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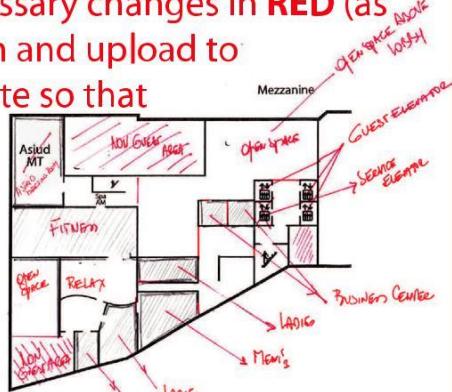
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# BOSRODT-HardRock 929

## Hingham Street

### Note to Hotel:

If there are changes, please print the floorplan and mark any necessary changes in **RED** (as shown below), scan and upload to the Blueprintwebsite so that we may make the changes quickly and accurately.



### Note to Hotel:

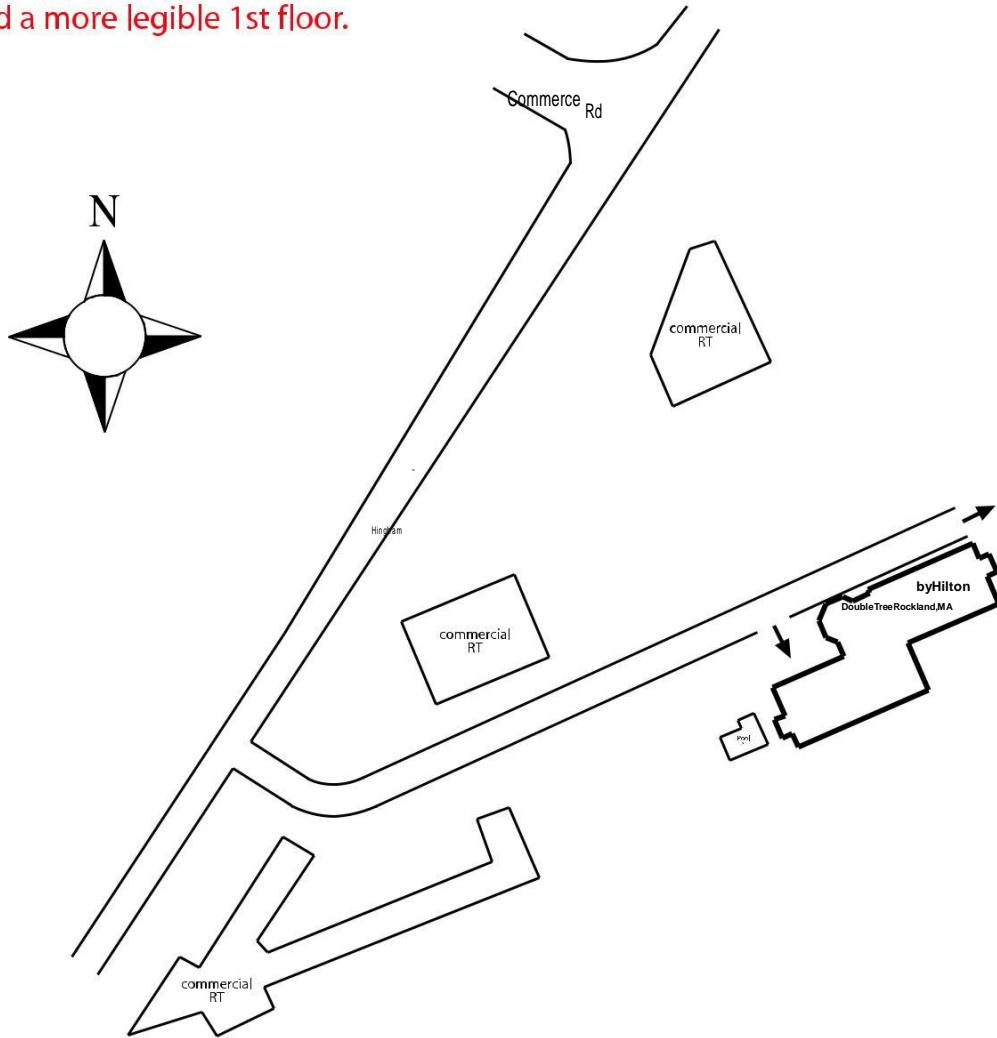
Please Verify Room Numbers and Cross Reference Against Your PM System List Of Rooms.

Room Numbers Must Appear On Floor Plan As They Appear In Your PM System.

Make Sure No Changes Have Been Made To Room Numbers Due To Prior Renovations.

### Note to Hotel:

Upload a more legible 1st floor.



### Note to Hotel:

#### Please Identify and Label:

- Front Desk
- Lobby/Lounge/Gathering Areas
- Gift Shop
- Business Center
- Breakfast/Dining Area
- Restaurants by Name
- Mens and Womens Restrooms
- Meeting Rooms by Name

