


I N V E S T I N G I N  
I N T E L L I G E N C E

ANNUAL REPORT  
2017 - 2018





# INFOEDGE IS AT THE FOREFRONT OF LEVERAGING ARTIFICIAL INTELLIGENCE FOR OVER A DECADE

Our rich data and robust algorithms are built  
on state-of-the-art deep learning techniques  
enabling Info Edge to service clients in real time.



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## BOARD OF DIRECTORS

Mr. Kapil Kapoor, *Non-Executive Chairman*

Mr. Sanjeev Bikhchandani, *Founder & Executive Vice-Chairman*

Mr. Hitesh Oberoi, *Managing Director & Chief Executive Officer*

Mr. Chintan Thakkar, *Whole-time Director & Chief Financial Officer*

Mr. Arun Duggal, *Independent Director*

Mr. Ashish Gupta, *Independent Director*

Mr. Saurabh Srivastava, *Independent Director*

Ms. Bala Deshpande, *Independent Director*

Mr. Naresh Gupta, *Independent Director*

Mr. Sharad Malik, *Independent Director*

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## COMPANY SECRETARY

Mr. MM Jain

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## AUDITORS

S.R. Batliboi & Associates LLP, Chartered Accountants  
(FRN:101049W/E300004)

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## SECRETARIAL AUDITORS

Chandrasekaran Associates, Company Secretaries

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## BANKERS

ICICI Bank Limited, HDFC Bank Limited, Citibank, State Bank of India, Punjab National Bank, Bank of India, Oriental Bank of Commerce, Yes Bank, IDFC Bank, Axis Bank, Indusind Bank, Kotak Bank

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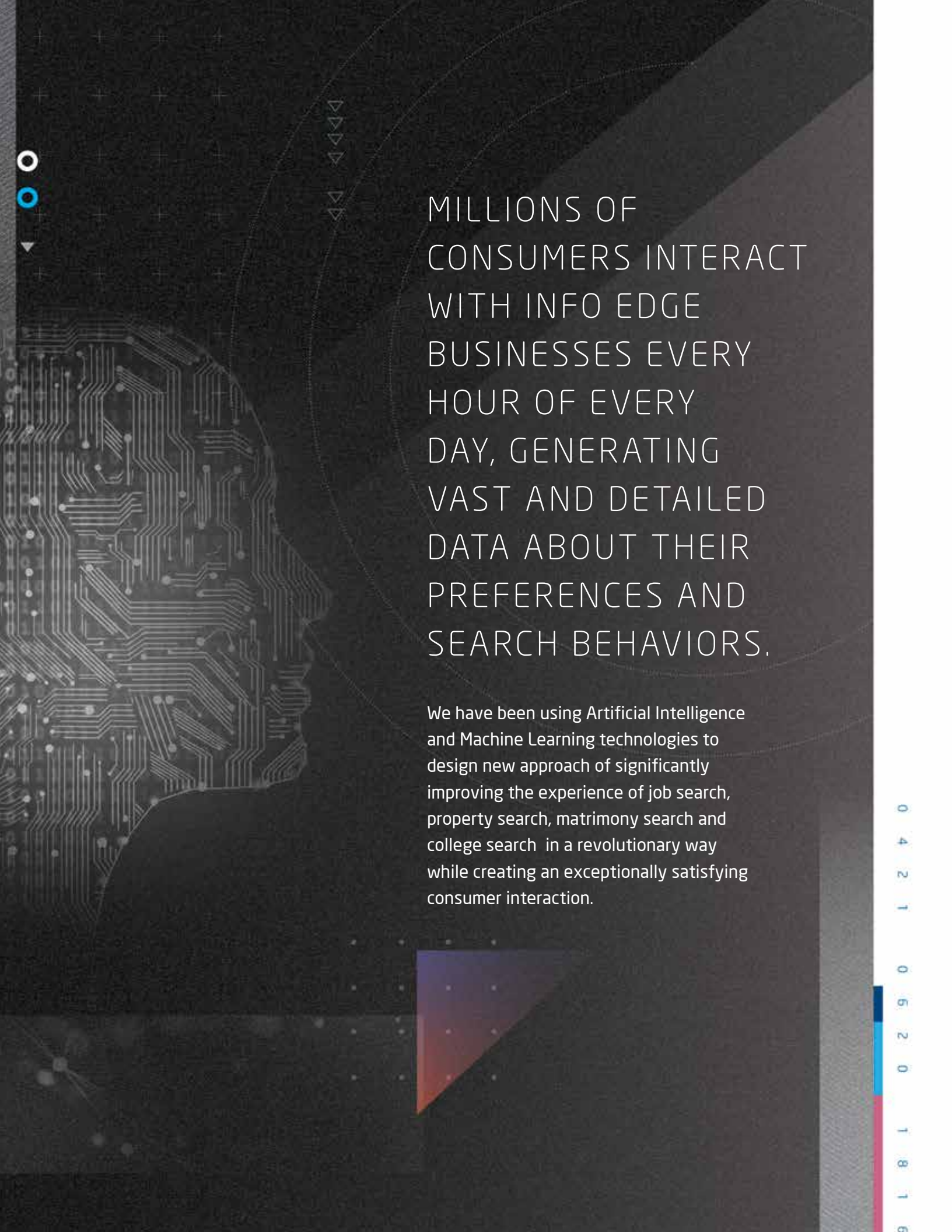
## REGISTERED OFFICE

