- Increase/(Decrease) in Trade payables and other liabilities	5,487,825
	Cash generated from operating activities	(30,269,268)
	Direct Taxes (Paid) / Received	(62,870)
	Net Cash used in Operating Activities	(30,332,138)
B.	CASH FLOW FROM INVESTING ACTIVITIES	
	Purchase of Fixed Assets	(1,188,563)
	Interest received	201,224
	Net Cash used in Investing Activities	(987,339)
C.	CASH FLOW FROM FINANCING ACTIVITIES	
	Proceeds from issue of equity shares	35,421,891
	Loan given to ESOP trust	(183,000)
	Net Cash from Financing Activities	35,238,891
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	3,919,414
	Opening balance of Cash and Cash Equivalents	5,290,360
	Closing balance of Cash and Cash Equivalents	9,209,774

Notes:

- Cash and Cash Equivalents comprise Cash & Bank balances as per Schedule-4 of the accounts.
- 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.
- Previous year's figures have not given as AS-3 has become applicable for the Company in the current year only (Refer Note 13 on Schedule 12).

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: F-58507

Place : Gurgaon
Date : April 29, 2010

Pavan Chauhan
Director

Ritesh Hemrajani
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	(Rs.)	As at	(Rs.)	As at
		March 31, 2010		March 31, 2009
SCHEDULE 1				
CAPITAL				
AUTHORISED CAPITAL 2,50,000 Equity Shares of Rs.10/- each (Previous year - 2,50,000 Equity Shares of Rs. 10/- each)		2,500,000		2,500,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 19,655 Equity Shares of Rs. 10/- each fully paid up (Previous year - 13,681 Equity Shares of Rs.10/- each fully paid up) (Refer Note 1 on Schedule 12)		196,550.00		136,810
		196,550		136,810
SCHEDULE 2				
RESERVES AND SURPLUS				
Securities Premium Account				
Opening Balance	30,302,158		-	
Additions during the year (Refer Note 1 on Schedule 12)	35,362,151	65,664,309	30,302,158	30,302,158
		65,664,309		30,302,158

SCHEDULE 3

FIXED ASSETS (Refer Note 2 and 3 on Schedule 11)

(All amounts in Rs.)

Description	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
	As at April 1, 2009	Additions during the year	Deletions during the year	As at March 31, 2010	As at April 1, 2009	Depreciation/ Amortisation for the year	Accumulated Depreciation on Deletions	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Leasehold Improvements	3,304,097	-	-	3,304,097	405,766	695,599	-	1,101,365	2,202,732	2,898,331
Computers and Software	1,915,835	1,102,344	-	3,018,179	968,682	686,887	-	1,655,569	1,362,610	947,153
Furniture and Fixtures	227,567	56,131	-	283,698	157,631	68,790	-	226,421	57,277	69,936
Office Equipment	534,035	30,088	-	564,123	261,963	61,683	-	323,646	240,477	272,072
Plant and Machinery	774,026	-	-	774,026	62,535	98,969	-	161,504	612,522	711,491
Total	6,755,560	1,188,563	-	7,944,123	1,856,577	1,611,928	-	3,468,505	4,475,618	4,898,983
Previous year	1,954,513	5,849,464	1,048,417	6,755,560	892,903	1,482,880	519,206	1,856,577	4,898,983	

