infoedge

ANNUAL REPORT 2016-2017

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Date - 19th Sept. 2017

Disclosure - Not invested

Dear Shareholders

As I raise my pen to share my thoughts with you this year, I find it much easier to explain what our industry is all about. After a couple of decades of wading through the early phases of development, the internet based industry in India has firmly entrenched its foundation. Today, digital India has gained considerable traction and is poised to become what the Boston Consulting Group estimates to be a $250 billion economy by 2020.

Like in most growing industries there has been a churn. Those, like Info Edge, who have delivered on their promises, continue to get the attention of investors and get good valuations, while some have gone through the phase of 'investor exuberance', got valuations and bitten the bullet of 'poor delivery'.

WITH THIS STEADY IMPROVEMENTS IN REVENUES AND PROFITS, YOUR COMPANY HAS BUILT A CASH BALANCE OF ₹12,891 MILLION (FD IN BANKS, INVESTMENTS IN DEBT MF AND FMP AT COST) BY THE END OF FY2017. IN ADDITION, ₹7,348 MILLION HAS BEEN INVESTED INTO INVESTEE COMPANIES.

At Info Edge, we have always focused on delivering long term sustainable value. For us, incubating and developing a business is about making a promise and rolling up our sleeves to deliver in the most efficient manner. We adopt a focused approach to formulate an idea and then, most importantly, work very hard to execute it well and keep improvising.

Big-big time in Internet industry

In the way in which we do our business, effective execution is paramount and the process involves a rigorous day-to-day exercise of continuously getting things done well. This encompasses a comprehensive discipline of ideation, strategising, planning, implementing, reviewing and adopting corrective measures. Consequently, even after completing 17 years since our first round of funding we have nurtured only our four core businesses with a central focus on theme of online classifieds. These are the well-established flagship, naukri.com, and a portfolio of developing brands including 99acres.com, jeevansathi.com and shiksha.com. For promoting other ideas, we have invested externally into other teams of entrepreneurs and provided them supervisory support.

This business ethos of tight focus and exceptional execution reflects in our financial performance.

Over the last decade, Info Edge, as a standalone entity, grew at a compound annual growth rate (CAGR) of 19.4% — from a revenue of ₹1,395 million in FY2007 to ₹8,209 million in FY2017 (as per IGAAP). While there have been some fluctuations over the entire period, operating EBIDTA margin has increased from 27% in FY2007 to 33% in FY2017 (as per IGAAP). * Good nos. in a fickle industry

With this steady improvements in revenues and profits, your Company has built a cash balance of ₹12,891 million (FD in banks, Investments in debt MF and FMP at cost) by the end of FY2017. In addition, ₹7,348 million has been invested into investee companies. Clearly, we have invested in the future, while creating a war chest of cash reserves.

~10% of mkt cap

For Info Edge, FY2017 was another step forward in this journey of long term value creation. There were gains both in financial terms and in terms of creating greater market dominance for its brands. Given below are the highlights of each of our businesses.

Naukri – 74% of total sales
135% of total profit (standalone)
(Because other segments are loss making)

REVENUES FOR THE RECRUITMENT SEGMENT WAS ₹5,953 MILLION IN FY2017 — WHICH GREW BY 12.5% OVER FY2016. New products played a significant role in driving this growth. This segment continued to deliver excellent profitability, with operating EBITDA of ₹3,214 million in FY2017. Having said so, it needs stating that revenues for naukri.com were somewhat affected due to the Company's transition to a new sales and incentive policy. The new policy is designed to help reduce discounting and bill more from some of our larger customers who tend to renew at the end of the quarter/year. This has led to a deferment in sales in the fourth quarter; but is expected to yield better revenue numbers in FY2018.

There are early signals of a slowdown in the IT sector. However, in FY2017, we serviced nearly 14,400 IT clients against 13,700 in FY2016. For naukri, there was a growth in revenues from IT. I also believe that with uncertainties in the job market, more people may actually use naukri.com as part of their solution to get employed or recruit at lower costs. Thus, I don't expect the business to be adversely impacted.

* 14% of total sales

REVENUES FOR 99ACRES.COM INCREASED BY 3.67% TO ₹1,122 MILLION IN FY2017. The real estate sector faced the brunt of the Government of India's demonetisation, and 99acres.com was adversely affected in the months of November-December 2016 and January 2017. However, matters improved in February- March 2017. Operating EBITDA loss for FY2017 was ₹597 million. Profitability improved as we rationalised our spending.

JEEVANSATHI.COM HAS SHOWN VERY ENCOURAGING SIGNS IN FY2017. REVENUES INCREASED BY 22% TO ₹580 MILLION IN FY2017. Operating EBITDA loss for FY2017 was ₹79 million. However, operating EBIDTA margin will be lower as we will continue to invest in this business to gain market share.

FOR SHIKSHA.COM, REVENUE GREW BY 11% TO ₹365 MILLION IN FY2017. Operating EBITDA loss for FY2017 was ₹37 million.

Our strategic investments in investee companies continue to perform up to expectations. In FY2017, an additional ₹617 million (including loan) was invested into these ventures. In accounting terms, there have been some changes in the way some of these businesses are treated in our consolidated accounts. In essence, based on the fully converted shareholding percentages, this year Canvera has been added to the Company's consolidated numbers, while Zomato has moved out.

The performance of Zomato remains important in terms of valuations of investments on the balance sheet of the Company. In FY2017, Zomato recorded a revenue of ₹3,323 million and incurred Operating EBITDA loss of ₹1,519 million. As we see it for Zomato, the revenue growth continues, the cash burn is substantially lower, the business now has enough cash, and is close to breaking even.

* Net loss at a consolidated level

At the consolidated level, net sales of your Company increased by 18.7% to ₹8,876 million, while the total comprehensive loss was ₹239 million in FY2017 against a profit of ₹1,448 million in FY2016. Aggregate revenues of the 12-investee companies increased by 40% from ₹4,744 million in FY2016 to ₹6,644 million in FY2017, while Operating EBIDTA level losses reduced from ₹6,819 million to ₹2,625 million.

HIGHLIGHTS

* Good performance across the board

FIVE YEAR PERFORMANCE: STAND ALONE (₹ MN)- AS PER IGAAP

	FY2013	[illegible]	FY2015	[illegible]	FY2017	CAGR
Net Sales	4,349	[illegible]	6,113	[illegible]	8,209	17.2%
Total Income	4,838	[illegible]	6,877	[illegible]	9,138	17.2%
Operating EBIDTA	1,474	[illegible]	1,793	[illegible]	2,677	16.1%
Operating EBIDTA margin	33.9%	[illegible]	29.3%	[illegible]	32.6%	
EBIDTA	1,939	[illegible]	2,557	[illegible]	3,607	16.8%
EBIDTA margin	40.1%	[illegible]	37.2%	[illegible]	39.5%	
PBT	1,551	[illegible]	2,675	[illegible]	3,326	21.0%
PAT*	1,022	[illegible]	1,939	[illegible]	2,661	27.0%
EPS** (₹)	9.36	[illegible]	16.82	[illegible]	22.01	
Cash & Equivalents (FD in Banks, Investment in Debt MF& FMP)	4252	[illegible]	11,722	[illegible]	12,891	32.0%
Net Worth	6,654	[illegible]	16,624	[illegible]	19,942	31.6%
Head Count	2,464	[illegible]	3,826	[illegible]	3,999	12.9%

* *After exceptional item*
** *Bonus issue in ratio of 1:1 made in FY 2013*

Sales & profit growth > Employee growth

FIVE YEAR PERFORMANCE: STAND ALONE (₹ MN)- AS PER IGAAP

	FY2013	FY2014	FY2015	FY2016	FY2017	CAGR
Net Sales						
Recruitment	3,368	3,713	4,450	5,312	6,004	15.5%
Matrimonial	323	360	392	469	589	16.2%
Real Estate	516	758	1,004	1,106	1,233	24.3%
Vertical Profits/(Loss)						
Recruitment	1,658	1,879	2,279	2,846	3,366	19.4%
Matrimonial	(75)	(67)	(44)	(126)	(43)	NA
Real Estate	(8)	(48)	(375)	(911)	(414)	NA

Naukri ~ 75% of sales throughout

* Loss making

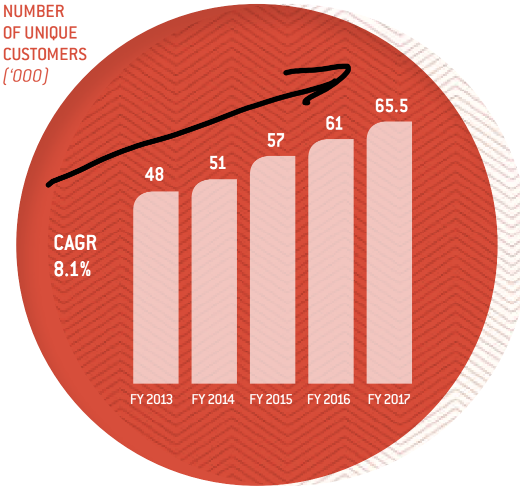
* Someone is doing well in real estate!

* Growth across key metrics & segments

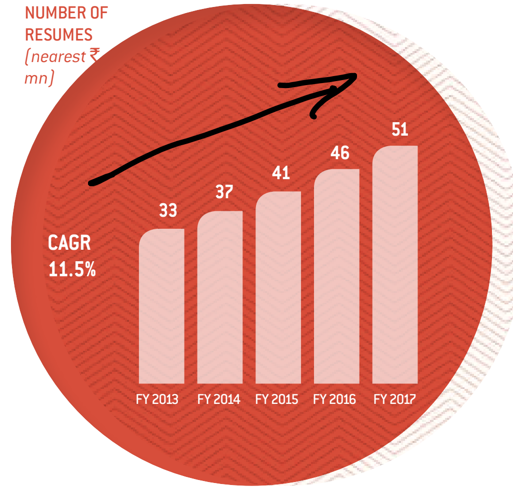
ACROSS BUSINESSES, INFO EDGE IS FOCUSING ON GAINING MARKET DOMINANCE AND INCREASING CUSTOMER PENETRATION. THIS IS EVIDENT IN THE PERFORMANCE HIGHLIGHTS

NAUKRI.COM

NUMBER OF UNIQUE CUSTOMERS ('000)

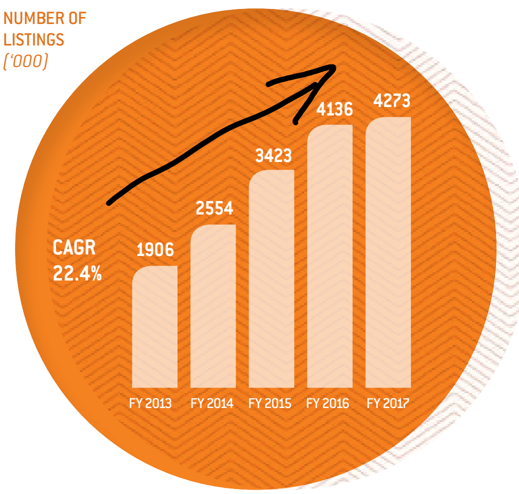


NUMBER OF RESUMES (nearest ₹ mn)