GF-12A, 94, Meghdoot Building,  
Nehru Place, New Delhi-110 019 India  
CIN: L74899DL1995PLC068021

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## CORPORATE OFFICE

B-8, Sector-132, Noida - 201 304  
Uttar Pradesh, India



MILLIONS OF  
CONSUMERS INTERACT  
WITH INFO EDGE  
BUSINESSES EVERY  
HOUR OF EVERY  
DAY, GENERATING  
VAST AND DETAILED  
DATA ABOUT THEIR  
PREFERENCES AND  
SEARCH BEHAVIORS.

We have been using Artificial Intelligence and Machine Learning technologies to design new approach of significantly improving the experience of job search, property search, matrimony search and college search in a revolutionary way while creating an exceptionally satisfying consumer interaction.



# CEO'S MESSAGE

Dear Shareholders,

Since our inception, our credo at Info Edge has been straightforward: 'Change is a Constant'.

Time and time again — starting from the very beginning — we have consciously chosen, anticipated and adopted to rapidly changing customer preferences and business dynamics. This proven ability to change, and do so faster and more comprehensively than our competitors, lies at the heart of Info Edge's success.

In the rapidly changing world of internet-based business, it is crucial to continuously innovate — to re-craft and fine tune offerings to delight the fast changing needs of customers and to take on competition. More than anything else, this ability has defined our road to success and is the driving force behind all our business endeavours. We continuously change to create unique value propositions which propel our businesses to become market leaders. And in the process of ceaselessly innovating and transforming our businesses, we have never taken our eyes off the fundamentals that generate higher revenues and profits, thus increasing shareholder value over time.

Continuous change backed by sound business practices, attention to strategic investments and profits, and a transparently ethical way of running our enterprise — these have defined our twenty-three year old journey since 1995.

Thanks to this model, the Company crossed the total income figure of ₹ 10 billion for the first time in FY 2018. This was achieved by nurturing and developing the Company's brands, generating adequate returns and strategically ploughing these back into the brands for establishing further market leadership.


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In the ecosystem of internet-based businesses where start-ups focus on rapidly creating value and then selling out, Info Edge has stood out as 'The Company with a difference' — as an enterprise that innovates to develop its brands and, through disciplined business practices and financial strength, leverages these brands in an ever-changing market place to create scale, leadership and profits for the shareholders.

Looking back at our journey over the last twenty-three years, I need to share a number of things with you.

**The first is our value system which defines our ethos, philosophy and culture.** We started as a group of young entrepreneurs who were determined to provide value to the customers in a transparent and ethical manner. From the very first day of our operations, we wanted to run a clean business that



OUR MOTIVATED  
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DEVELOPS CUTTING EDGE  
TECHNOLOGY, APPS, BIG-  
DATA HANDLING, MACHINE  
LEARNING AND AI, BUT  
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OUR CUSTOMER FACING  
OPERATIONS.

would never sacrifice the ethics of 'doing things right'. And we found right from the beginning that 'doing things right' for customers and employees always helped to generate more business and greater profits for the Company. This value system lies at the heart of Info Edge, from Day 1.

