

Limited Review Report – Ind AS Standalone Financial Results

**Review Report to
The Board of Directors
Info Edge (India) Limited**

1. We have reviewed the accompanying statement of unaudited Ind AS standalone financial results of Info Edge (India) Limited (the ‘Company’) for the quarter ended September 30, 2018 and year to date from April 01, 2018 to September 30, 2018 (the “Statement”) attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Regulation’), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (‘the Circular’).
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Yogesh Midha

Partner

Membership No.: 94941

Place: Noida

Date: October 30, 2018

Info Edge (India) Limited						
Regd. Office : Ground Floor, GF-12A, 94, Meghdoot Building, Nehru Place, New Delhi - 110019						
CIN : L74899DL1995PLC068021 ,Tel no. : 0120-3082000 , Fax : 0120-3082095 ,URL : www.infoedge.in , Email : investors@naukri.com						
STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018						
PART I						
Amount in ₹(Mn)						
Particulars	3 months ended 30/09/2018	Preceding 3 months ended 30/06/2018	Corresponding 3 months ended in the previous year 30/09/2017	6 months ended 30/09/2018	6 months ended 30/09/2017	Previous year ended 31/03/2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income						
Revenue from operations	2,650.11	2,595.32	2,252.07	5,245.43	4,476.71	9,154.91
Other income	274.91	236.32	261.79	511.23	525.72	970.88
Total Income	2,925.02	2,831.64	2,513.86	5,756.66	5,002.43	10,125.79
2. Expenses:						
a) Employee benefits expense (Refer Note no. 5)	1,117.69	1,105.91	937.69	2,223.60	1,928.70	3,930.57
b) Finance costs	0.22	0.18	0.28	0.40	0.45	0.84
c) Network, internet and other direct charges	52.02	42.84	30.51	94.86	64.49	143.19
d) Advertising and promotion cost	403.64	376.37	175.68	780.01	429.86	1,163.69
e) Depreciation and amortisation expense	52.14	53.06	53.07	105.20	107.46	215.49
f) Other expenses	251.62	227.58	220.14	479.20	462.31	944.31
Total expenses	1,877.33	1,805.94	1,417.37	3,683.27	2,993.27	6,398.09
3. Profit before exceptional items and tax (1-2)	1,047.69	1,025.70	1,096.49	2,073.39	2,009.16	3,727.70
4. Exceptional items (Refer Note no. 6)	-	159.66	40.84	159.66	40.84	913.37
5. Profit before tax (3-4)	1,047.69	866.04	1,055.65	1,913.73	1,968.32	2,814.33
6. Tax expense						
(a) Current Tax	265.49	277.36	320.02	542.85	621.88	1,054.08
(b) Deferred tax	1.32	(41.30)	(49.87)	(39.98)	(81.32)	(63.42)
7. Net Profit/(Loss) for the period (5-6)	780.88	629.98	785.50	1,410.86	1,427.76	1,823.67
8. Other comprehensive income, net of income tax						
Items that will not be reclassified to profit or loss-						
(a) Remeasurement of post employment benefit obligation	6.55	(9.39)	6.95	(2.84)	(3.14)	(2.42)
(b) Income tax relating to above	(2.29)	3.28	(2.40)	0.99	1.09	0.84
Total other comprehensive income, net of income tax	4.26	(6.11)	4.55	(1.85)	(2.05)	(1.58)
9. Total comprehensive income for the period (7+8)	785.14	623.87	790.05	1,409.01	1,425.71	1,822.09
10. Paid-up equity share capital (Face value of ₹10 per share)	1,219.16	1,219.16	1,215.16	1,219.16	1,215.16	1,217.66
11. Other Equity						19,858.57
12. Earning per share (of ₹10 each) (not annualised)						
(a) Basic	6.41	5.18	6.49	11.58	11.79	15.04
(b) Diluted	6.36	5.14	6.42	11.50	11.67	14.92