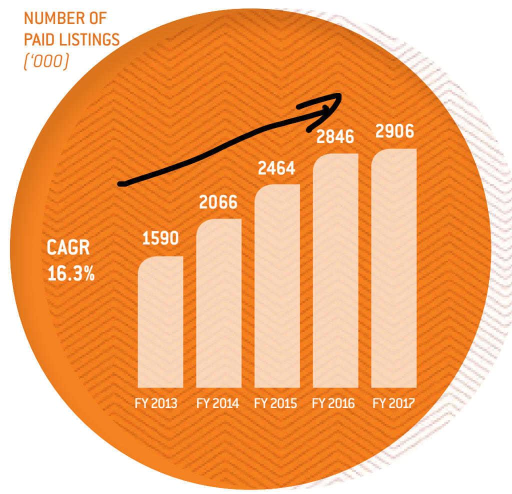


99ACRES.COM

NUMBER OF LISTINGS ('000)

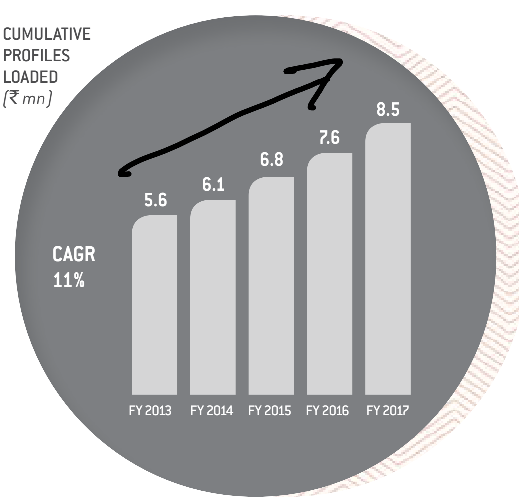


NUMBER OF PAID LISTINGS ('000)

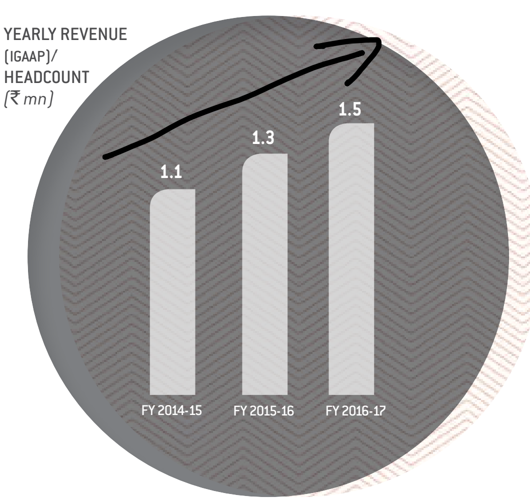


JEEVANSAATHI.COM

CUMULATIVE PROFILES LOADED (₹ mn)



YEARLY REVENUE (IGAAP)/ HEADCOUNT (₹ mn)



Info Edge in a nutshell

INFO EDGE ('THE COMPANY') IS ONE OF INDIA'S PREMIER INTERNET BASED BUSINESS. OVER A PERIOD OF MORE THAN TWO DECADES, IT HAS STEADILY DEVELOPED A PORTFOLIO OF BRANDS ACROSS DIFFERENT DOMAINS THAT PRIMARILY PROVIDES ONLINE CLASSIFIED SERVICES. WHILE THE COMPANY'S BUSINESS HAS EVOLVED AROUND THE PHENOMENAL GROWTH OF ITS FLAGSHIP BRAND – NAUKRI.COM (ONLINE RECRUITMENT), THE OTHER BRANDS INCLUDING 99ACRES.COM (ONLINE REAL ESTATE), JEEVANSATHI.COM (ONLINE MATRIMONIAL) AND SHIKSHA.COM (ONLINE EDUCATION INFORMATION SERVICES) ARE FAST GAINING TRACTION IN THE MARKET AND GROWING REVENUES.

IN THE LAST DECADE, HAVING BUILT A STRONG CASH RESERVE, INFO EDGE HAS ALSO EXPANDED BY INVESTING IN BUSINESSES THAT HAVE BEEN CONCEPTUALISED AND INITIALLY DEVELOPED BY SEPARATE ENTREPRENEURIALLY ORIENTED MANAGEMENT TEAMS. EACH OF THESE BUSINESSES ARE MANAGED EXTERNALLY WITH INPUTS FROM INFO EDGE. ESSENTIALLY, THESE ARE PART OF AN INVESTMENT PORTFOLIO OF THE COMPANY. SOME OF THESE INVESTEE COMPANIES INCLUDING ZOMATO.COM (ONLINE RESTAURANT CLASSIFIEDS AND FOOD DELIVERY BUSINESS) AND POLICYBAZAAR.COM (ONLINE INSURANCE) HAS GENERATED CONSIDERABLE INVESTOR INTEREST AND CREATED MATERIAL MARKET VALUE FOR THE INVESTMENT.

Across the Company's businesses, Info Edge has internalised the 'winner takes all' phenomena that is deeply rooted in the internet based services industry across the world. This means that in each business category, a single player or a few brands emerge as market leaders and take away significant traffic share and customers. Facebook, Amazon, Twitter, Instagram are all such examples. So, it is very important for companies in this space to strive for market dominance with their respective brands.

On this front, with a primary focus on the Indian market, Info Edge has achieved considerable success: naukri.com (online recruitment), 99acres.com (online real estate) and shiksha.com (online education information services) amongst the brands directly managed by the Company — and zomato.com, policybazaar.com, meritnation.com (online K-12 school testing) and canvera.com (online photo products and services) among the investee companies — are market leaders with largest shares of internet and mobile traffic.

While pushing for market dominance, Info Edge maintains an effective balance between seeking deeper market penetration and the risk exposure of its businesses. The Company has a well calibrated growth strategy that includes a mix of effective sales and marketing spends as well as optimal utilisation of technology, analytics and innovation. The efforts are supported by significant internal domain expertise and consumer insights in the internet business space developed through a rich experience of operations spanning two decades. Consequently, while efforts are on maximising traffic shares, the Company lays considerable emphasis on increasing the return on capital employed and in maintaining a strong cash position in the balance sheet.

* Startup founders must read this

As of 31 March 2017, Info Edge had ₹12,891 million as cash balance (FD in banks, Investments in debt MF and FMP at cost). 82% of its liabilities were in terms of equity, only 18% is current liabilities and provisions, and there is very negligible debt. Info Edge continues to operate with negative working capital and high operating leverage.

* Float → Moat

While laying emphasis on ideation, concept creation and business model design, Info Edge has always believed in efficient execution. The brands have been meticulously nurtured and developed over a period of time to provide consumer experiences that make them market leaders. There are two critical drivers in the Company's execution focused business strategy.

First, there is an emphasis on inculcating an operating culture of 'continuous innovation' across the organisation. At the core of this endeavour is the stress on effective adoption and utilisation of world class processes and cutting edge technology. It encompasses a wide range of applications including methodologies to understand customer trends, forecasting developments in technology, regular introduction of new products or product features that best address targeted customer needs, utilisation of techniques used to best enhance brand recognition with minimal investments and continuously identifying and developing solutions that cater to future market needs. This culture is at the heart of the Company's philosophy of staying 'a step ahead' of competition and catering to ever-changing demand dynamics.

Second, while Info Edge is a technology driven company operating in the digital space, it lays significant stress on supporting its online brands with effective offline activities — particularly in terms of support for pushing sales through other channels, maintaining customer relations, undertaking promotional activities, executing logistics and ensuring service delivery. The Company's online brands are widely supported through pan-India network of 69 company branch offices across 44 cities. 2,817 or 70% of the Company's workforce is involved in offline activities focused on sales and service. This widespread offline support complementing the quality online products is unique to Info Edge in its industry.

Given that the internet business space in India is still in a 'developing' phase, much of its growth depends on the way the overall digital economy evolves in the country. In the last couple of years, after a period of slow and steady expansion, the digital economy has crossed its inflexion point in India and is now on a rapid growth trajectory.

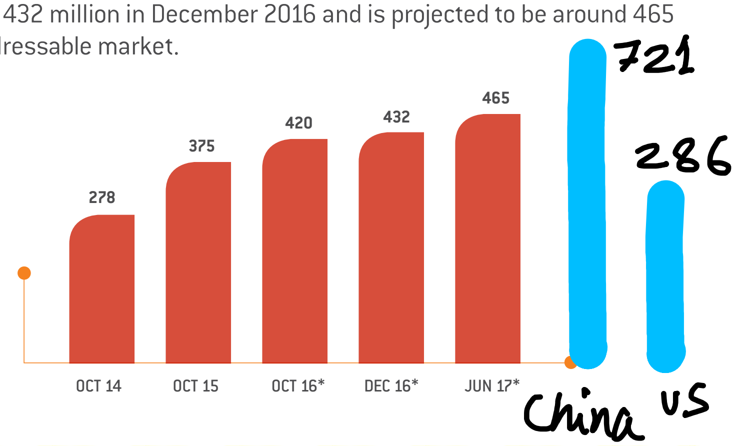
Much of the sector's growth is attributable to two factors: rapid developments in the telecom space especially mobile telephony, and the changing attitude of the population towards digitisation. In FY2017, the Government of India has also undertaken several regulatory measures that signal the intent to transform much of India into a digital based economy. With its experience and products in the market, Info Edge is well positioned to leverage this transformation.

BUSINESS ENVIRONMENT

THE INDIAN DIGITAL ECONOMY

After a rapid shift in growth trajectory in FY2015, internet usage has continued to grow at a rapid rate in FY2017. According to findings in the 'IMRB ICube 2016' Report released by the Internet and Mobile Association of India (IAMAI) and Kantar IMRB International, the number of internet users has increased from 278 million in October 2014 to 432 million in December 2016 and is projected to be around 465 million in June 2017 – a sizable addressable market.

