

May 29, 2017

**Financial results for the quarter & Year ended March 31, 2017 and Transition to Ind AS reporting**

Beginning April 1, 2016, the Company has adopted Ind AS for the first time with a transition date of April 1, 2015. The financial results for the quarter & 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 recognized accounting practices and policies to the extent applicable. The financial results are available on the corporate website [www.infoedge.in](http://www.infoedge.in)

As regards transition to Ind AS reporting the following details are additionally provided:

1. Reconciliation of profit & loss as reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is provided in annexure-1
2. Key Impact Areas in the opening financial statements as on April 01, 2015, FY 2015-16 and financial results of quarter & year ended March 31, 2017 and March 31, 2016 while transitioning to and as per Ind AS are as follows:
  - a. Revenue - As part of Ind AS transition and considering additional guidance certain items of non-refundable fees, received upfront, are now being recognized as revenue over the tenure of contract as it better reflects the substance of the transaction, which were earlier recognized upfront, based on performance of specific acts. 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. The net impact is as follows (amounts in Rs. Million):

<b>Particulars</b>	<b>Opening Financial Statement as on April 01, 2015</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2017</b>
Retained Earnings	(684.9)	-	-
Revenue (Net Impact)	-	(58.8)	(187.5)
Deferred Sales Revenue	684.9	58.8	187.5

- b. ESOP Cost - As per Ind As 102 - Share based payments, the stock options granted are considered to be towards equity settled share based transactions and 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 whereby as at the transition date April 01, 2015 the fair value of options that are yet to be vested have been considered. The impact is as follows:
      - i. Retained Earnings as at April 1, 2015 reduced by Rs. 95.5 million
      - ii. Additional ESOP cost of Rs. 162.4 million in FY 15-16
      - iii. Additional ESOP cost of Rs. 211 million in FY 16-17

- c. Other Income - As per Ind AS 109- Financial instruments, the investment in mutual funds have been measured at Fair value as on the reporting date, through profit & loss account. The impact is as follows:
  - i. Retained Earnings as at April 1, 2015 increased by Rs. 64.6 million
  - ii. Differential reversal of Rs. 57.4 million on net basis in FY 15-16.
  - iii. Gain of Rs. 14.6 million on net basis in FY 16-17.
  
- d. Investment through Preference shares - As per Ind AS 109- Financial instruments, the investments in other companies through redeemable / convertible preference shares are recorded based on amortized 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 respective periods. The change impact is as follows :
  - d. 1 the interest income with regard to measurement at amortized cost using effective interest rate method on redeemable preference shares:
    - i. Retained Earnings as at April 1, 2015 increased by Rs. 1.7 million
    - ii. Incremental income of Rs. 37.2 million in FY 2015-16
    - iii. Incremental income of Rs. 56 million in FY 16-17
  
  - d. 2 the income/(loss) with regard to measurement of investments through convertible preference shares using the fair value as at reporting date, through profit & loss account are :
    - i. Retained Earnings as at April 1, 2015 increased by Rs.447.09 million
    - ii. Differential reversal of Rs. 41.8 million on net basis in FY 2015-16
    - iii. Differential reversal of Rs. 395.4 million on net basis in FY 2016-17
  
- e) Net Income (interest on bank deposits) related to the "Infoedge Employee Stock Option Plan Trust"
- f) Tax component on account of above adjustments as applicable