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at		As at	
	(Rs.)	March 31, 2010 (Rs.)	(Rs.)	March 31, 2009 (Rs.)
SCHEDULE 4				
CASH AND BANK BALANCES				
Bank Balances with scheduled banks:-				
- in Current Accounts		2,938,058		5,090,360
-in Fixed Deposit Accounts		6,271,716		200,000
		9,209,774		5,290,360
SCHEDULE 5				
LOANS AND ADVANCES AND OTHER CURRENT ASSETS (Unsecured, considered good)				
Advance recoverable in cash or in kind or for value to be received		283,883		84,634
Security Deposits		925,000		925,000
Balance with Service tax Authorities		1,249,135		519,700
Advance Tax	2,815,800		2,760,661	
Less: Provision for Tax	1,394,310	1,421,490	1,394,310	1,366,351
Advance Fringe Benefit Tax	248,980		-	
Less: Provision for Tax - Fringe Benefits	243,168	5,812	-	-
Interest Accrued on Fixed Deposits		27,263		6,235
		3,912,583		2,901,920
SCHEDULE 6				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors				
- total outstanding dues of Micro and Small Enterprises (Refer Note 3 on Schedule 12)	-		-	
- total outstanding dues of Creditors other than Micro and Small enterprises	4,895,816	4,895,816	3,011,260	3,011,260
Deferred Sale Revenue (Refer Note 5 on Schedule 11)		3,301,256		-
Advance Against Share Capital (Refer Note 1 on Schedule 12)		-		4,933
Advance from customers		2,276		-
Other liabilities		248,945		135,165
		8,448,293		3,151,358
PROVISIONS				
Provision for Tax - Fringe Benefits			243,168	
Less: Advance Tax -Fringe Benefits		-	235,437	7,731
Provision for Leave Encashment*		57,624		25,450
Provision for Gratuity*		301,362		145,939
* (Refer Note 6 on Schedule 11 and Note 12 on Schedule 12)				
		358,986		179,120
SCHEDULE 7				
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Opening Balance		-		4,076,014
Less: Written off during the year		-		4,076,014
		-		-

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
SCHEDULE 8		
OTHER INCOME		
Interest Received:		
- On Fixed Deposits	222,252	146,504
[Tax deducted at source Rs. 30,774 (Previous year Rs. 31,785)]		
Liability no longer required written back	3,292	455,904
Exchange Variation	-	17,759
	225,544	620,167
SCHEDULE 9		
ADMINISTRATION AND OTHER EXPENSES		
Books & Periodicals	45,857	1,313,062
Misc Expenditure Written off (net of recoveries)	-	3,326,014
Domain Name Expenses	15,482	554,613
Electricity & Water Expenses	497,414	500,057
Fixed Assets Written Off	-	529,208
Office Expenses	232,081	262,561
Postage & Courier	63,100	113,288
Printing & Stationery	238,635	86,526
Server Hire Charges	685,024	284,917
Insurance Expenses	919	-
Rent (Refer Note 4 on Schedule 12)	2,700,000	4,297,236
Repairs and Maintenance -Others	503,214	613,722
Legal and Professional Charges	1,620,878	2,439,684
Rates & Taxes	5,086	77,585
Recruitment & Training Expenses	83,581	347,247
Communication Expenses	811,464	305,981
Transaction Charges	226,634	-
Travel & Conveyance	74,520	82,063
Bank Charges	78,150	56,334
Miscellaneous Expenses	56,374	141,510
	7,938,413	15,331,608
SCHEDULE 10		
PERSONNEL EXPENSES		
(Refer Note 6 on Schedule 11 and Note 12 on Schedule 12)		
Salaries, Wages and Bonus	19,280,049	10,937,167
Contributions to Provident and Other Funds	600,276	441,233
Staff Welfare and Benefits	569,717	418,026
	20,450,042	11,796,426

SCHEDULES TO THE ACCOUNTS

Schedule 11

SIGNIFICANT ACCOUNTING POLICIES

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. Fixed Assets

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

3. Depreciation/Amortization

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

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

Assets costing less than Rs.5,000 are fully depreciated in the year of acquisition.

4. Foreign Currency Transactions

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

5. Revenue Recognition

The Company primarily earns revenue from 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. 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.

6. Employee Benefits (Refer Note 12 on Schedule 12 to Accounts)

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 has Defined Benefit plans namely leave encashment and gratuity for employees (both unfunded), 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 Profit and Loss Account as income or expense.

7. Leases

Lease payments under an operating lease are recognised as expense in the Profit and Loss Account on a straight line basis over the lease term.

8. Taxes on Income

Tax expense comprises of current tax, deferred tax and fringe benefit 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.

9. Earnings Per Share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit/loss 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.

SCHEDULES TO THE ACCOUNTS

10 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 the 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 recognised as employee compensation cost and amortised on straight line basis over the vesting period.

11 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.