CHART A INTERNET USERS IN INDIA
(IN MILLIONS)



Source: IMRBI-CUBE, All India Estimates. December does not account for impact of monetisation

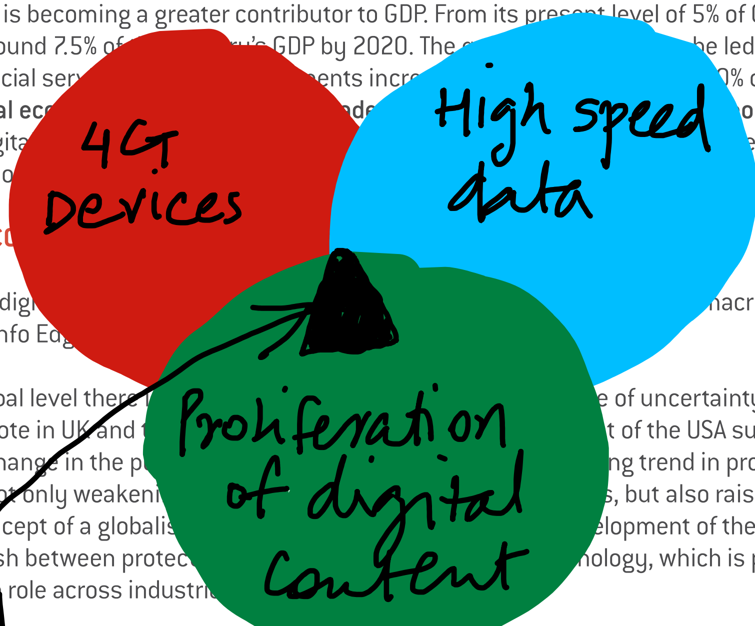
** indicates estimates*

It is interesting to note that the growth in internet users is being fuelled largely by rural users while urban penetration levels have generally stagnated. For instance, it is estimated that rural users increased from 157 million in October 2016 to 163 million in December 2016, while for urban India the growth was from 263 million to 269 million over the same period. The reason is not hard to seek. Urban India has almost 60% internet penetration, and growth is expected to continue but at a modest rate. Rural India, with only 17% penetration, has significantly larger scope for rapid internet growth. Apart from creating the requisite

*

* Interesting insights

- **Digital Adoption in India has been growing rapidly:** While in the last three years, smartphone users have gone up around four times, mobile internet users have grown to around 391 million, which is the second highest number of users in the world. However, average data consumption per user of less than 1 GB per month remains low compared to other similar develop countries like Indonesia and Brazil who are between 2-3 GB per month, and developed countries Japan and USA who consume between 9-11 GB per month. Thus, even in the internet penetrated population there is considerable scope for growth of usage in India. This is bound to improve with improved and greater penetration of high speed internet, which is still restricted to 56% of the users.
- **Three key forces are coming together to unlock the latent digital demand:** In India, 4G enabled devices are expected to grow six times to around 550 million by 2020. It will constitute some 70% of the devices under use. In addition, reliable high speed data is becoming much more widespread. Already 4G availability is across around 72% of the entire network, which is higher than Germany and UK. Importantly, the data is available at affordable rates. In a period of 4-5 months since the 4G launch, rates have reduced less than one-third of its starting values. Finally, these factors are being supported by greater proliferation of digital content, which is also improving in terms of quality. Mobile internet users are expected to nearly double to 650 million by 2020 with average usage per user growing to around 7-10 GB/month.
- **India's internet economy expected to double to US$250 billion by 2020:** The internet economy in India is becoming a greater contributor to GDP. From its present level of 5% of GDP, it will increase to around 7.5% of … 's GDP by 2020. The … be led by e-commerce and financial serv… ents incr… 0% of all transactions.
- **Digital ec… de… omic impact:** Adoption of digita… ently including improve ease o… nance.



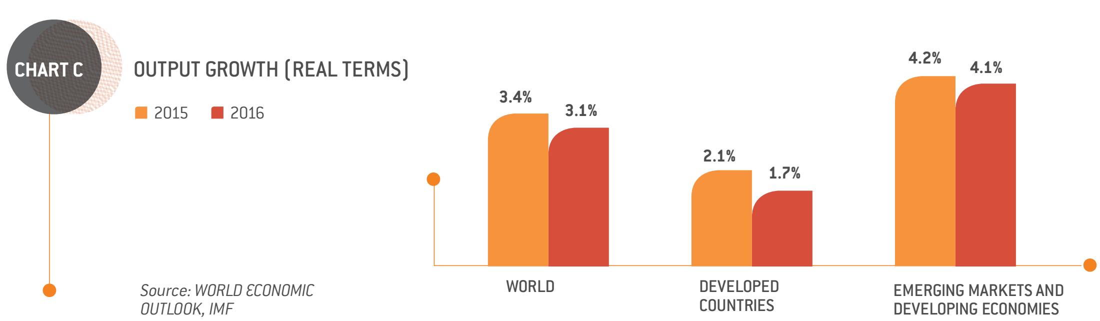
MACROECO…

While the dig… acroeconomic environment in which Info Ed…

At the global level there … e of uncertainty. Events like the pro - 'Brexit' vote in UK and t… t of the USA suggest that there is a distinct change in the p… ng trend in protectionism across the world is not only weakeni… s, but also raising a dark cloud on the entire concept of a globalis… elopment of the global internet. There is also a clash between protec… nology, which is playing an increasingly disruptive role across industri…

Opportunity

These developments have been at the backdrop of a slowing global economy. As Chart C shows, global output growth reduced from 3.4% in calendar year (CY) 2015 to 3.1% in CY2016, with advanced economies registering a lower growth of 1.7% in CY2016 compared to 2.1% in CY2015. Emerging economies also witnessed a minor slowdown from 4.2% in CY2015 to 4.1% in CY2016.



There was also some improvement in Government's fiscal condition. Revised estimates suggest that with gross tax revenues increasing from 10.6% in FY2016 to 11.3% in FY2017, the fiscal deficit has reduced from 3.9% of GDP in FY2016 to 3.5% in FY2017.

BUSINESS REVIEW

During FY2017, most businesses in India were affected by the temporary stagnation of economic activity due to the GoI's demonitisation drive in November 2016. Info Edge was no exception with both the online recruitment and the real estate businesses facing the brunt of the uncertainties and slowdown. However, even with this temporary blip, the Company recorded a steady growth in revenues and profits.

It needs to be noted that the reported financial results have also been impacted by the newly prescribed Ind AS accounting standards. Beginning 1 April 2016, the Company adopted Ind AS for the first time with a transition date of 1 April 2015. The financial results for the quarter and year ended March 31, 2017 have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The major impacts of this transition in accounting treatment are:

- **Revenue:** As per Ind AS, certain items of non-refundable fees, which were received up-front, are now being recognized as revenue over the tenure of contract, based on performance of specific acts or milestones — as it better reflects the substance of the transaction. Accordingly, the Company has deferred the income from such contracts outstanding as at the date of transition and for new contracts entered during the onward years.

- **ESOP cost:** As per Ind AS-102, stock options granted are considered to be towards equity settled share based transactions; therefore, the cost of such options are to be measured at fair value as at the grant date. Further, an exemption as per Ind AS-101 (first time adoption of Indian Accounting Standards) relating to share based payments has been opted for. In this, as at the transition date of 1 April 2015, the fair value of options that were yet to be vested have been considered. The impact is as follows:
  - Retained earnings as at 1 April 2015 reduced by ₹95.5 million.
  - Additional ESOP cost of ₹162.4 million in FY2016.
  - Additional ESOP cost of ₹211 million in FY2017.

- **Other income:** As per Ind AS-109, investment in mutual funds have been measured at fair value as on the reporting date, through the profit and loss account. The impact is as follows:
  - Retained Earnings as at 1 April 2015 increased by ₹64.6 million.
  - Differential reversal of ₹57.4 million on net basis in FY2016.
  - Gain of ₹14.6 million on net basis in FY2017.

- **Investment through preference shares:** As per Ind AS-109, investments in other companies through redeemable / convertible preference shares are recorded based on amortised value / fair value as at the respective reporting date. Accordingly, this will be accounted for and disclosed in audited financial statements as per Ind AS for the respective periods.

While the financial performance has been reported according to Ind AS, the Company has also reported the results in terms of the IGAAP, which was followed earlier for better and easier comparison of performance over the last year.

* Adoption of Ind-AS makes few numbers (esp. on Bal. Sheet) incomparable prior to FY15

* Reduction in costs aids the bottomline

FINANCIAL HIGHLIGHTS

Standalone Financial Performance

TABLE 1

ABRIDGED STANDALONE PROFIT AND LOSS (RS MILLION)

↑12%.

↓33%.

↑64%.

	IndAS		IGAAP	
	FY2017	FY2016	FY2017	FY2016
Revenue from Operations	**8021.06**	**7176.07**	**8208.55**	**7234.76**
Network, internet and other direct expenses	172.58	229.70	172.58	229.70
Employee Benefits Expenses	3751.58	3354.43	3547.81	3205.29
Advertising and Promotion Costs	880.53	1318.41	880.53	1318.41
Other Expenses	941.47	918.21	930.31	902.91
Total Operating Expenses	**5746.16**	**5820.75**	**5531.23**	**5656.31**
EBIDTA	**2274.9**	**1355.32**	**2677.32**	**1578.45**
Depreciation and Amortisation	240.55	209.63	240.55	209.63
Other Income	625.23	785.02	929.62	828.10
EBIT from ordinary items	**2659.58**	**1930.71**	**3366.39**	**2196.92**
Finance Cost	1.00	0.77	1.00	0.77
PBT for ordinary items	**2658.58**	**1929.94**	**3365.39**	**2196.15**
Exceptional items	(39.84)	(114.58)	(39.84)	(114.58)
PBT	**2618.74**	**1815.36**	**3325.55**	**2081.57**
Tax	574.71	564.18	664.93	665.77
Other Comprehensive income, net of tax	(4.70)	(8.65)	–	–
Total Comprehensive Income	**2039.33**	**1242.53**	**2660.62**	**1415.80**

BOX 1

STANDALONE — PERFORMANCE HIGHLIGHTS (IndAS)

- Revenue from operations increased by 11.8% to ₹8,021 million in FY2017.
- Operating EBIDTA increased by 67.8% to ₹2,275 million. EBIDTA margin increased from 18.9% in FY2016 to 28.4% in FY2017, driven by substantial reduction in advertising and promotion costs and network, internet and direct expenses, even as revenue growth was achieved.
- PBT from ordinary activities (before exceptional items) increased by 37.8% to ₹2,659 million.
- Total Comprehensive Income increased by 64.1% to ₹2,039 million.

The Board of Directors recommended a final dividend of ₹ 1.50 (15%) per share for FY2017. This will take the dividend for the year to ₹4.5 per share including the two interim dividends of ₹1.5 per share each already paid in November 2016 and March 2017.

The Company has further widened the scope of its business by investing in brands that have been conceptualised and developed by separate management teams. Such investments are in terms of equity and loans. The structure of these investments are such that some have a direct impact in the consolidated accounts, while for others the progress of these businesses affect the valuation of investments in the Company's balance sheet.

Info Edge has always adopted a cautious approach to these investments. The Company continues to maintain a strong cash position, which is preserved as a 'war chest' to be utilised in the core businesses to protect these against any short term adversities. Some of this surplus cash is invested in these investee companies.

* Lesson for other CEOs — Focus on the downside before the upside

* An account of investee companies

In the internet based services industry it is always important to allow for creativity, new ideation and technology development. For this to succeed, the entrepreneurial zeal has to be harnessed. This 'investee company' route to growth is the Company's strategic path to incubate, develop and grow such new business models in the internet based services industry. Here, Info Edge plays a supervisory role and provides support wherever possible while allowing separate entrepreneurially led management teams to develop the businesses.

It is also important to note that most of the investee companies are in the initial phase of development and are positioned for long term value creation. Thus, at present, most of them generate losses and, hence, the consolidated financial performance gets adversely affected. But this is by design and inherent to the industry where Info Edge operates. As per the Company's internal assessment, there is a gestation period of 7-10 years for any new entity in the internet space in India to become a self- sustaining enterprise with a meaningful growth path.