Thanking You,

Chintan Thakkar,  
Director & CFO

Annexure-1													(' Mn)
Particulars	Note	Year ended March 31, 2016			Year ended March 31, 2017			Three months period ended March 31, 2016			Three months period ended March 31, 2017		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
Revenue from operations	A	7,234.76	-58.69	7,176.07	8,208.55	-187.49	8,021.06	2,042.01	-111.58	1,930.43	2238.56	(154.40)	2084.16
Other income	B	828.10	-43.08	785.02	929.62	-304.39	625.23	204.53	-107.26	97.27	251.53	(138.17)	113.36
<b>Total revenue</b>		<b>8,062.86</b>	<b>-101.77</b>	<b>7,961.09</b>	<b>9,138.17</b>	<b>-491.88</b>	<b>8,646.29</b>	<b>2,246.54</b>	<b>-218.84</b>	<b>2,027.70</b>	<b>2,490.09</b>	<b>-292.57</b>	<b>2,197.52</b>
<b>EXPENSES:</b>													
Employee benefits expense	C	3,205.29	149.14	3,354.43	3,547.81	203.77	3,751.58	889.50	41.36	930.86	881.42	54.28	935.70
Finance costs		0.77	-	0.77	1.00	-	1.00	0.20	-	0.20	0.21	0.00	0.21
Depreciation and amortisation expense		209.63	-	209.63	240.55	-	240.55	59.77	-	59.77	56.19	0.00	56.19
Advertising and promotion cost		1,318.41	-	1,318.41	880.53	-	880.53	211.71	-	211.71	217.04	0.00	217.04
Administration and other expenses	D	902.91	15.30	918.21	930.31	11.16	941.47	258.97	4.33	263.30	258.15	11.16	269.31
Network, internet and other direct charges		229.70	-	229.70	172.58	-	172.58	59.96	-	59.96	30.31	0.00	30.31
<b>Total expenses</b>		<b>5,866.71</b>	<b>164.44</b>	<b>6,031.15</b>	<b>5,772.78</b>	<b>214.93</b>	<b>5,987.71</b>	<b>1,480.11</b>	<b>45.69</b>	<b>1,525.80</b>	<b>1,443.32</b>	<b>65.44</b>	<b>1,508.76</b>
<b>Profit before exceptional items and tax</b>		<b>2,196.15</b>	<b>(266.21)</b>	<b>1,929.94</b>	<b>3,365.39</b>	<b>(706.81)</b>	<b>2,658.58</b>	<b>766.43</b>	<b>(264.53)</b>	<b>501.90</b>	<b>1,046.77</b>	<b>(358.01)</b>	<b>688.76</b>
Exceptional items		114.58	-	114.58	39.84	-	39.84	-	-	-	-	39.84	39.84
<b>Profit before tax</b>		<b>2,081.57</b>	<b>(266.21)</b>	<b>1,815.36</b>	<b>3,325.55</b>	<b>(706.81)</b>	<b>2,618.74</b>	<b>766.43</b>	<b>(264.53)</b>	<b>501.90</b>	<b>1,046.77</b>	<b>(397.85)</b>	<b>648.92</b>
<b>Tax expense</b>													
Current tax- (Current period)	E	661.61	8.98	670.59	1,088.61	-317.99	770.62	188.88	3.28	192.16	342.62	(68.81)	273.81
Current tax- (tax reversal of prior period)		-	-	-	-393.14	-	-393.14	-	-	-	-	-	10.17
Deferred tax		4.16	-110.57	-106.41	-30.54	227.77	197.23	5.71	-85.24	-79.53	-2.01	38.29	36.28
<b>Profit for the year from continuing operations</b>		<b>1,415.80</b>	<b>(164.62)</b>	<b>1,251.18</b>	<b>2,660.62</b>	<b>(616.59)</b>	<b>2,044.03</b>	<b>571.84</b>	<b>(182.57)</b>	<b>389.27</b>			<b>328.66</b>
<b>Profit for the period</b>		<b>1,415.80</b>	<b>(164.62)</b>	<b>1,251.18</b>	<b>2,660.62</b>	<b>(616.59)</b>	<b>2,044.03</b>	<b>571.84</b>	<b>-182.57</b>	<b>389.27</b>	<b>706.16</b>	<b>-367.33</b>	<b>328.66</b>
<b>Other comprehensive income, net of income tax</b>													
Items that will not be reclassified to profit or loss-													
-Actuarial (gain)/loss on defined benefit plans		-	8.65	8.65	-	4.70	4.70	-	(13.31)	(13.31)	-	-3.32	(3.32)
<b>Total other comprehensive income, net of income tax</b>			<b>8.65</b>	<b>8.65</b>	<b>-</b>	<b>4.70</b>	<b>4.70</b>	<b>-</b>	<b>(13.31)</b>	<b>(13.31)</b>	<b>-</b>	<b>(3.32)</b>	<b>(3.32)</b>
<b>Total comprehensive income for the period</b>		<b>1,415.80</b>	<b>-173.27</b>	<b>1,242.53</b>	<b>2,660.62</b>	<b>(621.29)</b>	<b>2,039.33</b>	<b>571.84</b>	<b>-169.26</b>	<b>402.58</b>	<b>706.16</b>	<b>-364.01</b>	<b>331.98</b>

**Notes :**

<b>A)</b> As per Ind AS 18-Revenue, certain items of non-refundable fees, received upfront, are now being recognized as revenue over the tenure of contracts as it better reflects the substance of the transaction, which were earlier recognized upfront, based on performance of specific acts.				
	<b>Three months period ended March 31, 2016</b>	<b>Three months period ended March 31, 2017</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2017</b>
<b>B)</b>				
a) As per Ind AS 109- Financial instruments,				
1) The investment in mutual funds measured at fair value through Profit and Loss	-6.17	3.80	-57.39	14.61
2) interest income measurement at effective interest rate method on				
(i) redeemable preference shares in subsidiary companies	11.38	18.11	37.18	56.01
(ii) certain interest free security deposits	1.55	1.82	5.93	7.18
3) the investment in optionally convertible preference shares measured at fair value through Profit and Loss	-117.42	-165.90	-41.82	-395.37
b) Income (interest on bank deposits) related to the "Infoedge Employee Stock Option Plan Trust"	3.40	4.00	13.02	13.18
<b>Total Adjustment in other income</b>	<b>-107.26</b>	<b>-138.17</b>	<b>-43.08</b>	<b>-304.39</b>
<b>C)</b>				
1) As per Ind AS 19 - Employee benefits, actuarial gains and losses recognised in other comprehensive income and not reclassified to profit and loss in a subsequent period	-6.11	5.09	-13.23	-7.18
2) As per Ind AS 102 - Share based payments, the stock options granted are towards equity settled share based transactions and therefore the cost has been measured at fair value as at the grant date. Further, exemption under Ind AS - 101 on "First time adoption of Indian Accounting Standards" relating to share based payments has been availed for not applying the requirement of Ind AS-102 to equity stock options that have already been vested before the transition date (i.e., April 01, 2015), accordingly the expense relating to the stock options has been determined based on the fair value of options that are yet to be vested as at the transition date	47.47	49.19	162.37	210.95
<b>Total Adjustment in employee benefits expense</b>	<b>41.36</b>	<b>54.28</b>	<b>149.14</b>	<b>203.77</b>
<b>D) As per Ind AS 109 - Financial instruments</b>				
1) amortisation of prepaid rent in relation to certain interest free deposits which have been measured at amortised cost using effective interest rate method	1.88	2.02	7.33	8.28
2) adjustment for recognition of loss allowance for expected credit losses on trade receivables	0.57	7.39	0.71	-3.91
3) other miscellaneous expense	1.88	1.75	7.26	6.79
<b>Total Adjustment administration and other expenses</b>	<b>4.33</b>	<b>11.16</b>	<b>15.30</b>	<b>11.16</b>
<b>E)</b> Tax component on account of above adjustments, non-depreciable assets acquired on finance lease and carryforward of unused capital tax losses				