Schedule 12

NOTES TO ACCOUNTS

- The Company had entered into an investment cum shareholder agreement with Info Edge (India) Limited on May 12, 2008 for subscription of 7,865 ordinary shares (to be freshly issued) of Rs. 65,000,000 at a premium of Rs. 8,254.47 per share, by virtue of which the Company had issued 3,581 equity shares of Rs. 10 each to Info Edge (India) Limited at an aggregate share premium amounting to Rs. 29,559,257 during the previous year and 4,284 equity shares of Rs.10 each at an aggregate share premium amounting to Rs.35,362,151 during the current year.
- Significant components of deferred tax assets/ (liabilities) are shown in the following table :

Deferred Tax Asset /(Liability)	As at March 31, 2010	As at March 31, 2009
Depreciation	200,286	-
Provision for Gratuity	102,433	-
Provision for Leave Encashment	19,586	-
Carry forward losses*	-	-
Net Deferred Tax Asset */(Liability)	322,305	-

*No deferred tax asset has been created on the carry forward losses in the absence of virtual certainty that this will be realized against future taxable profits.

- 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, 2010.
- Operating Leases where the company is a lessee :

The company has entered into a lease transaction mainly for leasing of office premise for a period of 5 years. The terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The operating lease payments recognised in the Profit & Loss Account amount to Rs.2,700,000 (Previous year Rs.4,297,236) (included in Schedule 9- Administration and Other Expenses)

5. Earnings in Foreign Exchange (on cash basis)

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
Sales	-	1,226,000

6. Auditor's Remuneration*

Particulars	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
As Auditors	2,00,000	2,00,000
As Tax Auditors	50,000	50,000
Out of Pocket Expenses	20,000	15,000
Total	2,70,000	2,65,000

* Excluding service tax

SCHEDULES TO THE ACCOUNTS

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

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit/(Loss) attributable to Equity Shareholders (Rs.)	(35,915,952)	(21,246,318)
Weighted average number of Equity Shares outstanding during the year (Nos.)	15,629	11,919
Basic & Diluted Earnings Per Equity Share of Rs. 10 each (Rs.)	(2,290)	(1,783)

8. 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.

9. (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, 2010

Holding Company
Info Edge (India) Limited

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, 2010 in the ordinary course of business:

Sr. No.	Nature of relationship / transaction	Info Edge India Limited	KMP	Total
1	Amount received towards Share Subscription	35,400,057		35,400,057

- 1 Amount received from Applect Employees Stock Option Plan Trust towards Share Subscription Rs.16,900
- 2 Advance given to Applect Employees Stock Option Plan Trust during the year Rs.183,000
- 3 Amount due from Applect Employees Stock Option Plan Trust as on March 31,2010 is Rs.183,000

9 (2) Related Party Disclosures for the year ended March 31, 2009

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, 2009

Investing Party in respect of which the Company is an associate
Info Edge (India) Limited

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, 2009 in the ordinary course of business:

Sr.No	Nature of relationship / transaction	Info Edge India Limited	KMP	Total
1	Loan Received: Pavan Chauhan Rs 150,000 Ritesh Hemrajani Rs 150,000	-	300,000	300,000
2	Loan Repaid: Pavan Chauhan Rs 150,000 Ritesh Hemrajani Rs 150,000	-	300,000	300,000
3	Fee & Subscription paid:	14,045	-	14,045
4	Amount received towards Share Subscription:	29,600,000		29,600,000

C) Amount due to/from related parties as at March 31, 2009

Sr.No	Nature of relationship / transaction	Info Edge India Limited	KMP	Total
	Credit balances		-	-
1	Advance against share capital	4,933	-	4,933

SCHEDULES TO THE ACCOUNTS

10. Employees Stock Option Scheme 2009 (ESOP)

The company has set up a trust to administer the ESOP scheme under which options have been granted to the employees. Under this option, 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, 2010 have a vesting period of 2 years from the date of grant.

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

Particulars	Number of options	Weighted average exercise price
Outstanding at start of year	-	-
Granted	1,138	Rs. 10
Outstanding at end of year	1,138	Rs. 10
Exercisable at end of year	0	Rs. 10

The options outstanding at March 31, 2010 had an exercise price of Rs.10 and a weighted average remaining contractual life of 25 years.