During FY2017, around ₹617 million was invested into the investee companies. As reported in the Annual Report for FY2016, the Company had restructured investments into investee companies by deploying an additional layer of subsidiaries that allowed greater flexibility in future funding. With this structure in pace and the changing dynamics of shareholding percentages in the investee companies, some companies that formed part of the consolidated accounts earlier are no longer in the list; while others that were not a part of consolidation process have now come into play. As examples, in FY2017, zomato.com was no longer a subsidiary company for the consolidated accounts on account of fully converted and diluted shareholder percentages; while canvera.com was added to the consolidated numbers.

Table 2 gives the status of Info Edge's investee company portfolio

> 50% of standalone sales

TABLE 2

INVESTEE COMPANY PORTFOLIO STATUS (AS ON MARCH 31, 2017)

Investee Company	Website	Aggregate amount invested (₹ Mn)	% holding on fully diluted basis*
Active			
Zomato Media Pvt Ltd.	www.zomato.com	4838	46%
Applect Learning Systems Pvt Ltd.	www.meritnation.com	**1205	59%
Etechaces Marketing and Consulting Pvt Ltd.	www.policybazaar.com	***162	****10%
Kinobeo Software Pvt Ltd.	www.mydala.com	270	42%
Canvera Digital Technologies Pvt Ltd.	www.canvera.com	288	57%
Happily Unmarried Marketing Pvt Ltd.	www.happilyunmarried.com	223	48%
Mint Bird Technologies Pvt Ltd.	www.vacationlabs.com	60	26%
Green Leaves Consumer Services Pvt Ltd.	www.bigstylist.com	124	39%
Rare Media Company Pvt Ltd.	www.bluedolph.in	74	35%
Unnati online Pvt Ltd.	www.unnatihelpers.com	40	29%
VCare Technologies Pvt Ltd.	www.dirolabs.com	40	15%
Ideaclicks Infolabs Pvt. Ltd.	ww.zippserv.com	24	29%
Sub Total		**7,348**	
Written Off/ Provisioned For/Exited			
Studyplaces Inc.	www.studyplaces.com	45	13%
Ninety Nine Labels Pvt Ltd	www.99labels.com	285	47%
Nogle Technologies Pvt Ltd	www.floost.com	26	31%
Canvera Digital Technologies Pvt Ltd.	www.canvera.com	786	-
Sub Total		**1,142**	
Total		**8,490**	

** Approximate shareholding on fully diluted and converted basis held directly or indirectly (through subsidiaries, associates or affiliates). The % shareholding may or may not translate into an equivalent economic interest on account of conditions in the investment/shareholders agreement.*
*** Including ₹237 Mn Loan*
**** Excluding ₹163 Mn monetized in Nov 2015*
***** Being Info Edge's proprtionate share of economic interest. Info Edge's 50.01% subsidiary (However the same has been considered as Joint Venture in financial statement persuant to Ind AS), Makesense holds nearly 20% of Policybazaar in assocation with Temasek. Temasek had infused a total of ₹1342 Mn for its 49.99% stake in Oct 2015.*

> 100% of standalone sales

Consolidated Financial Performance

TABLE 3

ABRIDGED CONSOLIDATED PROFIT AND LOSS (₹ MILLION)

	IND-AS	
	FY2017	FY2016
Revenue from Operations	**8,876.31**	**7,475.12**
Expenses		
Cost of materials consumed	117.62	-
Employee Benefits Expenses	4,565.52	3,823.23
Advertising and Promotion Costs	926.15	1,375.34
Administration and other expenses	1,309.02	1,103.60
Network, internet and other direct charges	186.02	251.11
II Total Expenses	**7,104.33**	**6,553.28**
EBITDA (Doing well till here)	**1,771.98**	**921.84**
Depreciation	327.61	238.1?
Other income	828.45	4,406.55
EBIT from ordinary items	**2,272.82**	**5,090.21**
Finance Cost	2.33	0.87
PBT for ordinary items	**2,270.49**	**5,089.34**
Exceptional items	323.86	322.29
PBT	**1,946.63**	**4,767.05**
Tax	477.97	573.48
PAT	**1,468.66**	**4,193.57**
Share of Profit / (loss) of associates and joint ventures	(1,895.56)	(3,015.07)
Share of Minority Interest in loss of subsidiary companies	189.48	177.17
Net Profit	**(237.42)**	**1,355.67**
Other Comprehensive Income (including share of profit/(loss) of joint venture, net of tax)	(1.14)	92.00
Total Comprehensive Income/(Loss)	**(238.56)**	**1,447.67**

* One-time gains from sale of stake in a JV and subsidiary

* sharp decline impacts profit

* This hurts

BOX 2

CONSOLIDATED — PERFORMANCE HIGHLIGHTS

- Revenue from operations increased by 18.7% to ₹8,876 million in FY2017.
- Operating EBIDTA increased by 92.2% to ₹1,772 million. EBIDTA margin improved from 12.3% in FY2016 to 20% in FY2017.
- Total Comprehensive Income- the losses were ₹239 million in FY2017. There were no major gains from sale or transfer of investments in FY2017, unlike in FY2016.

BRANDS UNDER DIRECT MANAGEMENT – STANDALONE ENTITY

Info Edge has steadily grown and developed its businesses over a period of time. On a standalone basis, for some time now it has focused on the brands described in box 3. Across the Company, there is strong emphasis on execution and all efforts are focused on nurturing the growth and maximising value creation in the existing brand portfolio.

* Segment-wise description – Read through to understand Info Edge's core interests

BOX 3 INFO EDGE'S STANDALONE BUSINESS PORTFOLIO

CORE BUSINESS

- The online recruitment business — naukri.com. The recruitment portfolio is supported by the offline executive search business, Quadrangle, and its associated portal, ***www.quadranglesearch.com.*** There is also the web portal, ***www.naukrigulf.com*** that caters to the Middle-East job markets; and the fresher hiring site, ***www.firstnaukri.com***.
- The online real estate classified business, which operates through the portal ***www.99acres.com***.

OTHER BUSINESSES

- The online matrimonial classified business, which operates through the portal ***www.jeevansathi.com.***
- The online educational classifieds business, which operates through the portal ***www.shiksha.com***

Recruitments – Naukri.com

The recruitment services business is built around naukri.com and comprises the following portals:

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

Apart from the temporary slowdown brought about by the GoI's demonetisation drive in Q3FY2017, sluggishness in the global economy and the protectionist measures being adopted in developed countries have affected the job market in India. The Naukri Jobspeak Index suggests that after the major shock in November 2016 on effect of demonitisation, hiring activity revived in end January – early February. However, the index has been volatile and suggests and uncertain environment in the job market in India. Particularly, the IT and technology sectors have been under pressure. However, in the short run, for a portal like naukri.com, such job market slowdown brings in greater activity in terms of job searches and people seeking a change. In the long term, the Company believes that the projected growth in the Indian economy will revive the job market and conditions will stabilise. Also, the Company has been consciously widening its scope to non-IT sectors and diversifying risks. Today, around 50% of its business is from sectors other than IT and ITES.

In a fairly difficult business environment, recruitment solutions, which is the Company's core business continued to deliver strong results in terms of growth in revenues and profits. This shows up in Box 4.

BOX 4 RECRUITMENT VERTICAL— PERFORMANCE HIGHLIGHTS

- Net sales from recruitment increased by 12.5% — from ₹5,290 million in FY2016 to ₹5,953 million in FY2017.
- Operating EBITDA loss for FY2017 was ₹3,214 million

The recruitment business has two major sources of revenue:

(i) From recruiters, which accounts for around 90% of revenues. The different elements include job listing/response management; employer branding / visibility, and others, such as résumé short listing and screening, career site management and campus recruitment, and non-recruitment advertising other than for jobs.

(ii) From job seekers, which relate to all job seeker advisory services, and accounts for about 10% of segment revenues.

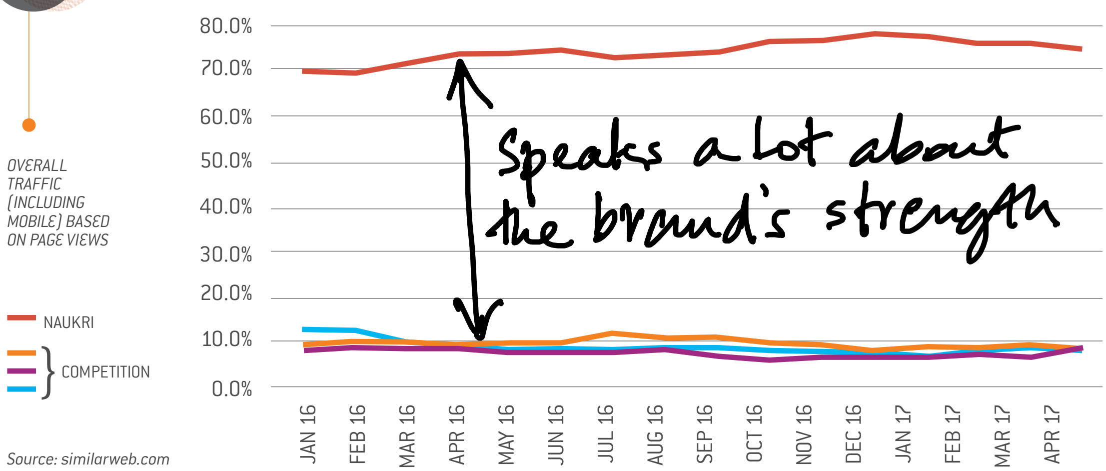
Naukri.com continues to leverage its dominant leadership positon in the market. Its growth engine is powered by the virtuous circle that its dominant positioning provides — maximum traffic resulting in most responses attracting the most clients leading to the most job postings, which in turn propels maximum traffic. This leadership position also provides the brand with healthy profits that enables better investments providing an even greater competitive edge in the market. This includes investments into product innovation, engineering, brand support, sales network, servicing back office, and hiring superior talent.

Network Effect

Chart F plots the overall traffic share for naukri.com in FY2017. It maintained a steady traffic share above 70% through the year, with the actual share increasing to around 75% by April 2017.

CHART F

NAUKRI'S INTERNET TRAFFIC SHARE (OVERALL)



Source: similarweb.com

The primary usage parameters also highlight the continuous growth of naukri.com.

- Number of résumés in naukri.com's database increased by 10.9% — from around 46 million at the end of FY2016 to 51 million at the end of FY2017.
- Number of unique customers grew by 6.7% — from 61,400 at the end of FY2016 to ₹65,500 at the end of FY2017.
- Average realisation per customer increased by 6.5% from around ₹69,000 in FY2016 to ₹73,500 in FY2017.

↑Volumes + ↑Pricing in a tough environment

In the middle of Q1FY2017, naukri.com initiated a new sales and incentive policy to help reduce discounting and increase revenues from some large customers who tend to renew at the quarter-end. In the long run this will help streamline the sales process and increase revenues. However, in the short term, a transition to this policy resulted in some deferment of sales across quarters and has had a slight adverse impact in revenues for FY2017. The negative impact will be streamlined by the second half of FY2018.