Guest Laundry

Fitness Center

Pool

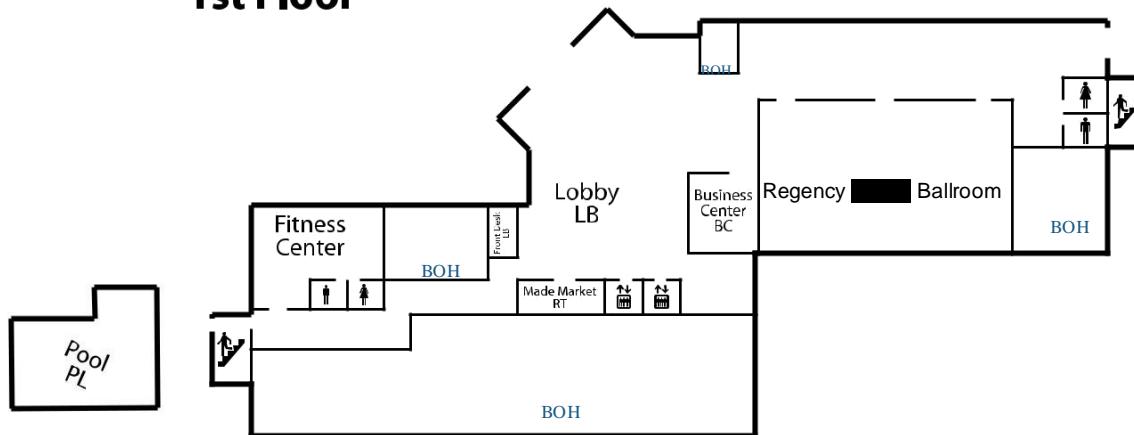
Outdoor Areas

Guest Room Numbers

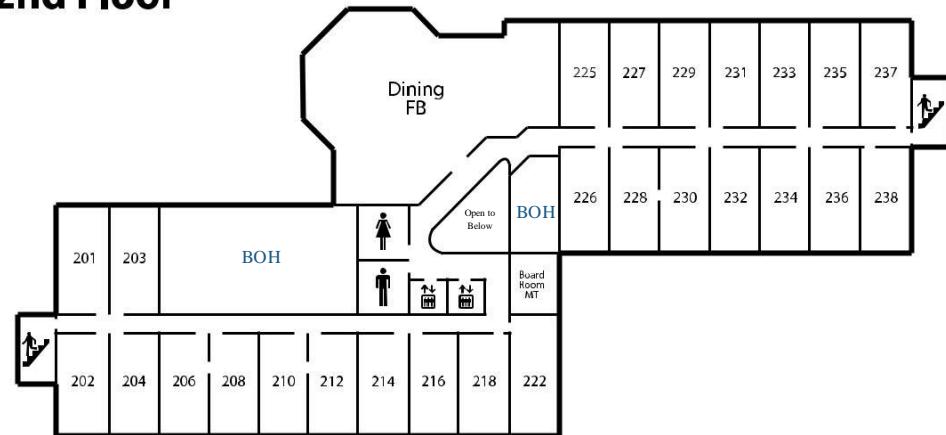
Connecting Guest Rooms

Label any other guest areas not shown

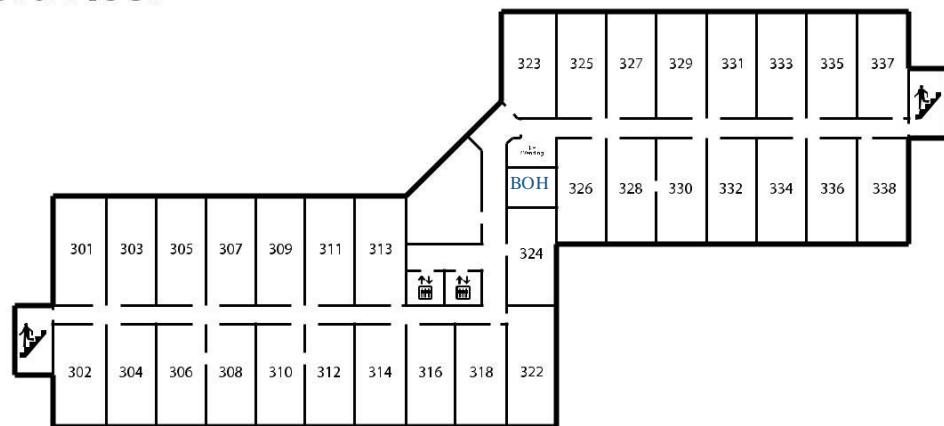
## 1st Floor



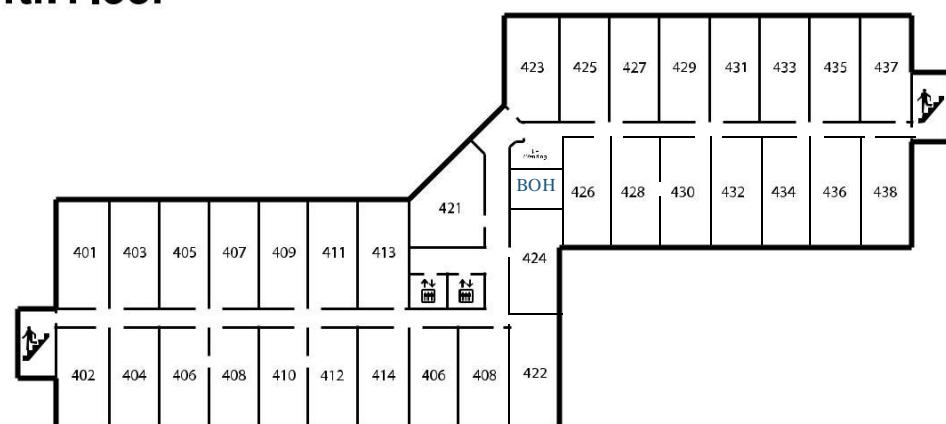
## 2nd Floor



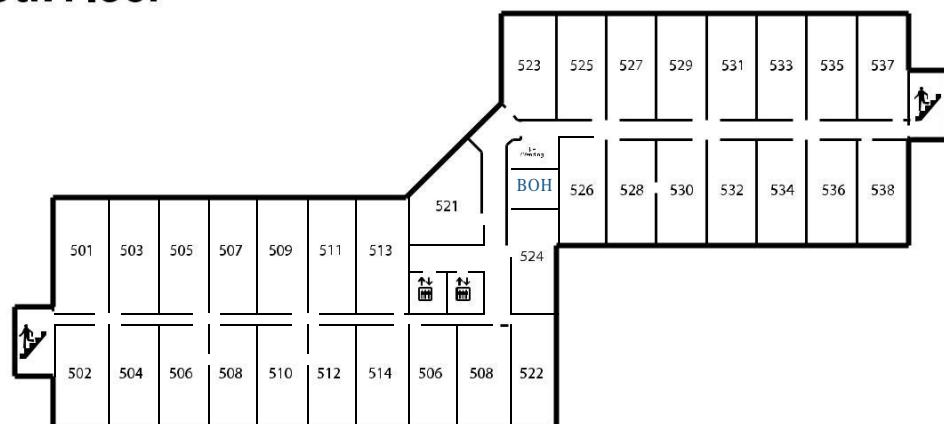
## 3rd Floor



## 4th Floor



## 5th Floor



**Ticket**

Name	Address	Gender	City	Country
Kalis	MI	Male	NY	ENG
SEKAR	MUM	Male	NY	US
Harry	NY	Male	NY	IND

### 2019 Top 10 Accounts

<b>Account</b>	<b>2018 # RN Market</b>	<b>Hotel # RN Forecast YE 2018</b>	<b>2019 # RN Market</b>	<b>Hotel # RN Forecast 2019</b>	<b>2018 Rate</b>	<b>2019 Targeted Rate</b>	<b>2019 Targeted Revenue</b>
Bluegreen Vacations	10000	1918	12000	2500	109	110	\$250,000.00
United Airlines	3000	2245	2300	2300	\$110.00	\$110.00	\$230,000.00
Top Deck	325	0	500	500	\$122.00	\$124.00	\$62,000.00
IHI E&C	700	260	1040	1040	\$130.00	\$130.00	\$135,200.00
Memorial Health Residency Program	200	198	300	300	\$99.00	\$105.00	\$31,500.00
American Ring	1600	0	2000	2000	\$99.00	\$99.00	\$20,000.00
165th Air Wing	1500	1000	1600	1000	NA	\$111.00	\$110,000.00
National Egg Regulatory Association	0	0	225	225	NA	\$117.00	\$26,325.00
SCAD	2500	100	3000	600	\$129.00	\$129.00	\$77,400.00
D Troop 1/10 Cavalry	0	0	299	299			\$44,551.00

# C U M M I N G S P R O P E R T I E S , L L C

## LEASE AGREEMENT

Cummings Properties, LLC ("LESSOR") hereby leases to \_\_\_\_\_

("LESSEE"), the following premises: approximately \_\_\_\_\_ square feet (including \_\_\_\_\_ % common area) at \_\_\_\_\_ ("premises"), for an initial term of \_\_\_\_\_, commencing at noon on \_\_\_\_\_ (the "commencement date"), and currently scheduled to terminate at noon on \_\_\_\_\_, unless sooner extended or terminated as herein provided. LESSOR and LESSEE now covenant and agree that the following terms, conditions, covenants, and obligations ("terms") shall govern this Lease Agreement ("lease").

1. LESSEE shall pay LESSOR base rent of \_\_\_\_\_ U.S. dollars per year, in monthly installments of \$\_\_\_\_\_ on or before the first day of each calendar month, without offset or deduction. One monthly rental payment plus an appropriate fraction of a monthly payment for any portion of a month at the commencement of the lease term shall be made upon LESSEE's execution of this lease. All payments shall be made to LESSOR at 200 West Cummings Park, Woburn, MA 01801. If the "Cost of Living" has increased as shown by the Consumer Price Index (Boston, Massachusetts, all items, all urban consumers), U.S. Bureau of Labor Statistics ("Index"), then base rent due during each calendar year of this lease and any and all extensions and amendments thereof shall be adjusted in proportion to any increase in the Index. The base month from which to determine the amount of each increase shall be January of the year in which this lease was fully executed, which figure shall be compared with the figure for November of that year, and each November thereafter to determine the increase (if any) in base rent to be paid during the following calendar year. All such adjustments shall take place with the rent due each January 1. If the Index is discontinued, LESSOR shall substitute a comparable index then in general use.
2. LESSEE shall pay to LESSOR upon LESSEE's execution of this lease a security deposit in the amount of \$\_\_\_\_\_, which shall be held as security for LESSEE's performance as herein provided and refunded to LESSEE without interest at the end of this lease, subject to LESSEE's satisfactory compliance with the terms hereof. In the event of any default or breach of this lease by LESSEE, LESSOR may elect to apply the security deposit first to offset any outstanding invoice or other payment due to LESSOR and then to rent. LESSEE may not apply the security deposit to any payment due under this lease. If all or any portion of the security deposit is applied to cure a default or breach during the term of this lease, LESSEE shall fully restore said deposit forthwith.
3. LESSEE shall use the premises only for executive and administrative offices.
4. LESSEE shall pay as additional rent a proportionate share of any increase in the real estate taxes levied against the land and the building(s) of which the premises are a part ("property"). The base from which to determine the amount of any increase in taxes shall be the rate and the assessment in effect as of June 30 of the fiscal year in which this lease is fully executed, net of abatements, if any.
5. LESSOR shall pay all charges for utilities used on the premises, including gas, oil, water, sewer, and/or septic (but not telecommunications), and electricity used during normal business hours for office lighting, building-standard heating and air-conditioning equipment, and typical small office machines such as personal computers, copiers, and facsimile machines (only).
6. LESSEE shall secure and maintain, at its expense, personal property and commercial general liability insurance providing coverage for bodily injury (including death), property damage, and theft arising out of the use, control, condition, or occupancy of the premises (including the common areas as defined below) by LESSEE and/or LESSEE's employees, agents, affiliates, contractors, visitors, callers, occupants, and invitees ("LESSEE parties"), including damage by fire or other casualty. Such policy shall insure LESSEE, LESSOR, and the owner of the property ("OWNER") against any claim up to \$1,000,000 for each occurrence involving personal injuries (including death), and \$1,000,000 for each occurrence involving property damage. LESSOR and OWNER shall be included in each such policy as additional insureds using an endorsement acceptable to LESSOR. This insurance shall be primary to and not contributory with any insurance carried by LESSOR, whose insurance shall be excess. Each such policy shall be issued by a company or companies satisfactory to LESSOR. Prior to occupancy, LESSEE shall deliver to LESSOR a copy of such policy together with the declarations page and all applicable riders and endorsements showing that such insurance is in force, and thereafter will deliver, prior to the expiration of any such policy, notice of renewal of same. In the event any such policy or coverage changes, a copy of the policy, together with the declarations page and all applicable riders and endorsements, shall be delivered to LESSOR within 10 days of such change. If LESSEE fails to deliver or maintain such insurance at any time during the term of this lease, LESSOR may elect to contract for such insurance, whereupon LESSEE shall cooperate with LESSOR's insurer and pay LESSOR a reasonable charge for such insurance, plus LESSOR's administrative expenses. All common areas at the property including, but not limited to, all parking areas, driveways, loading areas, lobbies, atria, communications closets, community conference rooms, outdoor areas, stairs, corridors, roofs, walkways, and elevators (collectively, the "common areas"), shall be considered a part of the premises for liability and insurance purposes when they are used by LESSEE parties.
7. LESSEE shall be solely responsible as among LESSOR, LESSEE parties, and OWNER for death and personal injuries to all persons and/or property damage, including damage by fire or other casualty, occurring in or on the premises (including the common areas) and arising out of the use, control, condition, or occupancy of the premises by LESSEE parties, except for death, personal injuries, and/or property damage directly resulting from the negligence of LESSOR. LESSEE shall indemnify and hold LESSOR and OWNER, as well as their respective successors and assigns, harmless from any and all liability, including but not limited to claims, expenses, damages, costs, judgments, causes of action, proceedings, attorneys' fees, and/or liability caused by or in any way arising out of any of the aforesaid matters. The control of snow and ice on all roadways, walkways, steps, and loading areas serving the premises and all other areas not readily accessible to plows shall be the sole responsibility of \*LESSEE. Notwithstanding the preceding sentence, LESSEE shall hold LESSOR and OWNER harmless from all claims by LESSEE parties for personal injuries and/or property damage resulting in any way from snow or ice on any area serving the premises.  
\*LESSOR
8. The terms on the reverse side of this lease are incorporated herein by reference. LESSEE confirms it has read and understands the terms of this lease, and all parties hereto agree to comply with same. LESSEE cannot assign or transfer this lease or sublease all or any portion of the premises without LESSOR's prior written consent.
9. This lease shall be automatically extended for additional successive periods each equal to the initial term unless LESSOR or LESSEE serves written notice, either party to the other, of either party's option to terminate this section, whereupon it will be of no further force or effect. The time for serving such written notice shall be not more than 12 months or less than six months prior to the expiration of the then-current lease term. Time is of the essence.
10. LESSOR, at LESSOR's cost, shall modify the premises by replacing the existing carpet with LESSOR's standard upgraded "Fortune" carpet and changing all primary lock cylinders on exterior entry doors within 10 days following full execution of this lease and LESSOR's receipt of the first month's rent due for the month of November 2018 and the security deposit provided for above. The parties acknowledge and agree that LESSOR has previously repaired and repainted all drywall partitions and replaced glass and light bulbs as needed.