In accordance with the above mentioned ESOP Scheme, Rs.29,277 has been charged to the Profit & Loss Account in relation to the options vested during the year ended March 31, 2010 as Employee Stock Option Scheme Compensation.

In respect of the options vested during the year, had the fair value method been used, the loss for the year would be higher by Rs.277 and the EPS would be Rs.2,290.

The fair value of each option is estimated on the date of grant using the Black Scholes model with the below listed assumptions:

Particulars	For the year ended March 31,2010
Weighted average fair value of the options at the grant date	155.82
Dividend Yield (%)	0.00%
Risk free rate	6.53%
Expected life (years)	2.50
Expected volatility	0.00%
Weighted average share value	164.36

11. Contingent Liabilities not provided for Income Tax assessments disputed in appeals Rs.1,225,352 (Previous Year – Rs.Nil)
The future cash flows on account of above cannot be determined unless the judgement / decision is received from the appropriate forum.

12 Employee Benefits

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

A. Defined Contribution Plans

Provident Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account

Particulars	Year ended 31,March 2010	Year ended 31,March 2009
Employers Contribution to Provident Fund*	529,265	389,037

*Included in Contribution to Provident and Other Fund under Personnel expenses (Refer Schedule 10)

B. Defined Benefit Plans

(a) Gratuity payable to employees: The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on retirement or termination of service, whichever is earlier.

(b) Leave Encashment for Employees

(A) Changes in the Present Value of Obligation:

Gratuity payable to employees	Year ended March 31,2010	Year ended March 31,2009
	(Rs.)	(Rs.)
Present value of Obligation as at April 1, 2009	145,939	-
Interest Cost	10,945	-
Current Service Cost	162,502	85,651
Benefits Paid	-	-
Actuarial (gain) / loss on Obligations	(18,024)	60,288
Present value of Obligation as at March 31, 2010	301,362	145,939

SCHEDULES TO THE ACCOUNTS

(B) Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets:

Gratuity payable to employees	As at March 31,2010	As at March 31,2009
	(Rs.)	(Rs.)
Present value of unfunded Obligation as at March 31, 2010	301,362	145,939
Unrecognised Actuarial (gains)/losses	-	-
Unfunded Net Asset/ (Liability) recognized in Balance Sheet **	301,362	145,939

** shown under Provisions (Refer Schedule 6)

(C) Expenses Recognised in Profit and Loss Account:

Gratuity payable to employees	Year ended March 31,2010	Year ended March 31,2009
	(Rs.)	(Rs.)
Current service cost	162,502	85,651
Interest Cost	10,945	-
Net Actuarial (gain) / loss recognized during the year	(18,024)	60,288
Total Expense recognized in Profit and Loss Account **	155,423	145,939

** included in "Salaries, Wages and Bonus" under Personnel expenses (Refer Schedule 10)

In respect of leave encashment the present value of obligation is Rs.57,624 as at March 31, 2010 (Previous year : Rs.25,450) #
The expenses recognised in the Profit & Loss Account is Rs.34,899^

shown under Provisions (Refer Schedule 6)

^ included in "Salaries, Wages and Bonus" under Personnel expenses (Refer Schedule 10)

The principal actuarial assumptions used at the balance Sheet date for actuarial valuation of Gratuity and Leave encashment/ Compensated Absences are as follows:

Particulars	Leave Encashment/ Compensated Absence		Gratuity payable to employees	
	As on March 31, 2010	As on March 31, 2009	As on March 31, 2010	As on March 31, 2009
Discount Rate (per annum)	7.50%	7.50%	7.50%	7.50%
Rate of increase in compensation levels(per annum)	4.50%	4.50%	4.50%	4.50%
Expected Average remaining working lives of employees (years)	31.38	32.13	31.38	32.13

The estimates of future salary increases considered in the actuarial valuation takes into account factors like inflation, future salary increases, seniority, promotion and other relevant factors on long term basis.