As the flagship brand, the strategy adopted by naukri.com is at the heart of Info Edge's business ethos. The focus on creating dominant leadership is driven by several other business drivers. The stress has been on 'continuous' innovation across the four pillars of the business – product, engineering, channels and services.

on a success fee model. It complements the online recruitment business. The business continues to perform creditably with little incremental investments.

- *firstnaukri.com* was launched in Q4, FY2010. The site targets at hiring fresh students from campuses. Today, much of this hiring is done offline, and the focus on this business is to convert the existing offline activities to online and build on the potential of online campus hiring. This is at a nascent stage of development.

Real Estate – 99acres.com

99acres.com derives its revenues from property listings, builders' and brokers' branding and visibility through micro-sites, home page links and banners servicing real estate developers, builders and brokers. Box 5 gives the financial performance highlights of ***99acres.com.***

BOX 5 99ACRES.COM — PERFORMANCE HIGHLIGHTS

- Net sales from 99acres.com increased by 3.67% from ₹1,083 million in FY2016 to ₹1,122 million in FY2017.
- Operating EBITDA loss for FY2017 was ₹597 million.

* Revenue streams for 99acres.com originate from:

1) Listing and branding/visibility advertisements: paid by agents and developers, currently free for individuals.
2) Others: microsites, home page links, Google Ad sense, advertising other than for real estate, buyer database access and international listings.

The usage parameters highlight some traction in revenue generating traffic in a very difficult business environment:

*
- Number of listings on 99acres.com increased by 4.9% — from around 4.1 million during FY2016 to 4.3 million in FY2017.
- Number of paid listings grew from 2.8 million during FY2016 to 2.9 million in FY2017.

Oops!

This business bore the brunt of the demonetisation drive. During Q3 FY2017 traffic to the site dropped by 40% to 45% as the entire Indian real estate sector was nearly paralysed with hard cash being driven out of the system. However, there have been encouraging signs in Q4 FY2017, with a revival in activities and enquires on the site. However, from a broader perspective, the real estate market in India continues to be sluggish having been adversely impacted by several factors. It is expected, that with demand for new homes being generally weak and unfinished projects and inventory overhang continuing in the market, the sector will take some time to rebound. Further, as provisions of the Real Estate (Regulation and Development) Act (RERA) come into effect in various states and the rules are notified under the act, a sectoral clean-up in the real estate industry will occur over the next few years. In the short-term, this will affect the industry and 99acres.com. However, in the long-term there will be benefits as the market becomes a safer place for all buyers. There are some merger and acquisition activities happening in the space and the industry is consolidating. This has reduced aggressive spending on promotions in the market and activities have returned to steady state.

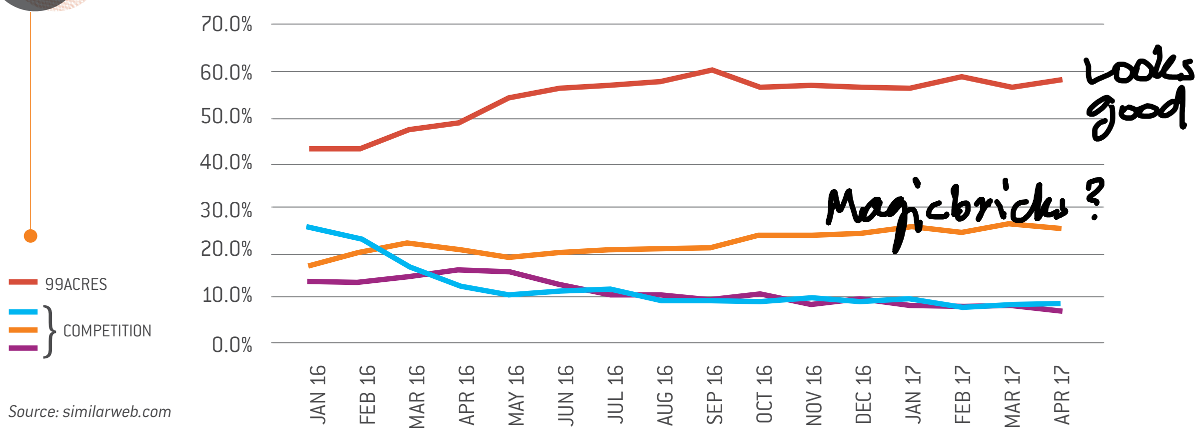
Realty prices still don't fall!

Under these conditions, much of the growth in demand will emanate from the shift of marketing spends from regular channels to the online space. The potential for this transformation is significant. Total spend of real estate advertisements in the print medium is estimated between ₹1,500 crore and ₹2,000 crore, while the online real estate classifieds market is projected to be around ₹330 crore. There is considerable scope for using online channels to narrow this gap.

* 99acres is ~ 33% of this

There has been a churn in the industry and 99acres.com has started gaining market share in terms of traffic. It has attained clear leadership status through the course of FY2017 and ended with a market share of around 60% in terms of page views. Chart H gives the data.

CHART H OVERALL TRAFFIC SHARE IN INDIAN ONLINE REAL ESTATE MARKET, PAGE VIEWS



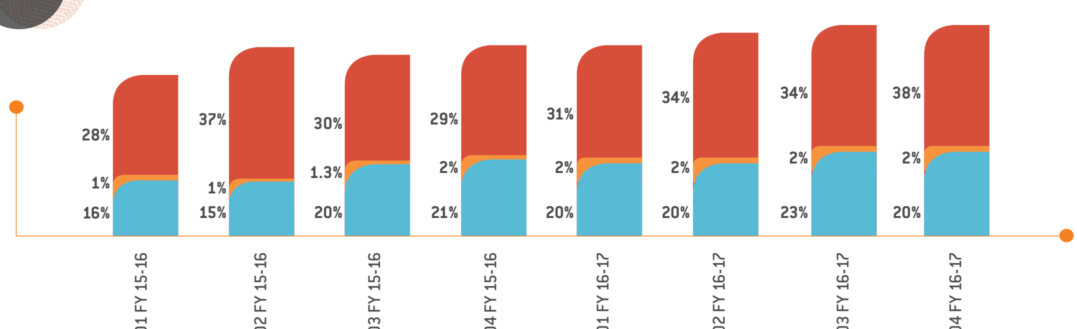
Source: similarweb.com

This leadership position has been achieved through increased investments in product aesthetics, data quality, innovation and marketing, leading to significant customer retention. Info Edge maintains its strong cash position to invest in this brand when the market conditions so demand.

Similar to the naukri experience, 99acres.com is starting to reap the benefits of market dominance. The business continues to focus on revenue growth and market share gain. It has also adopted Info Edge's innovation driven growth strategy. In terms of the product, this translates into new offerings for builders, lead optimisation and monetisation. In engineering, the stress is on effective use of analytics, verification of listings and improvements in quality of listings. From the services perspective, there is additional focus on customer responsiveness, project comparison updates and innovative payment plans. In channels, the emphasis is on personalisation and brand building, along with the efficacies of mobile presence and the html site. With a focus on effectively utilising this strategy and preserving cash for investments at the right time, the cash burn has also been reduced an operating losses have come down.

The mobile platform continues to grow for 99acres.com. Chart I plots the data over the last two years.

CHART I SHARE OF MOBILE IN 99ACRES USAGE



Matrimonial – jeevansathi.com

Jeevansathi offers a free platform for listing, searching, expressing interest and accepting others expression of interest in the online matrimonial space. These features allow growth in traffic for the website. Revenues are generated from sharing of contact details and some value added services. The online platform is supported by 10 operational offline centres where there is walk in services for matchmaking. Box 6 gives the performance highlights for this business.

BOX 6 MATRIMONIAL — PERFORMANCE HIGHLIGHTS

- Net sales from matrimonial business increased by 22% to ₹580 million in FY2017.
- Posted operating EBIDTA losses of ₹79 million.

The usage data does also highlight the steady growth in the brand. * More matches are being made online

- Profile listings increased from 7.6 million at the end of FY2016 to 8.5 million by the end of FY2017 — an increase of 11.8%
- Average number of profiles acquired daily grew by 9.4% from 2,184 in FY2016 to 2,390 in FY2017.

In 2013, ASSOCHAM had projected it to reach Rs 15 billion by FY17, Mkt seems to have stagnated

The Indian online matrimonial market was estimated to be around ₹5.5 billion to ₹6 billion in FY2016. The nature of the market is so fragmented in terms of geography and communities that there is scope for several niche services. A generic pan-India model cannot gain complete market dominance. The online matrimony space is used primarily by those who are disconnected from mother communities and youngsters seeking choice. Thus, the service packages for online play in the Indian matrimonial market is very different from the localised offline matchmaking services. In most instances, it is actually family members and parents who drive traffic on to these sites. This segment is largely unaffected by macroeconomic developments. However, demonetisation did have some negative impact for a transient period as cash uncertainties delayed marriage preparations.

In terms of market share, jeevansathi.com is positioned third in the Indian market. However, each of the leading players have focused regional markets. The overall leader has strong presence in south India and the NRI community from that region. The number two player has strength in states like Gujarat and Punjab and among the NRIs of that region. Jeevansathi.com has leadership among certain north Indian communities and states. However, there are also certain overlaps among the three players.

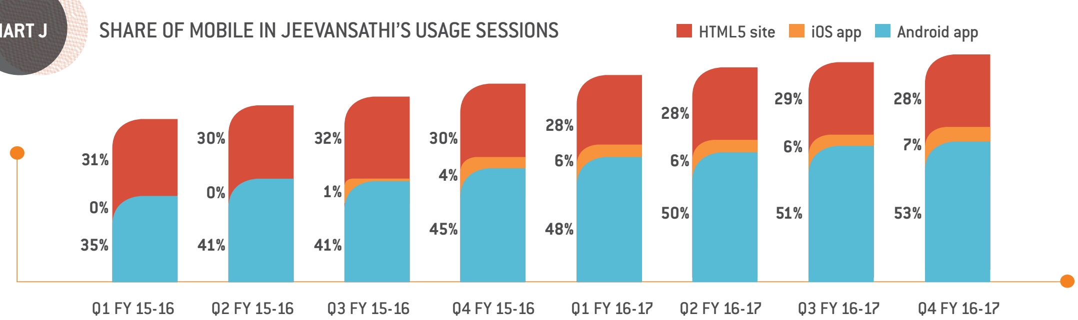
* Shaadi & Bharatmatrimony lead the mkt

In this market dynamics, jeevansathi.com focuses on certain specific communities and is focused on achieving certain specific strategic imperatives:

- Improve free to paid conversion rate
- Improve revenue growth rates
- Increase profile acquisitions
- Focus on key identified communities
- Leverage mobile

The business has been working steadily to improve its mobile penetration. This included improving the customer experience on the mobile platform and enhancing the accessibility of the site through mobile. Chart J shows the gradual increase of the mobile platform in sessions of jeevansathi.com – from 79% in Q4 FY2016 to 88% in Q4 FY2017.