This lease shall not bind any party in any manner whatsoever until it has been executed by all parties. In witness whereof, LESSOR and LESSEE, intending to be legally bound, have caused this lease to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

LESSOR: **CUMMINGS PROPERTIES, LLC**

LESSEE: **PRODEN TECHNOLOGIES INCORPORATED**

By: \_\_\_\_\_  
*Duly authorized*

By: \_\_\_\_\_  
*Duly authorized*  
Print name/title: \_\_\_\_\_

**GUARANTY.** In consideration of LESSOR making this lease with LESSEE, GUARANTOR hereby personally and unconditionally guarantees the prompt payment of rent by LESSEE and the performance by LESSEE of all financial and nonfinancial obligations arising out of (i) this lease (and all amendments, extensions, and/or assignments thereof), with respect to the premises herein and any new premises that may become subject to this lease, and (ii) LESSEE's use and/or occupancy of any premises managed by LESSOR. The undersigned promises to pay all expenses, including reasonable legal and administrative fees, incurred by LESSOR in enforcing this guaranty. LESSOR's consent to any assignments, subleases, amendments, and extensions by LESSEE or to any compromise or release of LESSEE's liability under this lease, with or without notice to the undersigned, or LESSOR's failure to notify the undersigned of any default and/or reinstatement of this lease, shall not relieve GUARANTOR from personal liability.

In witness whereof, the undersigned GUARANTOR, intending to be legally bound, has executed this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

Address: \_\_\_\_\_

REV. 12/2017(incl)

\_\_\_\_\_  
*Signature*  
Print name: \_\_\_\_\_



**A. Maintenance; Alterations.** Except as otherwise provided below, LESSOR will, during LESSOR's normal business hours (only), maintain the structure, roof, landscaping, and building standard heating and cooling equipment, sprinklers, doors, plumbing, and electrical wiring at the premises, but specifically excluding damage caused by the careless, malicious, willful, or negligent acts of LESSEE or others, corrosion, and chemical or water damage from any source. LESSEE shall maintain at its expense all other aspects of the premises, including all alterations, additions, improvements and equipment, whether installed by LESSOR, LESSEE, or a prior occupant, that are "non-building standard" or associated with a particular aspect of LESSEE's use, in the same condition as they are when delivered to LESSEE and, whenever necessary, to replace light bulbs and glass, acknowledging that the premises are now in good order. LESSEE shall not cause the area surrounding the premises or any common area to be in anything other than a neat and clean condition, and shall appropriately dispose of all waste. LESSEE shall be solely responsible for all damage to any equipment serving the premises or the building which results from the storage, discharge, or use of any substance by LESSEE. LESSEE shall not permit the premises to be overloaded, damaged, stripped, or defaced, nor to suffer any waste, and will not bring or keep animals, except for service animals, therein. LESSEE shall protect flooring with chair pads under rolling chairs and maintain sufficient heat to prevent freezing of pipes or other damage.

**B. Compliance with Laws and Rules.** LESSEE shall fully comply with all applicable laws, statutes, regulations, and ordinances arising out of LESSEE's use and occupancy of the premises and the operation of its business. LESSEE shall not do anything that may interfere with the use of the property by LESSOR or by others, cause any nuisance or annoyance, increase LESSOR's insurance premiums, or cause loss or damage to LESSOR or OWNER. LESSEE shall also conform to all rules and regulations now or hereafter made by LESSOR and will not permit any LESSEE party to violate any term of the lease.

**C. Access; Relocation.** LESSOR, its agents, or its designees may at any reasonable time enter to view the premises; to show the premises to others; to make repairs and alterations as LESSOR, its agents, or its designees should elect to do for the premises, the common areas, or any other portions of the building; and without creating any obligation or liability for LESSOR, but at LESSEE's expense, to make repairs which LESSEE is required but has failed to do. If LESSEE takes possession of the premises prior to the commencement date, LESSEE shall perform all terms of the lease from the date it takes possession. LESSOR may require LESSEE to relocate to a similar premises at any time during the lease term upon written notice to LESSEE and on terms comparable to those herein. LESSEE shall be liable to LESSOR for all loss, damages, and/or expenses incurred by LESSOR, including consequential damages, if LESSEE fails to relocate as required.

**D. Liability.** LESSOR shall not be liable for any loss as a result of LESSOR's failure for any reason to provide a service; or any special, incidental, indirect, or consequential damages, including, but not limited to, lost profits or loss of business, arising out of or in any manner relating to LESSOR's performance or nonperformance under the lease.

**E. Default; Remedies.** In the event that any assignment for the benefit of creditors, receivership, or other insolvency proceeding shall be made or instituted with respect to LESSEE or LESSEE's property, or LESSEE defaults in the observance or performance of any term herein, and such default is not corrected within 10 days after written notice thereof, then LESSOR shall have the right thereafter, without demand or further notice, to declare the term of the lease ended, and/or to remove LESSEE's effects, without liability, including for trespass or conversion, and without prejudice to any other remedies. If LESSEE defaults in the payment of any rent, and such default continues for 10 days after written notice thereof.

**F. Occupancy.** If LESSEE occupies, controls, or encumbers any part of the premises after the termination of the lease without LESSOR's prior written permission, LESSEE shall be liable for all loss, damages, and/or expenses incurred by LESSOR, and all terms of the lease shall continue to apply, except that use and occupancy payments shall be due in full monthly installments at a rate equal to two times the monthly rent due under the lease immediately prior to termination, it being agreed that such extended occupancy is a tenancy at sufferance, solely for the benefit and convenience of LESSEE, and of greater rental value. LESSOR's acceptance of any payments shall not alter LESSEE's status as a tenant at sufferance.

**G. Notices.** All notices to LESSEE shall be given in writing and shall be deemed duly served when left at the premises, served by constable, sent by recognized courier service with a receipt therefor, or mailed by certified mail, return receipt requested, postage prepaid to LESSEE at the premises or such other address as LESSEE may designate in writing. All notices from LESSEE to LESSOR under the lease shall be given in writing and shall be deemed duly served only when served by constable or delivered to LESSOR by certified mail, return receipt requested, postage prepaid, or by recognized courier service with a receipt therefor, addressed to: Cummings Properties, LLC, 200 West Cummings Park, Woburn, MA 01801. No oral, facsimile, or electronic notice shall have any force or effect. Time is of the

essence.

**H. Brokers; Dumpster; Hazardous Material.** LESSEE warrants and represents that it has dealt with no broker, tenant representative, or other third party in connection with the lease, and agrees to indemnify LESSOR against all brokerage claims arising out of the shall provide a dumpster on a no-charge basis for disposal of LESSEE's normal office trash. No oil, hazardous material, and/or waste shall be used, stored, released, disposed of, or allowed to remain at the premises at any time without LESSOR's prior written approval.

**I. Security Agreement.** LESSEE hereby grants LESSOR a continuing security interest in all existing and hereafter acquired property kept in any of LESSOR's buildings (excluding LESSEE's intellectual property, patents, and accounts receivable) to secure the performance of all of LESSEE's obligations under the lease and/or any subsequent lease between the parties. LESSEE authorizes LESSOR to file a financing agreement or statement and all necessary amendments in connection with this security interest. This paragraph shall survive termination of the lease.

**J. Parking.** LESSEE may during normal business hours (only), without additional charge, use parking spaces provided for the building in common with others. The number of spaces used by LESSEE parties, which shall be presumed to equal the number of persons present at the premises, shall not at any time exceed LESSEE's proportionate share of the total spaces for the building. LESSEE shall not obstruct any portion of the building or common areas. Unregistered or disabled vehicles or trailers may not be parked at any time. In addition, LESSOR may tow, at LESSEE's sole cost and expense, any misparked vehicles belonging to LESSEE parties.

**K. Miscellaneous.** The invalidity or unenforceability of any term of the lease shall not affect or render invalid or unenforceable any other term hereof. No consent or waiver, express or implied, by LESSOR to or of any breach of any obligation by LESSEE shall be construed as a consent or waiver to or of any other breach of the same or any other obligation. LESSEE shall neither erect nor put up any sign anywhere that is visible from outside the premises. Any action or proceeding arising out of the lease shall be brought by LESSEE within one year after the event giving rise to the claim has occurred. If LESSEE is more than one person, corporation, other legal entity, partnership, or some combination thereof, LESSEE's obligations are joint and several. The lease and these terms shall not be amended except by written agreement signed by both parties. LESSOR, LESSEE, OWNER, and GUARANTOR hereby waive any and all rights to a jury trial in any proceeding in any way arising out of the lease or the guaranty. LESSEE shall not be entitled to exercise any option in this lease, or to receive LESSOR's consent as provided herein, if LESSEE is at that time in default of any term hereof. LESSEE shall pay all reasonable legal and administrative fees and expenses that LESSOR incurs in enforcing the terms of the lease. If the lease terminates pursuant to Paragraph E above, LESSEE acknowledges and agrees that the lease may, at LESSOR's election, be reinstated by LESSOR with or without notice to LESSEE, and LESSOR may require one or more conditions prior to reinstatement. LESSEE's covenants under the lease shall be independent of LESSOR's covenants, and LESSOR's failure to perform any of its covenants under the lease, including a covenant constituting a significant inducement to LESSEE to enter into the lease, shall not excuse the payment of rent or any other charges by LESSEE, or allow LESSEE to terminate the lease. The lease is made and delivered in the commonwealth of Massachusetts and shall be interpreted, construed, and enforced in accordance with the laws thereof and only in a court therein. LESSOR may record activities at the building with unmonitored cameras; however, LESSEE agrees that LESSOR is not in any way providing any security services for LESSEE parties, and LESSEE assumes all risks in that regard. LESSEE shall not cause or allow the utilities serving the premises to be terminated. All terms defined in the lease shall have the same meanings herein, and the lease contains all terms to which the parties have agreed. This lease is the result of negotiations between parties of equal bargaining strength, and when executed by both parties shall constitute the entire agreement between the parties, superseding all prior oral and written agreements, representations, and statements, and without any presumption of construction in favor of or against any party.

**L. Fire; Casualty; Eminent Domain, etc.** If a substantial portion of the premises or the property is substantially damaged by fire or other casualty or is taken by eminent domain, LESSOR may terminate the lease. Neither LESSOR nor OWNER shall be liable to anyone for, nor shall LESSEE's obligations be reduced because of, loss or damage caused in any way by any cause beyond LESSOR's immediate control or by any "force majeure" event including without limitation, weather conditions, acts of God, labor difficulties, the making of repairs or alterations, mechanical breakdowns, and trouble or scarcity in obtaining fuel, electricity, services, or supplies.