- 13 The Company was a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under section 211(3C) of the Companies Act, 1956 upto 31st March, 2009 and accordingly, it had availed the exemptions or relaxations available to SMC's. However, in the current year, the Company being no longer qualifying for the relevant exemptions or relaxation, has complied with the Accounting Standards as applicable to Non-SMC's
- 14 The Company is in the business of internet based service delivery which constitutes 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.
- 15 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 networth has eroded significantly as at the year-end. Thus the Company has continued to adopt the going concern basis of accounting in preparing the financial statements.
- 16 Previous year's figures have been regrouped / rearranged, wherever necessary to conform to current year's presentation.

For Price Waterhouse & Co.

For and behalf of the Directors

Firm Registration Number: 050032S
Chartered Accountants

Amitesh Dutta
Partner
Membership Number: F-58507

Place: Gurgaon
Date : April 29, 2010

Pawan Chauhan
(Director)

Ritesh Hemrajani
(Director)

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As at March 31, 2010 (US Dollar)	As at March 31, 2009 (US Dollar)
ASSETS			
Total Current Assets		-	-
Total Other Assets		-	-
Total Assets		-	-
LIABILITIES AND SHAREHOLDERS' EQUITY			
Trade Payables		2,394	919
Total Current Liabilities	1	2,394	919
Total Liabilities		2,394	919
Stockholders' Equity			
Common Stock (refer notes 2 to schedule 3)		-	-
Retained earnings		(2,394)	(919)
Total Stockholders' Equity		(2,394)	(919)
Total Liabilities and Stockholders' Equity		-	-

Notes to Accounts

3

The schedules referred to above form an integral part of these financial statements

Approved by the Board of Directors on April 29, 2010

For and on behalf of Board of Directors

Sanjeev Bikhchandani
(Director)

Ambarish Raghuvanshi
(Director)

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	For the Year ended March 31, 2010 (US Dollar)	For the period May 14, 2008 to March 31, 2009 (US Dollar)
Income			
Total Revenues		-	-
Operating Expenses			
General and Administrative Expenses		1,475	919
Total Operating Expenses	2	1,475	919
Operating Income		(1,475)	(919)
Interest Expense		-	-
Income before Income Taxes		(1,475)	(919)
Income Tax Expense		-	-
Net Income for the year/period		(1,475)	(919)

Earnings Per Share

Basic & Diluted

The schedules referred to above form an integral part of these financial statements

Approved by the Board of Directors on April 29, 2010

For and on behalf of Board of Directors

Sanjeev Bikhchandani
(Director)

Ambarish Raghuvanshi
(Director)

SCHEDULES FORMING PART OF THE BALANCE SHEET

Particulars	As at March 31, 2010 (US Dollar)	As at March 31, 2009 (US Dollar)
SCHEDULE 1		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
-Stradling Yocca Carlson & Rauth	600	919
Payable to Holding Company	1,794	-
	2,394	919

SCHEDULES FORMING PART OF THE INCOME STATEMENT

Particulars	For the year ended March 31, 2010 (US Dollar)	For the period May 14, 2008 to March 31, 2009 (US Dollar)
SCHEDULE 2		
ADMINISTRATION AND OTHER EXPENSES		
Annual Filing Fees	25	819
Franchisee Tax	75	100
Attorney Support Service	215	-
Bank Charges	62	-
Professional Charges	1,099	-
	1,475	919

SCHEDULES TO THE ACCOUNTS

SCHEDULE 3

NOTES TO ACCOUNTS

1. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States (US GAAP).

2. Share Capital

Per the by-laws of the corporation it is authorized to issue 1000 shares of common stock of USD 0.0001 par value per share. During the year no shares were issue and subscribed.

3. Operations

Due to the changes in the economic environment the corporation deferred its plan to start of the operations in the year and therefore the income during the period is nil.