CHART J SHARE OF MOBILE IN JEEVANSATHI'S USAGE SESSIONS



Education – shiksha.com (Smallest core business)

Shiksha – the newest business in Info Edge's stand-alone portfolio – is still going through an initial phase of development. This involves gaining deeper understanding of the nuances in the online education classifieds market and morphing the product and services to create value to customers. The focus is on evolving the website as a trend-setting product with a clear market differentiation. Shiksha is in a process of incubation. Product and market developments are being undertaken in a planned and calibrated manner with optimal utilisation of capital.

Shiksha has been strategically positioned as a website which helps students decide undergraduate and postgraduate options, by providing useful information on careers, exams, colleges and courses. The site generates revenues from the following sources:

1) Branding and advertising solution for colleges and universities (UG, PG, post-PG). It has got advertising revenues from both Indian and foreign entities.
2) Lead generation: Potential student/applicants details are bought by colleges and their agents. Full counselling services are provided for international university partners.

Prospective students have free access to all information on this site. Box 7 gives the financial highlights of this brand during FY2017.

BOX 7 EDUCATION — PERFORMANCE HIGHLIGHTS

- Net sales from shiksha.com increased by 11% to ₹365 million in FY2017.
- Operating EBITDA loss for FY2017 was ₹37 million

Traditionally, education has very high spends in the print media. There is considerable opportunity in transiting users from print to digital. Shiksha's business strategy is based on the foundation of four pillars.

- First, is to build differentiated and useful content. Through this, it intends to provide more useful and improvement information on colleges and courses for different streams. In doing so, it will stress on utilising user generated content like Q&A with the community, experts and campus representatives; college reviews; and interactive student tools.
- Second, is to create strong mobile experience. This includes full feature mobile sites for domestic and study abroad. It also includes development of full version applications with personalised experience.
- Third, is to promote new user growth. This is being done by providing updated course architecture, and also providing details about courses beyond the regular engineering and MBA opportunities.
- Fourth, is to focus on key account development. This includes providing innovative branding and student engagement solutions, creation of applications for international clients, and emphasis on deeper key account management by the sales team.

INVESTEE COMPANIES

Having preserved cash for any unforeseen use, Info Edge utilises some of the surplus to invest into new entities that have scalable potential and follow the basic ethos of Info Edge. These are typically in early stage ventures and their subsequent rounds of funding for growth. Consequently, most of these companies are still in investment stage and are loss-making.

The objectives of this investment strategy are: (i) to support the growth of new ideas nurtured by a team with entrepreneurial drive, (ii) gain financially from the success stories that generate value, and (iii) bring such enterprises into the Info Edge fold, if such opportunities arise in future. The financial performance of these companies is given in Table 4.

TABLE 4

REVENUES AND OPERATING PROFITS OF THE INVESTEE COMPANIES

₹ Mn

Investee Company	Website	Operating Revenue		Operating EBITDA	
		FY16	FY17	FY16	FY17
Partly owned subsidiary					
Applect Learning Systems Pvt Ltd.	www.meritnation.com	287.09	362.99	(415.00)	(225.84)
Canvera Digital Technologies Pvt Ltd.	www.canvera.com	557.27	488.91	(334.11)	(270.19)
Joint Ventures					
Zomato Media Pvt Ltd.	www.zomato.com				
Etechaces Marketing and Consulting Pvt Ltd.*	www.policybazaar.com				
Kinobeo Software Pvt Ltd.	www.mydala.com				
Happily Unmarried Marketing Pvt Ltd.	www.happilyunmarried.com	3,899.73	5,791.88	(6,070.07)	(2,128.73)
Mint Bird Technologies Pvt. Ltd.	www.vacationlabs.com				
Green Leaves Consumer Services Pvt. Ltd.	www.bigstylist.com				
Rare Media Company Pvt. Ltd.	www.bluedolph.in				
Ideaclicks Infolabs Private Ltd.	www.zippserv.com				
Unnati Online Pvt Ltd.	www.unnatihelpers.com				
VCare Technologies Pvt. Ltd.	www.dirolabs.com				
Total		**4,744.09**	**6,643.78**	**(6,819.18)**	**(2,624.76)**

↑ Revenue ↓ Losses

Good

*Associate of our joint venture "Makesense Technologies Ltd"

Above numbers are based on IndAS.

Among these investments, two are starting to gain considerable traction — Zomato Media Private Limited and Etechaches Marketing and Consulting Private Limited that runs policybazaar.com

* **Zomato** (Personally, best in its industry)

This is the online restaurant discovery and food ordering business. It has clear leadership in India and UAE, which is considered its home market. Today, directly or through acquisitions, it has a presence in 23 countries including India, UK, Canada, Czech Republic, Slovakia, Poland, Portugal, UAE, NZ, South Africa, Turkey, Philippines, Indonesia, Italy, Brazil, Ireland, Qatar, Sri Lanka, Chile, Australia, US, Lebanon and Malaysia.

The business recorded around 120 million sessions in March, 2017. Of these, over 75% were through mobile (web and app). Today, it has a database of 1.27 million restaurants across the world.

The business model focuses on the following: → looks a big number

1. Advertising
   - Banner ads on web and mobile apps relevant to a user's search of restaurants in an area.
   - Events, sponsored spots in collections and corporate tie-ups.
2. - Digitise restaurant menus, provide relevant information (including map coordinates, pictures etc.).
   - Regular data updating through feet on street beats.
3. Generate ratings and reviews and enable picture uploads from users.
4. Provide a 'wow' user experience by:
   - Search capabilities by location, cuisine, dish names.
   - Convenience through a high quality mobile app.
5. Food ordering on the web and mobile app
   - Online food ordering launched in India and UAE (Dubai and Abu Dhabi) from FY2016.
     - Delivery done by restaurant or by Zomato's logistics partners.
     - Around 2 million plus orders processed in March 2017.
6. Table reservation active in 10 cities in India, UAE, Australia and the Philippines.
7. Table reservations (Zomato Book) across eight cities globally.

The business recorded revenues of ₹3,323 million in FY2017. It had Operating EBIDTA losses of ₹1519 million.

↑ 80% YoY ↓ 66% YoY

* Other key investee businesses

Policybazaar

Policybazaar is India's financial online supermarket. It provides for online price comparison site of financial products; mainly for insurance, and is expanding fast into other financial products (Paisabazaar). It is a clear value add to individuals and financial institutions and is a leader in its category with estimated 90% share of Insurance comparison services and 40% of online Insurance transactions. It has potential to penetrate a large untapped and growing market, as less than 4% of the Indian population is insured. Other financial products like home loans, car loans and personal loans are also being added for inter-se comparison of financial products prior to purchase. The business has been partially affected due to regulatory issues. Even so, it is growing; and it is laying emphasis on distance marketing and advertising.

Info Edge has invested ₹325 million in Etechaces Marketing & Consulting Private Limited. But with other partners investing further, Info Edge's interests in the business has reduced to 10% economic stake. Tiger Global, Intel Capital, Temasek and Premji Invest are the co-investors.

Meritnation

Info Edge has invested ₹968 million for around 59% stake in Applect Learning Systems Private Limited. Further, ₹237 million has been given as loan. Applect has launched a site called meritnation.com, which is delivering kindergarten to Class 12 (K-12) study material. The site is managed by an experienced team that specialises in content development and assessment modules in the education space, and has a strong commitment to delivery. It provides:

- Supplementary online learning platform for K-12 and Entrance Exams. These involve: proprietary content, freemium models; and direct to consumer.
- Provides free solutions mainly in mathematics and science for K-12 for the popular Indian curriculums viz. CBSE and ICSE and some State Boards; as well as free solutions restricted to popular text books and user generated content.
- Paid product for online assessment and teaching solutions which provides resources to kids for self-study after school; as well as the option for live online tuition classes.
- Expanding offline centres.
- Test prep product for engineering and medical entrance examinations.
- On-line live classes.

These services have been augmented by a mobile app and offline model. In FY2017, around 55% to 60% of the traffic came from mobile platforms. Today, it has over 10 million registered users.

Canvera

It produces printed wedding albums for professional photographers, and has recently added a section for consumers called 'Yougraphy'. The business model is about building the brand with the consumer but monetise through the professional photographer. The products and services include: (i) printed products (albums) sold to the photographer (main source of revenue); (ii) design of printed products and websites (service business that supports the product business); (iii) web solutions to help professional photographer build their website (through SaaS); and (iv) lead generation through photographer classifieds (new offering that could explore a monetisation possibility).

The business is about leveraging the company's expertise in digital imaging and printing. From a revenue perspective, the photographers pay to order printed albums or photographs. Additional sources of monetisation are possible through the micro site. It has a sales presence in more than 200 cities.

MyDala

It is a deals and couponing site with large sales team which sources deals. They also power deals on the mobile, partnering with telecom operators. The business is making efforts to evolve into a merchant marketing platform on web and mobile, with majority of its revenues from mobile. It has about 50 million visitors and 5 million transacting customers every month.

MANAGERIAL REMUNERATION

Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

Name of Director	Designation	Remuneration of Director/ KMP for FY2016-17 (₹ in million)	% increase in remuneration in the FY 2016-17	Ratio of Remuneration of each Director/ to median remuneration of employees
Mr. Kapil Kapoor	Non-Executive Chairman	1.00	42.86%[&]	2.27
Mr. Arun Duggal	Non-Executive, Independent Director	1.55	(11.43)%[&]	3.52
Mr. Sanjeev Bikhchandani	Promoter, Executive Vice-Chairman	18.29	0.88%	41.57
Mr. Hitesh Oberoi	Promoter, Managing Director & CEO	18.09	(0.77)%	41.11
Mr. Chintan Thakkar	Whole Time Director & CFO	18.02	14.70%[$]	40.95
Mr. Saurabh Srivastava	Non-Executive, Independent Director	2.48	60.00%[&]	5.64
Mr. Naresh Gupta	Non-Executive, Independent Director	1.98	13.14%[&]	4.50
Ms. Bala Deshpande	Non-Executive, Independent Director	1.30	(7.14)%[&]	2.95
Mr. Sharad Malik	Non-Executive, Independent Director	1.63	12.41%	3.70
Mr. MM Jain	Company Secretary	2.93	25.21%	6.66

[&] *The non-executive/independent directors are paid sitting fees & commission basis their attendance at the Board/Committee Meetings. The variation in their remuneration is on account of increase in the amount of sitting fee/commission payable to them pursuant to the approval of the Board of Directors in its meeting held on May 25, 2016 within the overall limits approved by the Shareholders in their meeting held on July 25, 2016 within the permissible limits under the Companies Act, 2013.*

[$] *Mr. Chintan Thakkar's remuneration was revised by the Board, on the recommendation of the Nomination & Remuneration Committee, in its meeting held on January 30, 2017 effective April 1, 2016, in accordance with the authority granted by shareholders in their meeting held on July 27, 2015.*

* Peanuts, compared to what founders of, say, Flipkart pay themselves

The percentage increase in the median remuneration of employees in the financial year.
The percentage increase in the median remuneration of the employees of the Company during the financial year is 26.5% as compared to last year.

The number of permanent employees on the rolls of the Company.
3892

Average percentile increase already made in the salaries of the employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.
The average increase in salaries of employees other than managerial personnel in 2016-17 was around 10%. Percentage increase in the managerial remuneration paid for the year was 4.47%.