**The second core value of the Company is to never sacrifice financial strength.** Info Edge has never thought of itself as a short term player. Playing the long game requires financial capacity — to grow the brands and markets, to invest in technologies and people, to make strategic plays and to consistently remain well ahead of the competition. Therefore, we have always paired our innate dynamism and robust growth in the markets with a regime of tight financial discipline. We are here for the long run and that requires us to be financially strong.

**The third value is our people.** We represent businesses for the people, by the people. In our lines of operation, we need motivated young women and men not only for our customer facing sales and marketing force, but also for developing cutting edge technology, apps, big-data handling, machine learning and artificial intelligence (AI) to increase our predictive powers on customer behaviour and continuously optimise our systems. Such people need to be nurtured and given the space to invent and develop. At Info Edge, we believe this to be a core competitive advantage and we will continue doing all that is needed, and more, to have the best talents in our Company.

**The fourth pillar of value is our customers and clients.** We can keep on winning only when they are forever delighted and think of us as the organisation which always provides best-in-class services and experience. At the end of FY2018, naukri.com alone had 57 million résumés in its database, with 17,000 of these being added daily. That's the size of our customer base in one of our businesses. It is our avowed duty to keep every one of these job-seekers happy, so that they consider what we offer them is the best that they have ever come across.

Today, our flagship brand, naukri.com, is the clear leader in India, and this dominant positioning is the key to its success and growth. Being the recognised market leader by a wide margin, naukri.com benefits from a virtuous circle: maximum traffic that results in most responses, which attracts the most clients leading to the largest number of job postings, which propels the next round of increased customer traffic.

Our online real estate business — 99acres.com — is also a market leader. It is further strengthening its leadership position to reach a point where it creates its own virtuous cycle of growth driven by market leadership: one that gets the most real estate listings, gets the most traffic, gets the most responses, thus generating more clients and takes the site to a higher level of listings. Two of our other brands — jeevansathi.com (online matrimonial) and shiksha.com (online education information services) — are also fast gaining traction in their niche markets.

Among our investee companies, zomato.com and policybazaar.com are leaders in their business space.

Let me now touch upon the financials. Here are some facts:

- Thanks to steady profitable growth over the years, the Company's valuation in terms of market capitalisation crossed the ₹ 150 billion mark during the year.
- Despite continuously investing in people, brands and technologies across businesses, Info Edge maintained a strong cash reserve of ₹ 15.6 billion as on March 31, 2018.
- Net sales of the company was ₹ 9,154.91 million in FY 2018, or a growth of 14.1% over FY 2017.
- Operating EBITDA increased by 30.7% to ₹ 2,973.15 million. The operating EBITDA margin improved from 28.4% in FY 2017 to 32.5% in FY 2018.



- Cash flow from Operations before tax stands at ₹ 4,327.01 million in FY 2018, or a growth of 36.6% over FY 2017.
- PAT was ₹ 1,823.67 million in FY 2018.

Our challenge today is to be well ahead of the curve in terms of our offerings — which can only be done by serious use of the newest technologies and transforming many of these into cutting edge apps. Today, Info Edge is deep into AI, big data, machine learning, semantic search for analysing CVs and the cloud. In Info Edge, the emphasis on smart technology is greater than ever before, and it will be even greater still with every passing year. These cutting edge initiatives are transforming our feet-on- street client interactions to more technology driven client support. And there will be more to follow.

Machine learning is central to understanding the data and the behaviour that consumers create on our sites. These algorithms have helped us understand the semantics of important data types such as companies, institutes, designations and skills — thus enabling us to go beyond keywords to real meaning of these terms. This enables us to provide a personalised semantic experience to users when they use the search and recommendation systems. While Digital Transformation was the key to most successful businesses in the last decade, the coming decade is around AI Transformation. Though data is at the core of AI transformation, which is the advantage of InfoEdge businesses, the differentiator will not come just from using it for business, but from using it in the most intelligent manner.