Part II. Reporting of Segment wise Revenue, Results , Assets & Liabilities						
Amount in ₹(Mn)						
	3 months ended 30/09/2018	Preceding 3 months ended 30/06/2018	Corresponding 3 months ended in the previous year 30/09/2017	6 months ended 30/09/2018	6 months ended 30/09/2017	Previous year ended 31/03/2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A - Segment Revenue:						
Recruitment Solutions	1,907.25	1,840.99	1,647.77	3,748.24	3,245.47	6,687.52
99acres for real estate	451.88	419.26	326.46	871.14	640.17	1,354.33
Others	290.98	335.07	277.84	626.05	591.07	1,113.06
Total Net Sales/Income from Operations	2,650.11	2,595.32	2,252.07	5,245.43	4,476.71	9,154.91
B - Segment Results (Profit/(Loss) before tax:						
Recruitment Solutions*	1,012.80	1,020.43	953.19	2,033.23	1,806.00	3,660.28
99acres*	(59.14)	(128.64)	(9.97)	(187.78)	(121.75)	(360.18)
Others	(83.81)	(34.23)	(37.42)	(118.04)	(66.94)	(247.84)
Total	869.85	857.56	905.80	1,727.41	1,617.31	3,052.26
Less: unallocable expenses	(97.07)	(68.18)	(71.10)	(165.25)	(133.87)	(295.44)
Add : Unallocated Income (Other Income)	274.91	236.32	261.79	511.23	525.72	970.88
Add/(Less): Exceptional Item - Income/(Loss)	-	(159.66)	(40.84)	(159.66)	(40.84)	(913.37)
Profit Before Tax	1,047.69	866.04	1,055.65	1,913.73	1,968.32	2,814.33
C - Segment Assets						
Recruitment Solutions	539.81	522.48	505.27	539.81	505.27	589.58
99acres	233.35	201.81	182.34	233.35	182.34	283.37
Others	96.23	100.94	92.58	96.23	92.58	107.81
Unallocated	26,716.73	26,299.87	24,708.85	26,716.73	24,708.85	25,297.13
Total	27,586.12	27,125.10	25,489.04	27,586.12	25,489.04	26,277.89
D - Segment Liabilities						
Recruitment Solutions	3,464.61	3,548.00	2,943.80	3,464.61	2,943.80	3,336.95
99acres	1,063.32	1,102.22	704.40	1,063.32	704.40	1,086.10
Others	598.13	620.06	516.83	598.13	516.83	623.93
Unallocated	118.85	96.63	117.30	118.85	117.30	156.45
Total	5,244.91	5,366.91	4,282.33	5,244.91	4,282.33	5,203.43

*results for period ended September 30, 2018 includes provisions write back of ₹ 9.03 Mn & ₹ 9.29 Mn(previous period ended September 30, 2017 ₹39.36 Mn & ₹32.43) for recruitment solutions and 99acres respectively.

Business segments : The Company is primarily in the business of internet based service delivery operating in four service verticals through various web portals in respective verticals namely recruitment solutions comprising primarily naukri.com, other recruitment related portals and ancillary services related to recruitment, 99acres.com for real estate related services, Jeevansathi.com for matrimony related services and Shiksha.com for education related services. The Managing Director & Chief Executive Officer of the Company examines the Company's performance both from a business & geographical prospective and has identified as reportable segment of its business which are "Recruitment Solutions" and "99acres" ; the "Other segments" comprises primarily Jeevansathi & Shiksha verticals are not considered as reportable operating segment since they individually do not meet qualifying criteria for the reportable segment as per Ind AS 108.

Part III :		
Statement of Standalone Assets and Liabilities		
	As at September 30, 2018 (₹ Mn) (Unaudited)	As at March 31, 2018 (₹ Mn) (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	478.32	506.45
Other intangible assets	29.01	22.71
Intangible assets under development	20.00	-
Financial Assets		
(i) Investments	9,569.48	8,263.04
(ii) Other financial assets	113.83	1,509.99
Non-current tax assets (net)	973.87	895.43
Deferred tax assets (net)	398.58	358.60
Other non-current assets	64.13	52.02
Total Non-Current Assets	11,647.22	11,608.24
CURRENT ASSETS		
Financial assets		
(i) Investments	6,456.11	11,455.71
(ii) Trade receivables	56.43	44.03
(iii) Cash and cash equivalents	2,072.60	740.07
(iv) Bank balances other than (iii) above	961.40	718.09
(v) Other financial assets	6,261.48	1,580.20
Other current assets	130.88	131.55
Total current assets	15,938.90	14,669.65
TOTAL ASSETS	27,586.12	26,277.89
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	1,218.79	1,215.89
Other Equity	21,122.42	19,858.57
Total Equity	22,341.21	21,074.46
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial liabilities		
(i) Borrowings	5.83	2.81
(ii) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	26.29	31.74
Other non-current liabilities	6.30	9.41
Total non-current liabilities	38.42	43.96
CURRENT LIABILITIES		
Financial liabilities		
(i) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	0.91	1.95
- total outstanding dues of creditors other than micro enterprises and small enterprises	552.11	504.09
(ii) Other financial liabilities	5.59	4.69
Provisions	329.61	456.14
Other current liabilities	4,318.27	4,192.60
Total current liabilities	5,206.49	5,159.47
Total Liabilities	5,244.91	5,203.43
Total EQUITY AND LIABILITIES	27,586.12	26,277.89