Affirmation that the remuneration is as per the remuneration policy of the Company.
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

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

ESOP-2015: This is a new Scheme introduced by the Company to provide equity-based incentives to Employees of the Company i.e. the Options granted under the Scheme may be in the form of ESOPs / SARs / other Share-based form of incentives. The Company shall issue a maximum of 40 lac Options exercisable into equity shares of the Company. The scheme is currently used by the Company to make fresh ESOP/SAR grants.

BALANCE SHEET AS AT MARCH 31, 2017 (Standalone)

Particulars	Notes	As at March 31,2017 (₹ Mn)	As at March 31,2016 (₹ Mn)	As at April 01,2015 (₹ Mn)
ASSETS				
Non-current assets				
Property, plant and equipment	3 (a)	586.03	725.33	637.66
Intangible assets	3 (b)	12.88	19.90	22.41
Intangible assets under development	3 (b)	3.35	3.35	-
Investment property	3 (c)	-	271.59	274.78
Financial assets				
(i) Investments	4 (a)	7,408.58	6,170.41	5,858.46
(ii) Other financial assets	4 (f)	212.67	1,596.88	102.85
Non-current tax assets (net)	7	688.76	179.73	20.36
Deferred tax assets (net)	5	295.18	492.41	386.00
Other non-current assets	6	61.31	72.61	67.40
Total non-current assets		**9,268.76**	**9,532.21**	**7,369.92**
Current Assets				
Financial assets				
(i) Investments	4 (b)	2,162.12	374.38	9,037.78
(ii) Trade receivables	4 (c)	75.31	121.39	101.66
(iii) Cash and cash equivalents	4 (d)	472.73	447.41	356.00
(iv) Bank balances other than (iii) above	4 (d)	2,435.33	1,045.39	1,491.74
(v) Loans	4 (e)	246.76	44.08	24.27
(vi) Other financial assets	4(f)	9,389.33	9,950.88	1,920.82
Other current assets	6	111.50	88.14	67.83
Total current assets		**14,893.08**	**12,071.67**	**13,000.10**
Total assets		**24,161.84**	**21,603.88**	**20,370.02**
Equity & Liabilities				
Equity				
Equity share capital	8	1,210.81	1,207.15	1,200.80
Other equity	9	18,620.30	16,742.43	15,994.08
Total equity		**19,831.11**	**17,949.58**	**17,194.88**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	10(a)	3.57	3.79	2.82
(ii) Trade payables	10(c)	38.30	37.87	41.69
Other non-current liabilities	12	10.40	26.47	30.20
Total non-current liabilities		**52.27**	**68.13**	**74.71**
Current liabilities				
Financial liabilities				
(i) Trade payables	10(c)	417.78	269.96	340.28
(ii) Other financial liabilities	10(b)	4.50	4.40	4.21
Provisions	11	416.10	428.58	258.26
Other current liabilities	12	3,440.08	2,883.23	2,497.68
Total current liabilities		**4,278.46**	**3,586.17**	**3,100.43**
Total liabilities		**4,330.73**	**3,654.30**	**3,175.14**
Total equity and liabilities		**24,161.84**	**21,603.88**	**20,370.02**

* Negative working cap. Infact, Trade Payables not just fund Receivables, but also a Large part of fixed assets. Free float → Moat

80% of B/S is Equity

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Registration Number: 007567S/S-200012
Chartered Accountants

Abhishek Rara
Partner
Membership Number 077779

Place : Noida
Date : May 29, 2017

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Chintan Thakkar
Director & CFO

M. M. Jain
Company Secretary

* Overall a clean & Lean B/S
↳ Negative working cap.
↳ Zero debt

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2017

Particulars	Notes	Year ended March 31, 2017 (₹ Mn)	Year ended March 31, 2016 (₹ Mn)
Income			
Revenue from operations ↑ 12%	13	8,021.06	7,176.07
Other income	14	625.23	785.02
I Total Income		**8,646.29**	**7,961.09**
Expenses			
Employee benefits expense (Biggest cost head; 47% of sales)	15	3,751.58	3,354.43
Finance costs	16	1.00	0.77
Depreciation and amortisation expense	17	240.55	209.63
Advertising and promotion cost (11% of sales)	18	880.53	1,318.41
Administration and other expenses	19	941.47	918.21
Network, internet and other direct charges	20	172.58	229.70
II Total Expense		**5,987.71**	**6,031.15**
III. Profit before exceptional items and tax (I-II)		**2,658.58**	**1,929.94**
IV. Exceptional items	36	39.84	114.58
V. Profit before tax (III-IV)		**2,618.74**	**1,815.36**
PBT Margin		33%	25%
VI. Income tax expense			
(1) Current tax- (current year)	41	770.62	684.23
(2) Current tax- (previous years)		(393.14)	(13.64)
(3) Deferred tax		197.23	(106.41)
Total tax expense		**574.71**	**564.18**
VII. Profit for the year (V-VI)		**2,044.03**	**1,251.18**
Other comprehensive income (OCI)			
(A) Items that will be reclassified to profit or loss		-	-
(B) Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligation		(7.18)	(13.23)
Income tax relating to this		2.48	4.58
Other comprehensive income for the year, net of income tax		**(4.70)**	**(8.65)**
Total comprehensive income for the year ↑ 64%		**2,039.33**	**1,242.53**
Net Margin		25%	17%
Earnings per share:			
Basic earnings per share		16.91	10.40
Diluted earnings per share		16.81	10.31

The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Registration Number: 007567S/S-200012
Chartered Accountants

Abhishek Rara
Partner
Membership Number 077779

Place : Noida
Date : May 29, 2017

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Chintan Thakkar
Director & CFO

M. M. Jain
Company Secretary

 * All looks good here too

STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2017

S.No.	Particulars	Year ended March 31, 2017 (₹ Mn)	Year ended March 31, 2016 (₹ Mn)
A.	**Cash flow from operating activities:**		
	Profit before exceptional item and tax	**2,658.58**	**1,929.94**
	Adjustments for:		
	Depreciation and amortisation expense	240.55	209.63
	Lease Equalisation charges	(1.46)	(5.26)
	Finance cost	1.00	0.77
	Interest income from financial assets measured at amortised cost		
	- on fixed deposits with banks	(844.89)	(531.07)
	- on other financial assets	(67.63)	(37.87)
	Dividend income from financial assets measured at FVTPL	(41.06)	(200.59)
	Loss/(gain) on sale of property, plant & equipment and investment property (net)	(29.09)	1.40
	Net gain on disposal of financial assets measured at FVTPL	394.07	139.77
	Net loss on financial assets mandatorily measured at FVTPL	(15.89)	(135.15)
	Unwinding of discount on security deposits	(7.18)	(5.93)
	Interest income on deposits with banks made by ESOP Trust	(13.18)	(13.02)
	Bad debt/provision for doubtful debts	3.58	0.04
	Share based payments to employees	259.75	174.24
	Operating profit before working capital changes	**2,537.15**	**1,526.90**
	Adjustments for changes in working capital :		
	- Decrease/(Increase) in Trade receivables	42.50	(19.77)
	- Decrease/(Increase) in Other Non Current Financial Assets	10.77	(15.39)
	- Increase in Other Current Financial Assets	(75.07)	21.16
	- Decrease/(Increase) in Other Non- Current asset	6.97	(7.21)
	- Decrease/(Increase) in Other Current asset	(23.36)	(20.31)
	- Increase/(Decrease) in Trade payables	147.16	(63.02)
	- Increase in Short-term provisions	(19.66)	127.67
	- Increase/(Decrease) in Other long term liabilities	(16.07)	(7.55)
	- Increase in Other current liabilities	557.01	385.20
	Cash generated from operations	**3,167.40**	**1,927.68**
	- Taxes Paid (Net of TDS)	(884.11)	(825.38)
	Net cash inflow from operations (Almost same as Net profit)	**2,283.29**	**1,102.30**
B.	**Cash flow from Investing activities:**		
	Purchase of fixed property, plant and equipment	(88.97)	(295.08)
	Loan to related parties	(222.49)	(27.93)
	Investment in fixed deposits (net)	(168.37)	(7,917.85)
	Amount paid on acquisition of subsidiary and associate companies	(1,885.65)	(2,336.86)
	Payment for purchase of investments	(9,065.26)	(11,000.96)
	Proceeds from sale of investments	7,294.69	19,711.46
	Proceeds from sale of property, plant and equipment	4.98	2.04
	Proceeds from sale of investment property	20.00	-
	Repayment of loans by related parties	28.86	8.12
	Interest received	790.04	293.88
	Dividend received	41.06	200.59
	Proceeds from sale of investment in subsidiary and associate companies	1,411.81	1,013.39
	Net cash outflow from investing activities	**(1,839.30)**	**(349.20)**
C.	**Cash flow from financing activities:**		
	Proceeds from allotment of shares	19.31	63.24
	Proceeds from borrowings	6.31	6.31
	Repayment of borrowings	(6.43)	(5.16)
	Interest paid	(1.01)	(0.77)
	Dividend paid to company's shareholders	(362.84)	(602.46)
	Dividend tax paid	(74.01)	(122.85)
	Net cash outflow from financing activities	**(418.67)**	**(661.69)**
	Net increase in cash & cash equivalents	**25.32**	**91.41**
	Opening balance of cash and cash equivalents (April 01, 2016/April 01, 2015)	**447.41**	**356.00**
	Closing balance of cash and cash equivalents	**472.73**	**447.41**
	Cash and cash equivalents comprise		
	Cash in hand	4.16	6.36
	Balance with scheduled banks		
	-in current accounts (Refer Note no 2 below)	458.11	415.61
	-in fixed deposits accounts with original maturity of less than 3 months	10.46	25.44
	Total cash and cash equivalents	**472.73**	**447.41**
	-in fixed deposits accounts with original maturity of more than 3 months	10,749.91	10,580.79
		11,222.64	**11,028.20**

Notes :

1. The above Cash Flow Statement has been prepared under the Indirect method as set out in IND AS - 7 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], as amended.
2. Figures in brackets indicate cash outflow.

The above statement of cash flows should be read in conjunction with the accompanying notes.

This is the statement of cash flows referred to in our report of even date.