**M. Cummings Center, Beverly and 10 and 18 Commerce Way, Woburn (only).** Residential, school, child care, day care, and children's learning center uses (and associated outside recreational activities and/or associated playground) are only authorized in specific locations at Cummings Center and/or 10 and 18 plan is required for construction, utilities maintenance, and other intrusive activities





BIRTHPLACE	CLUB	EMAIL	POSITION	SALARY	
Terrassa	Barcelona	Austin@a ng.com	bcConsulti ng.com	Midfielder	10000
Terrassa	Borussia Dortmund	Thomaslp @abcCons ulting.com	bcConsultin g.com	Forward	8000
Terrassa	Barcelona	De Haan@ab cConsultin g.com	bcConsulti ng.com	Midfielder	7000
Estella	IIN	Hunold@a ng.com	bcConsulti ng.com	Forward	12000
Metkovic	IN	De Haan@ab cConsultin g.com	bcConsultin g.com	Midfielder	15000
Metkovic	Croatia	Christian Eriksen@a bcConsulti ng.com	bcConsulti ng.com	Forward	14000
Estella, Lizarra	PSG	Kochhar@ ting.com	abcConsul ting.com	Midfielder	9500
Estella	Bayern Munich	Alupet@a ng.com	bcConsulti ng.com	Defender/ midfielder	4500

## **Mission Statement**

Our mission for the Hotel HardRock, San Jose, CA for 2018 is to relentlessly pursue the highest levels of employee and guest satisfaction while maximizing the return on the owner's investment.

## **Overview**

THE INTERNET AND THE WORLD-WIDE WEB HAS BEEN ONE OF THE MOST INFLUENTIAL TECHNOLOGY-DRIVEN DEVELOPMENTS THAT HAS Affected HUMAN LIVES ACROSS THE WORLD IN THE LAST COUPLE OF DECADES. FUNDAMENTALLY, IT IS JUST A NEW MEDIUM OF COMMUNICATION BUT ITS IMPACT ON THE WAY PEOPLE LEAD THEIR LIVES HAS BEEN PHENOMENAL. INFO EDGE (INDIA) LIMITED ('INFO EDGE' OR 'THE COMPANY') HAS LEVERAGED THIS MEDIUM TO EVOLVE A RAPIDLY GROWING BUSINESS BASED ON THE CORE MANTRA OF DEVELOPING DIFFERENT PLATFORMS FOR 'ON-LINE' CLASSIFIEDS. IN THIS SPACE, THE COMPANY HAS EMERGED AS A PIONEER AND AN INDUSTRY LEADER IN INDIA.

The Company's business model has evolved on a principle of 'being local, thinking global'. In essence, what this means is that it has laid much emphasis on understanding the dynamics of communities that interact in the physical space often at a very local level and transformed their interaction onto the global platform of the world-wide-web. In that sense, it has targeted specific market segments within India utilising technological tools that are state-of-the art from a global perspective.

While the on-line medium is a key differentiating factor for the Company, it is important to appreciate that within this space Info Edge has always focused on enhancing its execution excellence to deliver results and drive its leadership positioning.

Clearly, execution excellence is all about hitting the bottom line - delivering results based on objectives but it is important to appreciate that such a successful execution orientation encompasses a gamut of activities right from conceptualisation to collection of cash.

### **These include:**

- **STRESS ON IN-DEPTH ANALYSIS OF THE DOMAIN** and the functioning of the specific community in the offline space so that the online interaction can be

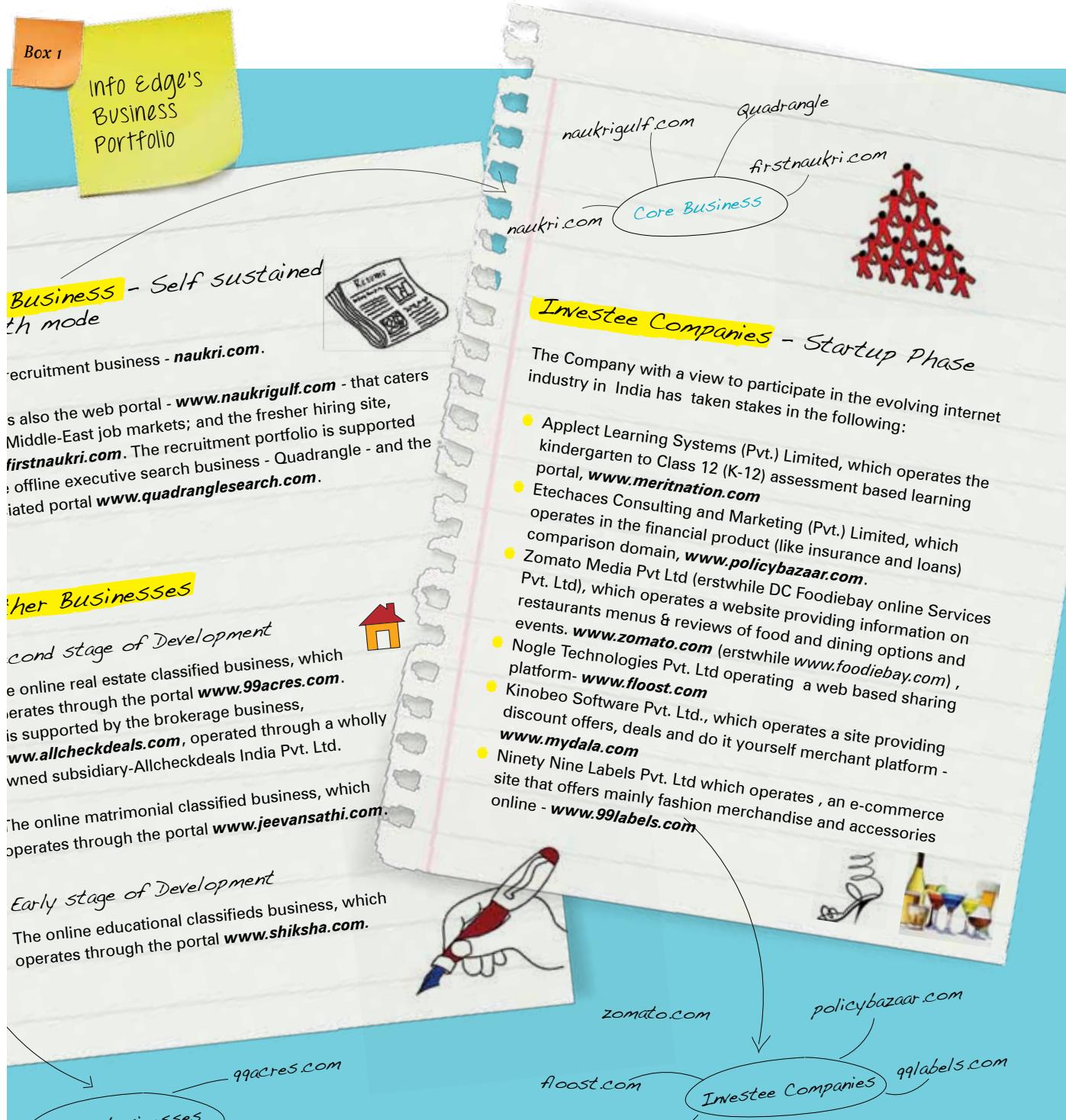
- **PRACTICAL IDEATION OF THE END PRODUCT.** At the very concept stage, the Company details the specifications so that the market need defines the end product while technology is an enabler and driver yet not the deciding factor
- **EMPHASIS ON A BUSINESS PLAN** that not only looks at product development but also brand building, customer connect, distribution mechanisms and revenue models
- **EFFECTIVE MANAGEMENT** of the different phases of a product life cycle – when to invest, when to focus on tightening costs or when to revamp a product
- **CONTINUOUSLY SUPPORT THE PRODUCTS** through cutting edge technology
- **FOCUS ON REGULAR IMPROVEMENTS** in the online customer experience

Today, Info Edge is a portfolio of different businesses, all in different stages of their product life cycle yet unified under the single umbrella of the 'online classifieds' business space. **Box 1** details the different businesses.

Across these businesses, the Company has focused on its execution excellence. Given that each one of these portfolios is in a different stage of development, there was varying level of emphasis on different aspects of execution for the different businesses during financial

So that Info Edge, as a company, had the right balance of growth in profits and cash generation on the one hand and the essential nurturing and development investments in assets for future growth, on the other.

Stand-alone numbers reflect the performance of the core business and the developmental businesses broadly classified as 'other businesses'. A portion of the cash generated from the stand-alone business is invested into investee companies, which are all early stage companies/ still being incubated.



## Financial Review

### The revenues sources for the stand-alone business are detailed below:

- **RECRUITMENT SOLUTIONS** through its websites - naukri.com, naukrigulf.com and firstnaukri.com. Revenue is generated in the form of subscription fees, which is recognised pro-rata over the subscription or advertising agreement, usually ranging between one to twelve months
- **REAL ESTATE WEBSITE** - 99acres.com,
- EDUCATIONAL CLASSIFIEDS WEBSITE** - shiksha.com and **MATRIMONIAL WEBSITE** - jeevansathi.com and Revenue is received in the form of subscription fees, which is recognised over the period of subscription, usually ranging between one to twelve months
- **PLACEMENT SEARCH DIVISION** - Quadrangle. Revenue is received in the form of fees, for placements at various levels in a client's organisation. Revenue is recognised on the successful completion of the search and selection activity

The Company collects these subscription fees in advance & recognises these as revenue as the service is delivered.

not recognised as revenue till all the obligations are fulfilled. In the interim, these are reflected as deferred sales revenue under current liabilities in the balance sheet.

- **RESUME SALES SERVICE** - Naukri First Forward. The revenue is earned in the form of fees and is recognised on completion of the related service

On consolidation, while the PAT of the associates gets added in proportion to shareholding, the ones of the subsidiaries are fully accounted for in the revenues & costs.