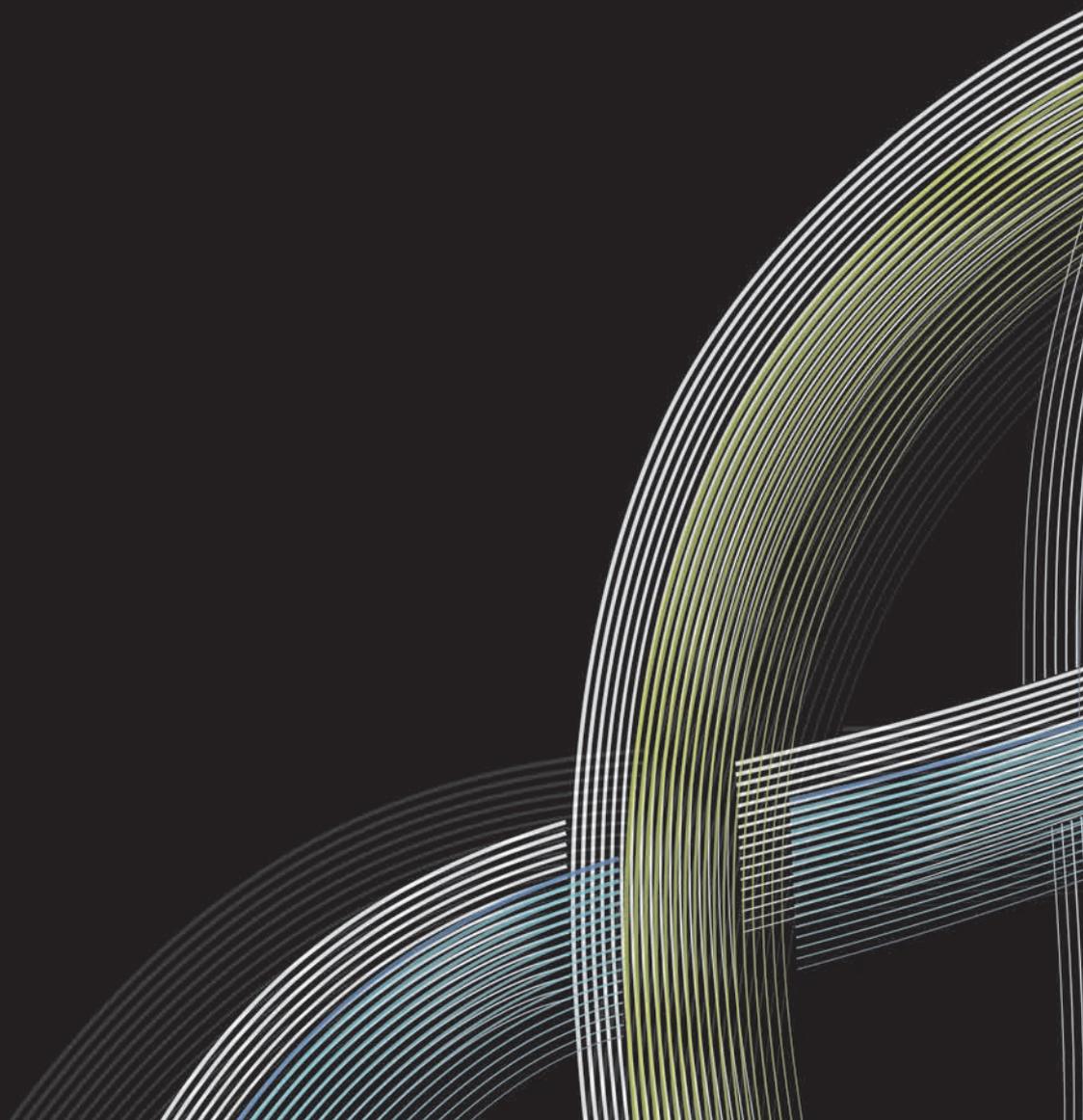
4. Holding and Ultimate Holding Company

The directors consider Info Edge (India) Limited, a company incorporated in India, which is listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE), as the Company's Holding and ultimate holding company.

5. Related Party Transactions

Transactions and balances involving the Company and its ultimate holding company were as follows:

Particulars	FY 2009-10 USD	FY 2008-09 USD
Expenses paid by ultimate holding company	1,794	-
Total	1,794	-



INFO EDGE

INFO EDGE (INDIA) LIMITED

REGISTERED OFFICE

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

CORPORATE OFFICE

A-88, Sector-2, Noida - 201 301
Uttar Pradesh, India



InfoEdge is an environment-conscious corporate citizen. This annual report is printed on environment friendly paper.