Another example of such technologically-driven transformation is the Recruitment Management System (RMS) on naukri.com. RMS provides access to companies that want to hire and Human Resource consultants. Typically, such companies, who tend to work with 15 or 20 recruiters each, log into the RMS database, and search for resumes. They also maintain their own databases in emails and desktop folders. RMS provides a one-stop intelligent solution that organises all the résumés in one place, search and track what recruiters are doing, and thus become like a recruitment ERP which powers all hiring at the client's end.

Another example is the match-making algorithms that are driving jeevansathi.com. These sit in the background and continuously interact with the mobile app used by over 90% of jeevansathi.com users —

making the app the best in the category.

We are also proud of our portfolio investments.

Zomato.com is the largest online restaurant search and discovery platform in India, UAE & other markets. In addition, it has introduced a food ordering service, which is operational mainly in India and UAE. Today, there are 1.3 million restaurants listing across the world on Zomato.com platform. In March 2018 alone, it processed some 5.5 million orders.

PolicyBazaar.com is India's online price comparison site for insurance. It is a clear leader in its category garnering an estimated 95% share of insurance comparison activity and 50% of online insurance transactions. We believe that there is huge potential in this business, and have made additional investments in FY2018.

We have also made investments in four new start-ups during FY2018. These are: (i) Wishbook, which is a B2B cataloguing app and marketplace connecting manufacturers, distributors, wholesalers, retailers, and sellers; (ii) Univariety, a career and university admission counselling platform for Class 9 to Class 12 students; (iii) NoPaperForms, which is a SaaS based enrollment management solution for educational institutions; and (iv) Gramophone, which offers agricultural crop advisory for farmers.

As internet and mobile penetration continue to increase in India, Info Edge is well positioned to leverage many of the opportunities arising out of a more digitally connected Indian economy. We can do so because of our deep knowledge base of, and on-ground experience with, our customers. We can do so because of our investments in technology and the best-in-class tech-savvy people. We can do so by leveraging our leading positions across many of our businesses. And we can do so because we have deep pockets.

Therefore, I am optimistic of our tomorrow. As should you.

*Best Regards*  
**Hitesh Oberoi**



# HIGHLIGHTS

## FIVE YEAR PERFORMANCE: STANDALONE (₹ MN)

	FY2014	FY2015	FY2016^	FY2017^	FY2018^	CAGR^
Net Sales	5,051	6,113	7,176	8,021	9,155	12.9%
Total Income	5,491	6,877	7,961	8,646	10,126	12.8%
Operating EBITDA	1,644	1,793	1,355	2,275	2,973	48.1%
Operating EBITDA margin	32.5%	29.3%	18.9%	28.4%	32.5%	
EBITDA	2,077	2,557	2,140	2,900	3,944	35.7%
EBITDA margin	37.8%	37.2%	26.9%	33.5%	39.0%	
PBT	1,876	2,675	1,815	2,619	2,814	24.5%
PAT*/Total Comprehensive Income	1,285	1,939	1,243	2,039	1,822	21.1%
EPS (₹)	11.77	16.82	10.40	16.91	15.04	
Cash & Equivalents (FD in Banks, Investment in Debt MF& FMP)	4782	11,722	11,146	13,087	15,004	16.0%
Net Worth	7,621	16,624	17,950	19,831	21,074	8.4%
Head Count	3,016	3,826	4,214	3,999	4,036	-2.1%

\* After exceptional item

^ As per Ind AS

## FIVE YEAR PERFORMANCE: STANDALONE (₹ MN)

	FY2014	FY2015	FY2016^	FY2017^	FY2018^	CAGR^
Net Sales						
Recruitment	3,713	4,450	5,290	5,953	6,688	12.4%
Matrimonial	360	392	476	580	687	20.2%
Real Estate	758	1,004	1,083	1,122	1,354	11.9%
Operating EBITDA						
Recruitment	1,879	2,279	2,747	3,214	3,759	17.0%
Matrimonial	(67)	(44)	(140)	(64)	(235)	NA
Real Estate	(48)	(375)	(993)	(574)	(304)	NA

^ As per Ind AS