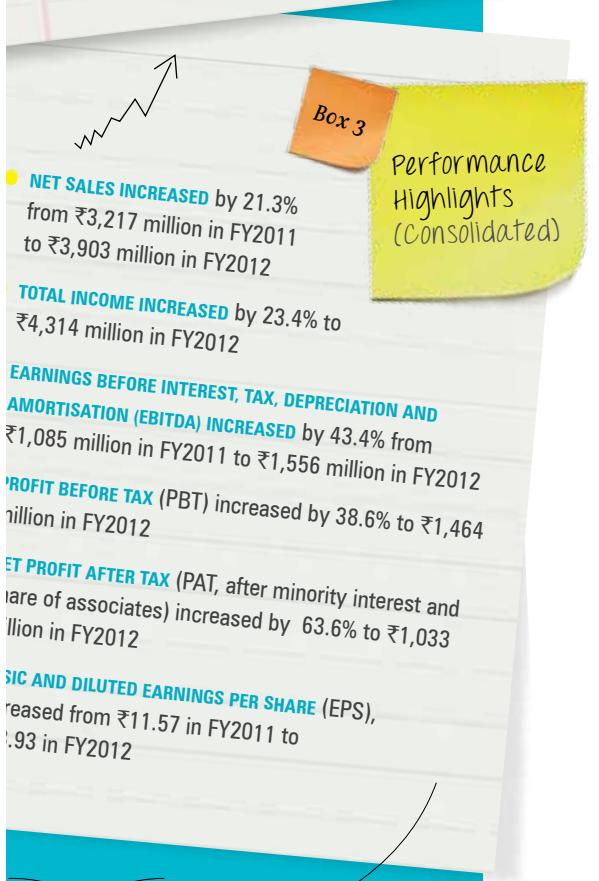
**Table 1** gives the abridged profit and loss statement for Info Edge for FY 2012.

There are two points to note in terms of treatment of accounts. First, the exceptional item recorded in FY2012 is on account of provision for diminution in carrying value of investments in Info Edge (Mauritius) Ltd. This subsidiary company had made an investment into Study Places Inc USA in FY 08. The comparable amount in FY2011 included the profits from sale of stock in MakeMyTrip Ltd, Mauritius (MMT). The company had acquired these shares at cost from Mr. Sanjeev Bikhchandani which were allotted to him under the ESOP scheme of MMT. Second, for the purpose of consolidation, Etechaces ([policybazaar.com](http://policybazaar.com))

Table 1

ABRIDGED PROFIT AND LOSS STATEMENT (₹ MILLION)

	STANDALONE		CONSOLIDATED	
	FY2012	FY2011	FY2012	FY2011
1. Net Sales	3,756.38	2,936.21	3,903.04	3,217.31
2A Other Operating Income	14.46	3.92	15.80	5.55
2B Other Income	394.57	278.81	394.72	273.81
<b>3. Total Income (1+2A+2B)</b>	<b>4,165.41</b>	<b>3,218.94</b>	<b>4,313.56</b>	<b>3,496.67</b>
a) Network and other charges	93.17	100.38	104.66	110.11
b) Employees Cost	1,369.96	1,137.13	1,482.24	1,278.65
c) Advertising and Promotion Cost	515.97	380.25	563.21	505.93
d) Depreciation/Amortization	76.61	71.15	83.21	80.04
e) Other Expenditure	368.75	341.44	607.26	516.85
<b>4. Total Expenditure</b>	<b>2,424.46</b>	<b>2,030.35</b>	<b>2,840.58</b>	<b>2,491.58</b>
<b>5. EBITDA (3-4+3d)</b>	<b>1,817.56</b>	<b>1,259.74</b>	<b>1,556.19</b>	<b>1,085.13</b>
6. Interest	0.67	0.77	0.67	0.80
<b>7. Profit from Ordinary Activities before tax (3-4-6)</b>	<b>1,740.28</b>	<b>1,187.82</b>	<b>1,472.31</b>	<b>1,004.29</b>
8. Exceptional Item	3.53	(51.74)	8.33	(51.74)
<b>9. Net Profit from Ordinary Activities before tax (7-8)</b>	<b>1,736.75</b>	<b>1,239.56</b>	<b>1,463.98</b>	<b>1,056.03</b>
10. Tax Expense	510.52	399.84	528.76	400.42
<b>11. Net Profit from Ordinary Activities after tax (9-10)</b>	<b>1,226.23</b>	<b>839.72</b>	<b>935.22</b>	<b>655.61</b>
12. Extraordinary Item	-	-	-	-
<b>13. Net Profit after tax (11+12)</b>	<b>1,226.23</b>	<b>839.72</b>	<b>935.22</b>	<b>655.61</b>
14. Share in loss of Associate Companies	-	-	30.04	1.36
15. Share of Minority Interest in the losses of Subsidiaries	-	-	(13.68)	22.82
16. Reversal of Subsidiary into associate	-	-	(114.43)	-



FY2012 with Infra Inc coming in as a co-investor it has transformed into an associate Company. Consequently, only PAT is now accounted for in proportion to stake held. This transformation has resulted into reversal/adjustment in minority interests and share in losses of associates for both FY2011 and FY2012

**Box 2** lists the performance highlights of Info Edge, the stand-alone entity, while **Box 3** lists the performance of Info Edge, the consolidated entity. The difference between the two performances is on account of the developments in the investee companies. The investee companies being in early stage are currently in investment mode and therefore are incurring losses. Consequently, while the revenues are higher at consolidated level the consolidated profits are lower than those on stand-alone entity basis.

The performance in FY2012 vindicates Info Edge's strategy of maintaining its long term business strategy for different businesses irrespective of short term changes in the business environment as long as fundamental market dynamics are in line with expectations. This needs some explanation.

Info Edge has continued to invest in brand building, product development and people in a calibrated manner according to the needs of the respective businesses. These investments have played a key role in improving the Company's competitive edge in the market and gain critical market share. In new-age businesses like the ones where Info Edge is active, the market leader has a distinctive advantage and benefits extensively from its leadership position in terms of attracting customers. Info Edge has always strived to maintain this leadership position and for its two largest businesses – naukri.com and 99acres.com – it continued to gain traffic share in FY2012.

While the Company continues with investments in internal businesses, efforts are made at improving productivity and efficiencies of such outlays. A case in point is that the total headcount increased by 22% from 1,768 in FY2011 to 2,150 in FY2012 and total employee costs on a standalone basis increased by 20.5%. The Company has, however, made the most of this increase to promote revenues. Consequently, on a standalone basis, employee cost-to-revenue

Table 2

% of total operating income	STANDALONE		CONSOLIDATED	
	FY2012	FY2011	FY2012	FY2011
Network and other charges	2.5%	3.4%	2.7%	3.4%
Employees Cost	36.3%	38.7%	37.8%	39.7%
Advertising and Promotion Cost	13.7%	12.9%	14.4%	15.7%
Depreciation/ Amortization	2.0%	2.4%	2.1%	2.5%
Other Expenditure	9.8%	11.6%	15.5%	16.0%
<b>Total Expenditure</b>	<b>64.3%</b>	<b>69.0%</b>	<b>72.5%</b>	<b>77.3%</b>
<b>Operating EBITDA</b>	<b>48.2%</b>	<b>42.8%</b>	<b>39.7%</b>	<b>33.7%</b>

FY2012. Similarly, on a consolidated basis this ratio reduced from 39.7% in FY2011 to 38% in FY2012.

**Table 2** lists the different cost ratios and operating profits as a ratio of operating income for both the consolidated and standalone results

Importantly, even after increasing brand building and promotional activities as reflected in the increase in advertising and promotion costs to sales ratio from 12.9% in FY2011 to 13.7% in FY2012, on a stand-alone basis (on a consolidated basis this ratio reduced from 15.7% in FY2011 to 14.4% in FY2012 because the investee companies are in a nascent stage of development with low requirements of brand promotion), the operating EBITDA increased from 42.8% in FY2011 to 48.2% in FY2012 (stand-alone) and from 33.7% in FY2011 to 39.7% in FY2012 (consolidated).

Apart from effective management of employees and advertising, this improvement is also a reflection of the high operating leverage of the business. Once the foundations are put in place, growth in scale of operation continues to give greater returns for every incremental rupee spent. This, along with a corporate culture of tight cost management has resulted in the following:

- **REDUCTION IN COSTS** of network and other charges from 3.4% in FY2011 to 2.5% in FY2012 (stand-alone) and from 3.4% in FY2011 to 2.7% in FY2012 (consolidated)
- **REDUCTION OF OTHER OPERATING EXPENDITURE** from 11.6% in FY2011 to 9.8% in FY2012 (stand-alone) and from 16% in FY2011 to 15.5% in FY2012 (consolidated)

This financial performance in terms of operational parameters further highlights the Company's focus on excellence in execution.

generate cash. On a stand-alone basis, Net cash flow from operating activities increased by 14.4% from ₹1,101 million in FY2011 to ₹1,259 million in FY2012. The cash and cash equivalents were ₹2,662 million as on 31 March 2012 against ₹2,037 million in FY2011 – an increase of 30.7%. The total Cash and cash equivalents including investments in mutual funds were ₹5080 million as on March 31, 2012 as against ₹4639 million as on March 31, 2011 – an increase of 9.5%.

## DEFERRED SALES REVENUES INCREASED BY 32.9%

It should also be noted that deferred sales revenues, which is cash collected during the year that are yet to be recognised as revenue through accounting principles, has increased by 32.9% from ₹895 million as on 31 March 2011 to ₹1,189 million as on 31 March 2012. This gets recognized and accounted for on a pro-rata basis over the subscription or advertisement agreement period. It reflects the strength of the Company's market position even in a difficult year in terms of the external environment

From the cash generated through the stand-alone performance, Info Edge continues to prudently manage its treasury function. Non-current financial investments increased by 207.5% from ₹934 million in FY2011 to ₹2,872 million in FY2012.

- Strategic investments including equity, preference shares and debentures into subsidiary and associate companies increased by 280.4% from ₹367 million FY2011 to ₹1,396 million in FY2012. These were in line with the commitments made while taking additional stakes in some of the investee companies.
- In addition, investment in long term mutual funds increased by 160.3% from ₹567 million in

## Core Business - Recruitments

The recruitment services business 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
- **FIRSTNAUKRI.COM:** Launched in January 2009, this site focuses on fresher hiring
- **QUADRANGLE.COM:** This is primarily an off-line headhunting business that derives revenues from successfully positioning a person with a company

Much of today's revenues and profits are delivered by the Naukri.com business and it is affected by developments in the external economy.