Notes:-

- This statement has been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on October 30, 2018.
 - This statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
 - The Board of Directors in its meeting held on October 30, 2018 has declared an interim dividend of ₹ 2.5 per equity shares. The Board of Directors in its meeting held on May 30, 2018 proposed a final dividend of ₹ 1.5 per equity share and the same was approved by the shareholders at the Annual General Meeting held on July 24, 2018, this amount was recognised as distribution to equity shareholders during the quarter ended September 30, 2018.
 - During the period ended September 30, 2018, the Company has issued 150,000 (March 31, 2018: 350,000 & 200,000) equity shares of ₹10/- each fully paid up at ₹10/- per share (March 31, 2018 : ₹100/- & ₹10/- per share) respectively to the Info Edge Employees Stock Option Plan Trust which have been listed in the respective Stock Exchanges, ranking pari passu with the existing equity shares of the Company.
 - During the previous year ended March 31, 2018, the Company had recorded an additional expense of ₹41.13 Mn on account of enhancement of the gratuity ceiling from ₹10 lacs to ₹20 lacs due to change in Payment of Gratuity (Amendment) Act 2018 (vide notification no. S.O. 1420 (E) dated March 29, 2018)
 - During the period ended September 30, 2018 diminution in the carrying value of investment in respect of Startup Investments (Holding) Ltd amounting to ₹103.54 Mn and Smartweb Internet Services Ltd ₹56.12 Mn (previous period ended September 30, 2017 for Startup Investments (Holding) Ltd amounting to ₹40.84 Mn) (previous year ended March 31, 2018 for Startup Investments (Holding) Ltd amounting to ₹702.17 Mn, Naukri Internet Services Ltd. amounting to ₹203.78 Mn and Startup Internet Services Ltd amounting to ₹ 7.42 Mn) [represented by Investments in equity shares] was made.
 - As mandated by notification issued by Ministry of Corporate affairs (MCA) under Companies (Indian Accounting Standards) (Amendments) Rule 2018, effective April 01, 2018 the Company has adopted Ind AS 115 on Revenue from Contracts with Customers, using the modified retrospective approach. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information is not restated in the condensed interim statement of profit and loss. The adoption of the standard did not have any material impact on the recognition and measurement of revenue and related items in the financial statements/results.
- The company has as a matter of practical expedient recognised the incremental costs of obtaining a contract as an expense when incurred, since the amortisation period of the asset that the entity otherwise would have recognised is generally one year or less.
- During the year ended March 31, 2015, the Company had issued 10,135,135 equity shares of ₹10/- each fully paid up at ₹740/- per share (including securities premium of ₹730/- per share) to qualified institutional buyers on September 12, 2014 pursuant to Qualified Institutional Placement (QIP) document, dated September 10th, 2014, as per provisions of section 42 of Companies Act, 2013 read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, and Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 which have been listed in the respective Stock Exchanges on September 16, 2014.
- Expenses incurred in relation to QIP amounting to ₹155.65 Mn had been adjusted from Securities Premium Account during the year ended March 31, 2015. The utilisation out of such net amount of ₹7,344.35 Mn till September 30, 2018 is given below. The balance amount of QIP proceeds remains invested in Mutual Funds (Debt) & Term Deposits with banks.

Utilisation of funds upto September 30, 2018 :	Amount in ₹Mn
Working capital and general corporate purposes for 99acres-	2,362.05
Balance Unutilised funds as on September 30, 2018	4,982.30

9. Diluted EPS represents earning per share based on the total number of shares including the potential estimated number of shares to be issued against stock options in force under the existing stock option plan/scheme.

Place : Noida
Date : October 30, 2018

Hitesh Oberoi
Managing Director