* Free Cash Flow — ↑ 172% YoY
(CFO - Capex)

For Price Waterhouse & Co Bangalore LLP
Registration Number: 007567S/S-200012
Chartered Accountants

Abhishek Rara
Partner
Membership Number 077779

Place : Noida
Date : May 29, 2017

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Chintan Thakkar
Director & CFO

M. M. Jain
Company Secretary

* Clean B/S

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Notes	As at March 31,2017 (₹ Mn)	As at March 31,2016 (₹ Mn)	As at April 01,2015 (₹ Mn)
ASSETS				
Non-current assets				
Property, plant and equipment	3 (a)	625.61	763.47	658.70
Capital work in progress		0.37	-	3.48
Intangible assets	3 (b)	233.30	20.24	23.15
Intangible assets under development	3 (b)	9.66	3.35	3.35
Investment property	3 (c)	292.28	271.59	274.78
Goodwill	3 (b)	421.92	36.95	116.21
Investments accounted for using the equity method	30	3,347.21	5,029.26	3,042.74
Financial assets				
(i) Other financial assets	4 (e)	226.17	1,601.52	168.53
Non Current tax assets (net)	7	689.70	179.73	20.36
Deferred tax assets	5	343.81	513.07	410.83
Other non-current assets	6	62.87	73.60	68.25
Total non-current assets		**6,252.90**	**8,492.78**	**4,790.38**
Current Assets				
Inventories	9	8.62	-	-
Financial assets				
(i) Investments	4 (a)	2,162.12	374.38	9,037.78
(ii) Trade receivables	4 (b)	85.20	125.72	112.49
(iii) Cash and cash equivalents	4 (c)	556.05	490.89	385.54
(iv) Bank balances other than (iii) above	4 (c)	2,476.17	1,050.39	1,491.74
(v) Loans	4 (d)	10.06	10.13	0.02
(vi) Other financial assets	4(e)	8,858.00	8,547.99	1,433.76
Current tax assets (net)	7	54.51	59.19	60.64
Other current assets	6	125.92	94.42	75.21
Assets classified as held for sale	8	11.18	8.88	-
Total current assets		**14,347.83**	**10,761.99**	**12,597.18**
Total assets		**20,600.73**	**19,254.77**	**17,387.56**
Equity & Liabilities				
Equity				
Equity share capital	10	1,210.81	1,207.15	1,200.80
Other equity	11	14,713.71	14,218.92	12,732.32
Total equity		**15,924.52**	**15,426.07**	**13,933.12**
Non Controlling Interest	30	(153.91)	(177.17)	-
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	12(a)	3.69	3.79	2.82
(ii) Trade payables	12(c)	38.30	37.87	41.69
Provisions	13	24.98	8.56	7.01
Other non-current liabilities	14	37.43	61.66	57.39
Deferred tax liabilities	15	75.30	-	-
Total non-current liabilities		**179.70**	**111.88**	**108.91**
Current liabilities				
Financial liabilities				
(i) Trade payables	12(c)	524.95	327.78	413.08
(ii) Other financial liabilities	12(b)	6.05	4.40	4.21
Provisions	13	420.98	432.06	278.83
Other current liabilities	14	3,698.44	3,129.75	2,649.41
Total current liabilities		**4,650.42**	**3,893.99**	**3,345.53**
Total liabilities		**4,830.12**	**4,005.87**	**3,454.44**
Total equity and liabilities		**20,600.73**	**19,254.77**	**17,387.56**

* Negative Working capital here too

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Registration Number: 007567S/S-200012
Chartered Accountants

Abhishek Rara
Partner
Membership Number 077779

Place : Noida
Date : May 29, 2017

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Chintan Thakkar
Director & CFO

M. M. Jain
Company Secretary

Sanjeev Bikhchandani
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2017

Particulars		Year ended March 31, 2017 (₹Mn)	Year ended March 31, 2016 (₹Mn)
Income			
Revenue from operations ↑ 19%.	16	8,876.31	7,475.12
Other income	17	828.45	4,406.55
I Total Income Sharp decline owing to absence of Large one-time gains, like recorded in FY16		**9,704.76**	**11,881.67**
Expenses			
Cost of materials consumed	18	117.62	-
Employee benefits expense	19	4,565.52	3,823.23
Finance costs	20	2.33	0.87
Depreciation and amortisation expense	21	327.61	238.18
Advertising and promotion cost		926.15	1,375.34
Administration and other expenses	23	1,309.02	1,103.60
Network, internet and other direct charges	24	186.02	251.11
II Total Expenses		**7,434.27**	**6,792.33**
III Profit before exceptional items, share of net losses of investments accounted for using equity method and tax (I-II)		**2,270.49**	**5,089.34**
IV Share of net losses of joint ventures accounted for using the equity method	30	(1,895.56)	(3,015.07)
V Profit before exceptional items and tax (III+IV)		**374.93**	**2,074.27**
VI Exceptional items	36	323.86	322.29
VII. Profit before tax (V-VI)		**51.07**	**1,751.98**
Income tax expense	41		
(1) Current tax- (Current year)		771.34	688.64
(2) Current tax- (previous years)		(393.14)	(12.76)
(3) Deferred tax		99.77	(102.40)
VIII. Total Tax expense		**477.97**	**573.48**
IX. Profit/(loss) for the year (VII-VIII)		**(426.90)**	**1,178.50**
Other comprehensive income (OCI)			
(A) Items that will be reclassified to profit or loss		-	-
Share of other comprehensive income of joint ventures accounted for using the equity method	30	-	100.31
(B) Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligation	33	(5.14)	(12.74)
Share of other comprehensive income of joint ventures accounted for using the equity method	30	1.64	-
Income tax relating to these items		2.36	4.43
Other comprehensive income for the year, net of income tax		**(1.14)**	**92.00**
Total comprehensive income for the year (First Loss in more than a decade)		**(428.04)**	**1,270.50**
Profit attributable to			
Owners of Info Edge (India) Limited		(236.61)	1,355.80
Non-Controlling interests		(190.29)	(177.30)
		(426.90)	**1,178.50**
Other comprehnsive income is attributable to			
Owners of Info Edge (India) Limited		(1.95)	91.87
Non-Controlling interests		0.81	0.13
		(1.14)	**92.00**
Total comprehensive income is attributable to			
Owners of Info Edge (India) Limited		(238.56)	1,447.67
Non-Controlling interests		(189.48)	(177.17)
		(428.04)	**1,270.50**
Earnings per share:			
Basic earnings per share	26	**(1.96)**	**11.27**
Diluted earnings per share		**(1.96)**	**11.17**

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

This is the consolidated statement of profit and loss referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Registration Number: 007567S/S-200012
Chartered Accountants

Abhishek Rara
Partner
Membership Number 077779

Place : Noida
Date : May 29, 2017

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Chintan Thakkar
Director & CFO

M. M. Jain
Company Secretary

Sanjeev Bikhchandani
Director

* P&L impacted in FY17, but cash flows remain strong

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

S.No.	Particulars	Year ended March 31, 2017 Amount (₹Mn)	Year ended March 31, 2016 Amount (₹Mn)
A.	**Cash flow from operating activities:**		
	Profit /(Loss) for the period after exceptional item and tax	**374.93**	**2,074.27**
	Adjustments for:		
	Depreciation and amortisation expense	327.61	238.18
	Interest income on fixed deposits with banks	(851.90)	(541.19)
	Interest income on deposits with banks made by ESOP Trust	(13.18)	(13.02)
	Interest income from other financial assets	(0.21)	(0.39)
	Dividend income from financial assets measured at FVTPL	(41.06)	(200.59)
	Net gain on disposal of financial assets measured at FVTPL	51.50	154.39
	Net gain on disposal of property, plant & equipment and Investment property	(2.21)	(0.03)
	Net loss on disposal of investments	47.01	(201.49)
	Unwinding of discount on security deposits	(9.14)	(6.32)
	Liabilities written back to the extent no longer required	(6.96)	(19.29)
	Provision for doubtful debts written back	-	(3.76)
	Gain on loss of control in subsidiary	-	(1,259.27)
	Gain on reduction in stake in joint venture	-	(2,314.82)
	Bad debts /provision for doubtful debts	7.98	0.04
	Share based payment to employees	340.17	201.34
	Share of net losses of joint ventures accounted for using the equity method	1,895.51	3,015.07
	Adjustment due to conversion of joint venture into subsidiary	306.08	-
	Operating profit before working capital changes	**2,426.13**	**1,123.13**
	Adjustments for changes in working capital :		
	- Decrease/(Increase) in Trade receivables	28.27	(9.51)
	- Decrease/(Increase) in Loans	0.07	(10.11)
	- (Increase) in Inventories	1.07	-
	- (Increase) in Other Financial Assets (Current)	(59.55)	24.64
	- Decrease/(Increase) in other financial assets (Non- Current)	3.87	(14.43)
	- Decrease/(Increase) in Other Non- Current assets	6.40	(5.73)
	- (Increase) in Other Current assets	(31.50)	(19.23)
	- (Increase) in Assets classified as held for sale	(2.30)	(8.88)
	- Increase/(Decrease) in Trade payables	105.30	(69.84)
	- Increase in provisions	5.33	125.07
	- Increase in Other financial liabilities	(2.75)	0.19
	- Increase in Other current liabilities	562.70	480.35
	- Increase in Other non current liabilities	(24.23)	4.27
	Cash generated from operations	**3,018.81**	**1,619.93**
	- Income taxes paid	(886.25)	(838.23)
	Net cash inflow from operations	**2,132.56**	**781.70**
B.	**Cash flow from Investing activities:**		
	Purchase of property, plant and equipment	(162.77)	(336.95)
	Purchase of investment property	(24.28)	-
	Payment for purchase of stake in joint control	(214.34)	(2,052.38)
	Payment for purchase of investments	(9,180.94)	(11,000.96)
	Proceeds from sale of investments	7,294.69	19,711.46
	Maturity of/(Investment in) fixed deposits (net)	(204.53)	(7,863.35)
	Proceeds from disposal of property, plant and equipments	7.30	4.76
	Dividend Received	41.06	200.59
	Interest Received	794.05	308.20
	Amount received on disposal of investments in joint venture	-	1,013.39
	Net cash outflow from investing activities	**(1,649.76)**	**(15.25)**
C.	**Cash flow from financing activities:**		
	Proceeds from allotment of shares	19.31	63.24
	Proceeds from borrowing	-	0.97
	Repayment of borrowings	(0.10)	-
	Dividend paid to company's shareholders	(362.84)	(602.46)
	Dividend tax paid	(74.01)	(122.85)
	Net cash outflow from financing activities	**(417.64)**	**(661.10)**
	Net increase in cash & cash equivalents	**65.16**	**105.35**
	Opening balance of cash and cash equivalents (April 01, 2016/April 01, 2015)	**490.89**	**385.54**
	Closing balance of cash and cash equivalents	**556.05**	**490.89**

FCF ↑ 340%

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

This is the consolidated statement of cash flows referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Registration Number: 007567S/S-200012
Chartered Accountants

Abhishek Rara
Partner
Membership Number 077779

Place : Noida
Date : May 29, 2017

For and on behalf of the Board of Directors

Hitesh Oberoi
Managing Director

Chintan Thakkar
Director & CFO

M. M. Jain
Company Secretary

Sanjeev Bikhchandani
Director

* Concluding Remarks - Info Edge

1. Benefits from Network Economics -

Most Jobs → Most Traffic → Most Resumes → Most Recruiters → Most Jobs

2. Core business remains strong, though investee business pain persists. Need to keep close watch on how these investees do (esp. zomato).
3. Strong cash cusion, thanks to management's conservatism, plus negative working cap. nature of business and limited capex needs.
4. Rising Internet penetration & usage provide growth opportunities, even though businesses have low entry barriers. Loss-making business investments add to some concern.
5. Management quality & disclosure levels remain excellent.
6. In investment phase, so P/E won't be a good valuation metric. Mkt cap ~ $ 2 billion, lower than cash burning peers like Flipkart (though not strictly comparable)

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Disclosure – NOT Invested