### BUSINESS ENVIRONMENT

There has certainly been a slowdown in the Indian economy. For Q4, FY2012 (or January to March 2012), GDP growth has fallen to 5.3% compared to the same quarter in the previous year. From a high of 9.4% in January-March 2010, this is the eighth successive quarter of declining GDP growth - a drop of 4.1 percentage points over two years. Even more worrisome is the sharp decline

6.7% in Q2; then 6.1% in Q3; and now 5.3% in Q4. Not surprisingly, therefore, GDP growth for the full year is much lower — 6.5% in FY2012, which is 1.9 percentage points below the 8.4% we achieved in FY2011. **Chart A** plots the data.

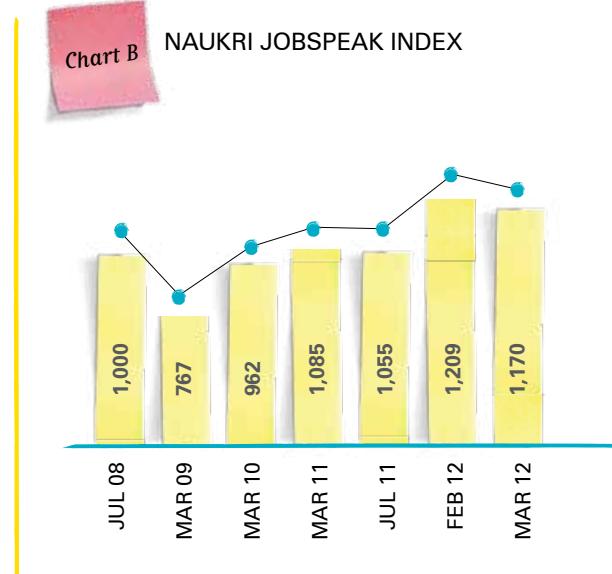
Clearly, such an economic slowdown and the associated negative sentiment will have a negative impact on the recruitment industry. However, the overall impact so far has been muted with some sectors doing well to compensate for slowdown in others. Noticeably, three sectors were badly affected through the year – insurance, construction and telecom. However, the other sectors compensated for this slowdown and as **Chart B** shows that the 'Naukri Jobspeak Index' shows a steady state in the recruitment industry through FY2012.

The Naukri Jobspeak Index is an in-house index based on utilisation of listings on our website - Naukri.com

### OPERATIONS REVIEW

**Box 4** gives the financial highlights of this business.

*Naukri.com* is the major revenue generator in this business. It has two major sources of revenue and several other supporting revenue streams. **The major sources of revenue are: (i) job listings and employer branding or visibility advertisements, and (ii) résumé database access.** The supporting





revenue sources include job seeker services, Google Ad sense, mobile revenue, and the value added service of résumé short listing and screening.

The key usage parameters suggest healthy growth:

- NUMBER OF RÉSUMÉS IN NAUKRI.COM'S DATABASE INCREASED BY 16% - from around 25 million at the end of FY2011 to around 29 million at the end of FY2012.
- AVERAGE NUMBER OF RÉSUMÉS MODIFIED DAILY INCREASED BY 26.4% - from 72,000 at the end of FY2011 to 91,000 at the end of FY2012.
- NUMBER OF UNIQUE PAID CUSTOMERS GREW BY 9.5% - from 42,000 in FY2011 to 46,000 in FY2012.

*Naukri.com* benefited immensely from the support of the large sales force that is on the ground. Most of sales force in Info Edge is engaged in *naukri.com*. The efficiency of the sales force has also been improved through effective implementation of the ERP system. In addition, there are constant efforts at product improvement and enhanced customer experience. All these drivers combined with the fact that *naukri.com* has a self-generating cycle of sustainable growth emanating from its first mover advantage have contributed to further strengthening of its market leadership position.

Chart C shows that *naukri.com* has gained significantly in terms of traffic share. Data from

*naukri.com* and its nearest competitor was 27% and with the second nearest competitor was 38%, by the end of FY2012 this gap has widened further to 43% and 49% respectively. This market leadership promotes another round of growth through gains in market share.

Info Edge continues to grow *naukri.com* by investing in the brand, hiring and retaining quality talent, providing superior sales and service execution and continuous innovation on product and technology.

**naukri.com** is supported primarily by four offerings that complete the Company's service suite in the recruitment space: *firstNaukri.com*, *naukrigulf.com* and *Quadrangle*.

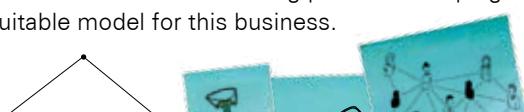
## NAUKRI.COM HAS A SELF-GENERATING CYCLE OF SUSTAINABLE GROWTH EMANATING FROM ITS FIRST MOVER ADVANTAGE HAVE CONTRIBUTED TO FURTHER STRENGTHENING OF ITS MARKET LEADERSHIP POSITION

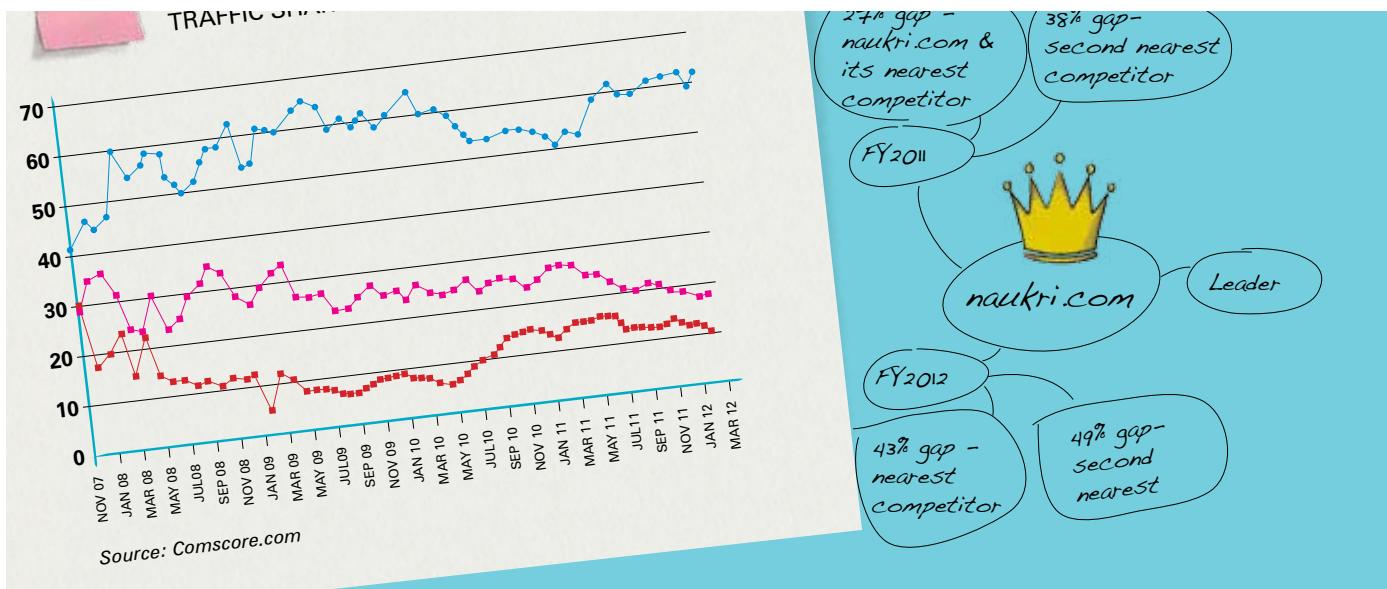
**firstnaukri.com** was launched in Q4, 2009- 10. The site targets hiring fresh students from campuses. There has been considerable work at developing the site. In its second year of commercial operations during FY2012 there were modifications made to the business model based on the initial response. The new business model should effectively deliver and service the specific new hiring segment and support the core business

**naukrigulf.com** continued to be consolidation mode with the slowdown in the middle east recruitment market. The business is supported by branch offices in Dubai, Riyadh (Saudi Arabia), Bahrain and Abu Dhabi.

**Quadrangle**, offers off-line placement services to middle and senior management, with revenues based on a success fee model. It complements the online recruitment business. Quadrangle witnessed a marginal slowdown during FY2012, especially after a 15% drop in sales in Q4, FY2012

**brijj.com**, the professional networking site is where lot of efforts are being put on developing a suitable model for this business.





### Other Businesses - Real Estate, Matrimonial & Education

The 'other businesses' portfolio comprises businesses that are in different development phases. While *99acres.com*, *jeevansathi.com* and *allcheckdeals.com* are in the second stage of development, *shiksha.com* is in an early stage of development.

The other businesses portfolio continued to grow and increase its share in the Company's total sales. Net sales increased by 39.4% from ₹512 million in FY2011 to ₹714 million in FY2012. With this growth its share in total revenues increased from 17.4% in FY2011 to 19% in FY2012. In a gradual but steady manner the development of these 'other businesses' is reducing the Company's overall reliance on naukri.com and enhancing the wider portfolio based growth strategy of Info Edge. However, in the near term, naukri.com will continue to be the predominant business.

#### Real Estate



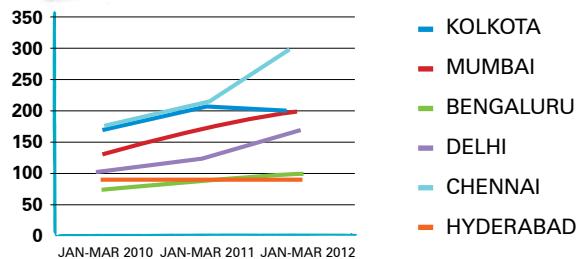
Within the real estate space, Info Edge has two portals. These are (i) *99acres.com*, the property based online classified business, and (ii) *allcheckdeals.com*: the property broking business with a success based revenue model. While the

*allcheckdeals.com* was hived off as a separate subsidiary during Q3, FY2010 - so as to create specific business focus. Thus, the financials of the two businesses are now separate

### BUSINESS ENVIRONMENT

The real estate sector in India was adversely affected on two fronts. First, the policy framework restricted flow of debt into the sector and the investment environment was very subdued adversely affecting real estate companies' ability to refinance their existing loans. This led to a slowdown in construction activities of projects under execution. Second, the negative sentiments on the economy coupled with high levels of interest rates delayed home purchases amongst consumers and slowed down demand. Commercial leasing demand was also affected as companies operating in India struggled to manage costs in depressed markets.

Chart D NHB RESIDENTIAL PROPERTY PRICE INDEX



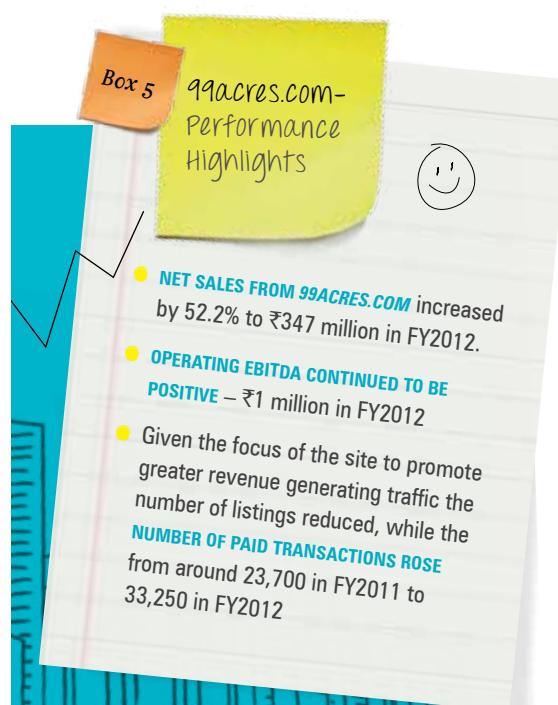
Developers continued to launch new projects. The National Housing Bank (NHB) index for residential property prices across shows most cities saw real estate prices stable or increasing.

Therefore, while FY2012 has been a bit of a dampener for the real estate sector in India, the intrinsic need and demand for housing sector growth continues to exist in the India economy. More importantly for Info Edge, the real estate industry in India is evolving in its way of working. Today, the market is primarily end customer driven and developers and brokers have to reach out to these widely spread out customers in the most cost effective manner. And, the use of the internet is gaining acceptance as a medium of sales and marketing.

## OPERATIONS REVIEW

Catering primarily to real estate developers, builders and brokers, *99acres.com* source of revenue is from property listings, builders' and brokers' branding and visibility through micro-sites, home page links and banners. Individuals too list their requirements like sale, purchase and renting on the site. **Box 5** gives the financial performance highlights of *99acres.com*.

The usage parameters highlight major traction in revenue generating traffic.



**INCREASED BY 65.1%** — from around 774,000 at the end of FY2011 to around 1,278,000 at the end of FY2012.

● **NUMBER OF PAID LISTINGS INCREASED BY 67.7%** — from 632,000 at the end of FY2011 to 1,060,000 at the end of FY2012.

● **NUMBER OF PAID TRANSACTIONS GREW BY 40.3%** — from 23,700 at the end of FY2011 to 33,250 at the end of FY2012

During FY 2012, Info Edge continued to invest in *99acres.com* on product development, people, and marketing and brand building. In the process, it is slowly gaining traffic share from the second half of FY2012, after losing some traffic share in the first half. More importantly, as reflected in the usage data it is getting higher revenue generating traffic. Finally, the site has managed to spread the message of utility amongst the real estate sales community and in the process succeeded in increasing the use of the internet within this community.

*allcheckdeals.com* is the group's online property broking business. The business has a commission based revenue model that is determined on the value of transaction. The focus is on the residential markets of larger cities and their suburbs where it can service a growing middle class who want ease of transactions in property deals. The business has extended its coverage to 12 cities in India.

The business, which is in a subsidiary now, closed about 1,900 sales transactions in FY2012. The operating environment was difficult. There were also business issues like the land related disputes in Noida and Greater Noida - our primary market – and an internal re-organisation exercise. *allcheckdeals.com* generated a top-line of about ₹108 million in FY2012 made losses at the EBITDA level of ₹ 36 million.



The online matrimonial business is not affected by annual vagaries of the macro-economy and business environment. It is, however, largely influenced by demographic factors and social behavioural patterns. It is a very challenging market with several nuances.

The fundamental driver of growth comes from India's demographic dividend. Estimates suggest that today there are around 150 million people

**Box 6**

### Matrimonial-Performance Highlights



- NET SALES FROM MATRIMONIAL increased by 14.9% to ₹254 million in FY2012
- OPERATING EBITDA LOSS was ₹49 million in FY2012
- PROFILE LISTINGS INCREASED from 4.3 million at the end of FY2011 to 5.8 million at the end of FY2012
- AVERAGE AMOUNT REALISED PER CUSTOMER INCREASED from ₹2,722 in FY2011 to ₹3,120 in FY2012



below the age of 21. This is a large young population that will reach marriageable age soon. Today, this business primarily targets the dominant tradition of arranged marriages and strives to convert offline information exchanges done by parents and elders in this space to online ones. The market is however very fragmented as there are very different cultures and norms across the wide spectrum of socio-religious communities in India.

In this scenario, Info Edge has focused on actively promoting *jeevansathi.com* amongst north Indian communities and establishing strong leadership position in this market segment. While focusing on gaining market share, there is stress on maximising the flow of paid customers.

The website has revenue model, which is free to list, search and express interest, but pay to get contact information. The highlights of the portal's performance are given in **Box 6**.

The online business is being supplemented by 14 offline centres called 'Jeevansathi Match Points'. These centres provide hand-holding services to customers who are not internet savvy, helping them to utilise *jeevansathi.com* online services. The offline centres have walk in sales for matching

### Education



Education is another business that is fairly insulated from macro-economic developments and is largely dependent on long term demographics. From an online perspective classifieds in education is at a very nascent, however, the market for education related advertising is very large with most spends being in the print space. In fact, of the total estimated ₹25 billion spent in this market, only around an estimated ₹400 million is in the online medium. With increase in private sector participation in this sector, advertisements spends are also increasing. The challenge is to convert offline advertising to the online space.

Launched in May 2008, *shiksha.com* is primarily a portal for information exchange for the post school education options. Revenues are generated from advertisements placed by colleges, institutes and universities. There may be scope for additional revenues from successful leads.

**Broadly, there are three categories of clients:**

- Indian education players (universities and institutes)
- Test preparation and coaching institutes
- Overseas universities and colleges targeting Indian students

### THE MARKET FOR EDUCATION RELATED ADVERTISING IS VERY LARGE WITH MOST SPENDS BEING IN THE PRINT SPACE

The website is gaining good traction. Although on a small base, revenue growth was 85% in FY2012. *shiksha.com* has succeeded in renewing contracts with most customers and increased booking offerings. It has also significantly grown its traffic to around 50,000 students per day.

### Investee Companies

In addition to promoting businesses internally, Info Edge recognises that ideation and the spirit of enterprise are key elements for success in developing businesses in the online space. With this perspective, the Company has made investments in early stage start up ventures with

the enhanced value creation or take the Company into the Info Edge fold if opportunity arises in future.

**The details of such strategic investments are listed below:**

- Info Edge has invested ₹318 million in tranches for around 49% stake in Applect Learning Systems Private Limited. 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. The site provides:
  - online educational assessment based learning tools for school students
  - free solutions mainly for mathematics and science for standard 6 to 12 of popular national curriculum like CBSE and ICSE. It has added some state board curriculums as well.
  - paid product for online assessment and teaching solutions
- Info Edge has invested ₹300 million in Etechaces Marketing & Consulting Private Limited. Intel Capital is the co-investor. The investee company operates an online financial products comparison website, *policybazaar.com*. This started as a site for comparing insurance products & subsequently added 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 affected a bit due to regulatory issues like the upper bound for charges for insurance leads being restricted to ₹10. In this environment, the business is making effort to grow and it is also laying emphasis on distance marketing and advertising.
- The Company has invested ₹182 million in *zomato.com* (erstwhile foodiebay.com). It provides menus of restaurants and reviews and ratings of the same and tickets for events. Revenues are generated from advertisements of restaurants and lead sales. It has a wide coverage across 10 cities including Delhi, Mumbai, Bangalore, Pune and Hyderabad. The website also has a very well designed mobile application. It has also sold tickets for events during FY2012, which got a good response. The product has been well received in the market and one will have to wait for a few years before it can be

*myward.com*, which a website offering discount offers & deals and a platform for merchants. Revenues are generated from merchant commissions.

**INFO EDGE RECOGNISES THAT IDEATION AND THE SPIRIT OF ENTERPRISE ARE KEY ELEMENTS FOR SUCCESS IN DEVELOPING BUSINESSES IN THE ONLINE SPACE**

- Info Edge has also invested ₹235 million (including a portion for secondary share purchase) into *99labels.com*, which is an e-commerce website offering discount offers and deals for fashion merchandise and accessories. Revenues are generated through sales of fashion & home products.
- The Company has invested in Nogle Technologies Pvt. Ltd, which is developing a unique web sharing platform *floost.com* whose business model is yet to evolve.

The Company continues to evaluate more such possible investments while conscious of the funds requirements of the existing Investee Companies.

**Outlook**

Given global developments and issues within India, one expects the economic slowdown to continue for at least another year. This may have an impact on both the recruitments and the real estate business.

However, one expects this slowdown to be offset by the rapid transformation of several offline functions to online ones.

From a demographic perspective, clearly, the age profile is supportive of Info Edge's business. India is one of youngest countries with a median age of 26 years, and around 65% of its population is below 35 years of age. The youth population between 15-35 years, which is Info Edge's target market, is growing at a rapid rate of 37.9%. In some sense the conversion into online will be the driving factor for Info Edge's growth in the next phase along with the demographic tilt towards younger generations.

This is being supported by rapid spread ... internet penetration, mobile phone penetration and availability of low priced smart phones in the country. And, India's Internet consumer profile mix is changing to broadband and heavier usage. Broadband users engage in multiple internet activities on a daily basis providing greater scope for online services.

This long term perspective has driven Info Edge to continuously invest in its products and strive to attain market leadership in each segment. If there is some downfall in revenue growth in the short term, one might a slight reduction in margins as Info Edge will not cut down on its growth oriented investments into different products.

### Risks

The Company has a well structured and robust risk management mechanism, which includes a comprehensive risk register that lists the identified risks, its impact and the mitigation strategy. Broadly, there are some over-riding risks that are listed below:

## OPERATIONAL RISKS

- **BUSINESS CONTINUITY:** Technical failure and breakdowns in servers could lead to interruptions of our websites and could result in corruption of all data and/or security breaches.
- **OBSOLESCENCE:** Being a company that uses technology extensively, one is always faced with the risk of an innovation or product development that make Info Edge's propositions redundant. The Company remains alert with technology developments to overcome this risk. A case in point is the investments being made on mobile based applications.
- **DISASTER RECOVERY** – Though a replica of databases is maintained, its corruption or inability to restart could pose a problem.

## STRATEGIC RISKS

- **COMPETITION RISK:** All the portals have competition directly on the online space and the offline. Info Edge continuously tracks competition in every one of its businesses and stays prepared for the challenges

● **DEPENDENCY RISK:** The Company relies heavily on the recruitment business for its profits and cash flows. It has a large dependency on this one line of business. Info Edge has been consciously diversifying into other businesses to de-risk itself from this dependency. Already, the other businesses have started contributing around 19% of its total revenues

● **INVESTMENT RISK:** The Company has made investments into start-ups. There is a probability that this entire investment might not generate any returns and in fact absorb more cash in the incubation phase. These are risks, which are part of the Company's growth strategy

## FINANCIAL RISKS

● **TAX ISSUES:** the Company has a few income tax and service tax cases against it, which if lost may impact future cash flows, though not materially.

● **ERP:** In order to promote efficiencies the Company has deployed ERP and other softwares across its activities. Any errors in billing or financial reports in the ERP system could affect the Company's billing and statutory reporting

## MANPOWER & REGULATORY RISKS

● **EMPLOYEE ATTRITION:** Being a knowledge driven business any form of major Human Resource attrition may affect the course of the business. The Company is focusing on making workflows as process-driven as possible

● **CONTENT LIABILITY:** Most of the portals rely on information being posted by users. Fraudulent postings/profiles on the website, spamming by some of the users may damage the Company's reputation and make it vulnerable to claims e.g. defamation & invasion of privacy

● **IPR PROTECTION:** The Company has been protecting its Trade Marks to the extent it makes commercial sense. However, adoption of generic marks to identify our services/products is something that exposes the marks to widespread possibility of accidental/unintentional infringement/passing off by others & increasing the possibility of engaging in unceremonious litigation

### ***Internal Controls and their Adequacy***

Info Edge has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and those transactions are authorised, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and the Audit Committee, and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

### ***Cautionary Statement***

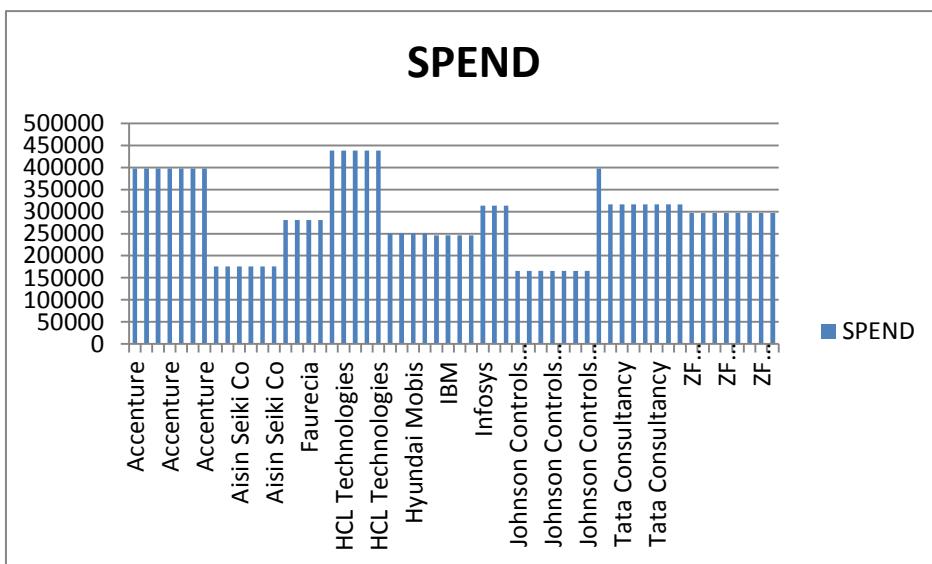
Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the Indian online sector, advertising spends, new disruptive technologies or business models, significant changes in political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest costs.

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LIST OF SUPPLIERS

S.NO	SUP_NAME	BU	CAT	SPEND
1	Accenture	AIS	Market Data	397598
2	Accenture	CN	Travel	397598
3	Accenture	HR	Market Data	397598
4	Accenture	HR	Travel	397598
5	Accenture	IND	Market Data	397598
6	Accenture	ISA	Market Data	397598
7	Accenture	NA	Market Data	397598
8	Aisin Seiki Co	AIS	Travel	175730
9	Aisin Seiki Co	CN	Googd and Se	175730
10	Aisin Seiki Co	HR	Travel	175730
11	Aisin Seiki Co	IND	Travel	175730
12	Aisin Seiki Co	ISA	Travel	175730
13	Aisin Seiki Co	NA	Googd and Se	175730
14	Faurecia	AIS	Googd and Se	280579
15	Faurecia	IND	Googd and Se	280579
16	Faurecia	ISA	Travel	280579
17	Faurecia	NA	Googd and Se	280579
18	HCL Technologies	AIS	Facilities Mar	438321
19	HCL Technologies	HR	Travel	438321
20	HCL Technologies	IND	Facilities Mar	438321
21	HCL Technologies	ISA	Market Data	438321
22	HCL Technologies	NA	Market Data	438321
23	Hyundai Mobis	AIS	Financial Serv	250886
24	Hyundai Mobis	IND	Financial Serv	250886
25	Hyundai Mobis	ISA	Travel	250886
26	Hyundai Mobis	NA	Googd and Se	250886
27	IBM	AIS	IT and Teleco	246060
28	IBM	IND	IT and Teleco	246060
29	IBM	ISA	Market Data	246060
30	IBM	NA	Market Data	246060
31	Infosys	AIS	Bussiness Ser	313617
32	Infosys	IND	Bussiness Ser	313617
33	Infosys	ISA	Market Data	313617
34	Johnson Controls Inc.	AIS	BPO	165323
35	Johnson Controls Inc.	CN	Googd and Se	165323
36	Johnson Controls Inc.	CN	Other	165323
37	Johnson Controls Inc.	HR	Other	165323
38	Johnson Controls Inc.	IND	BPO	165323
39	Johnson Controls Inc.	ISA	Travel	165323
40	Johnson Controls Inc.	NA	Googd and Se	165323
41	Robert Bosch GmbH	CN	BPO	397598

42	Tata Consultancy	AIS	Professional S	316436
43	Tata Consultancy	CN	Market Data	316436
44	Tata Consultancy	HR	Market Data	316436
45	Tata Consultancy	HR	Travel	316436
46	Tata Consultancy	IND	Professional S	316436
47	Tata Consultancy	ISA	Market Data	316436
48	Tata Consultancy	NA	Googd and Se	316436
49	ZF Friedrichshafen AG	AIS	Other	296735
50	ZF Friedrichshafen AG	CN	BPO	296735
51	ZF Friedrichshafen AG	CN	Other	296735
52	ZF Friedrichshafen AG	HR	BPO	296735
53	ZF Friedrichshafen AG	HR	Other	296735
54	ZF Friedrichshafen AG	IND	Other	296735
55	ZF Friedrichshafen AG	ISA	Travel	296735
56	ZF Friedrichshafen AG	NA	Googd and Se	296735
Total :				16223913
Avg :				289712.732



## Competitive Set

<b>Primary Column</b>	<b>Holiday Inn Savannah Historic</b>	<b>DoubleTree Savannah Historic</b>	<b>Hyatt Savannah Riverfront</b>	<b>Marriott Savannah Riverfront</b>	<b>Hotel Indigo Savannah</b>
Total Guestrooms	127	150	351	346	252
Meeting Space	2,235 Sq. Ft.	3,310 Sq. Ft.	33,000 Sq. Ft.	24,556 Sq. Ft.	5,909 Sq. Ft.
Year Opened	2007	2002	1981	1992	2016
Last Renovation	2015	2015	2017	2018	2016
Strengths	Walking distance to all major attractions, Building strong community relationships	Experienced and established sales team, Walking distance to attractions, spacious guestrooms	Riverfront views, recently renovated, large experienced sales team, consistent 4.8/5 Ratings online	Riverfront views, recently renovated, large experienced sales team, self-parking lot.	Bay Street Address, boutique-style renovations
Weaknesses	Near low-income residential area	No alternative to park large vehicles	Customer service lacks intimate client/staff relationships	Customer service lacks intimate client/staff relationships. Hotel located at far edge of town, 10 minute walk into Savannah Downtown	Management staff turnover, IHG Corporate no longer manages hotel.
Opportunities	Share-shift based on customer service and value-adds	Brand caters to business travelers and opportunity to capture Hilton loyal clientele	Self-contained conventions and events	Self-contained conventions and events	New Management company is Schulte Hospitality
Threats	New hotel supply opening 2 blocks away	New hotel supply opening 2 blocks away	New hotel supply: JW Marriott and Alida build blocks away	New hotel supply: JW Marriott, Alida, Perry Lane all new hotel supply under Marriott Umbrella	New hotel supply opening. IHG Corporate no longer has as much incentive to send Key Account business
Planned Renovations	N/A	N/A	N/A	N/A	N/A
Share Shift Ideas	Value Adds, Bonus IHG Points, Local and Unique Packages	Value Adds, Bonus IHG Points, Local and Unique Packages	Value Adds, Bonus IHG Points, Local and Unique Packages	Location, Value Adds, Bonus IHG Points, Local and Unique Packages	Offering better incentive for IHG loyal clients. Form relationships with Key Account Managers at IHG Corporate.

<b>Embassy Suites Savannah</b>	<b>Desoto Savannah</b>
150	246
5,300 Sq. Ft.	20,000 Sq. Ft.
2013	1968
2013	2017
Complimentary made-to-order breakfast and evening reception. Dual property Hampton Inn & Suites.	Luxury, boutique renovation. In the heart of Downtown with great city views.
Next to Greyhound Bus station. Far away from River St. and City Market	Brand Loyalty, far from River St. and City Market
Capture LNR HHonors loyal clients.	Large experienced sales staff, self-contained conventions and events.
New hotel supply	New luxury hotel supply opening on River Street. Perry Lane is closest new supply competitor.
N/A	N/A
Location, Value Adds, Bonus IHG Points, Local and Unique Packages	Location, Value Adds, Bonus IHG Points, Local and Unique Packages