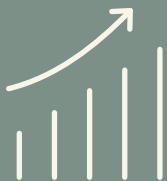


INNOVATION
CREATIVITY
LEADERSHIP

ANNUAL
REPORT
2018-19



infoedge

Starting with a classified recruitment online business, naukri.com, the Company has grown and diversified rapidly, setting benchmarks as a pioneer for others to follow.

Driven by innovation, creativity, an experienced and talented leadership team and a strong culture of entrepreneurship, today, it is India's premier online classifieds company in recruitment, matrimony, real estate, education and related services.

infoedge

ANNUAL REPORT 2018-19





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BOARD OF DIRECTORS

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

*Kapil Kapoor,
Non-Executive Chairman*

*Sanjeev Bikhchandani,
Founder &
Executive
Vice-Chairman*

*Hitesh Oberoi,
Managing
Director &
Chief Executive
Officer*

*Saurabh
Srivastava,
Independent
Director*

*Arun Duggal,
Independent
Director*

*Ashish Gupta,
Independent
Director*

*Bala Deshpande,
Independent
Director*

*Naresh Gupta,
Independent
Director*

*Sharad Malik,
Independent
Director*

*Geeta Mathur,
Independent
Director
(Additional)*

COMPANY SECRETARY

Mr. MM Jain

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

Chandrasekaran Associates,
Company Secretaries
(FRN:P1988DE002500)

INTERNAL AUDITORS

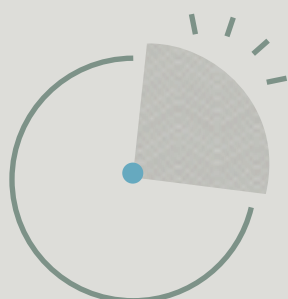
TR Chadha & Co. LLP,
Chartered Accountants
(FRN: 006711N/N500028)

BANKERS

ICICI Bank Limited, HDFC Bank Limited, Citi N.A., State Bank of India, Punjab National Bank, Bank of India, Oriental Bank of Commerce, Yes Bank, IDFC Bank, Axis Bank, Indusind Bank, Kotak Bank, Bank of Baroda, HSBC Bank.

REGISTERED OFFICE: GF-12A, 94, Meghdoot Building, Nehru Place, New Delhi-110 019 India CIN: L74899DL1995PLC068021
CORPORATE OFFICE: B-8, Sector-132, Noida – 201 304, Uttar Pradesh, India

INFO EDGE PERFORMANCE IN FY2019



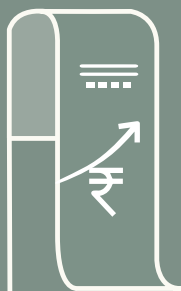
20.51%
INCREASE IN
BILLING



19.96%
INCREASE IN
REVENUE

Billing was up 20.51% at ₹11,769.54 million and Revenue grew by 19.96% at ₹10,982.56 million.

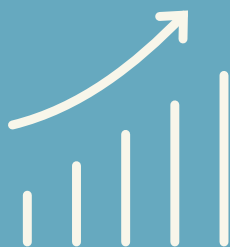
The recruitment and the real-estate businesses continue to drive growth for Infoedge. The focus of investment was on marketing as well as hiring and upgrading of product and tech talent in the Company. We spent a lot more than last year on marketing in both Jeevansathi and 99acres. These marketing spends have helped us increase awareness levels of our brands. Amongst investee companies, Zomato continues to witness massive topline growth in the food ordering space.





CEO'S MESSAGE

In the industry where we operate – internet based products and services – it is very important to strike a balance between efficient execution to generate adequate returns and cash flows on the one hand, while accurately understanding the needs of the future to develop platforms that effectively address such requirements on the other.



Dear Shareholders,

In business, there are effectively two time zones – the present and the future. Successful companies always focus on 'efficient delivery' in the present, and 'effective positioning' for the future. Info Edge is no exception.

Especially in the industry where we operate – internet based products and services – it is very important to strike a balance between efficient execution to generate adequate returns and cash flows on the one hand, while accurately understanding the needs of the future to develop platforms that effectively address such requirements on the other.

We, at Info Edge, have always focused on maintaining this critical balance. So far, we have been quite successful. This is borne out by the fact that with very low external funding, we had cash reserves of ₹16,170.80 million on March 31, 2019 at a time when we have made major investments in our four internally managed brands that are market leaders, as well as in a series of investments in over fifteen portfolio companies that are in growth phase.

The numbers speak for themselves:

- Billings increased by 20.51% to ₹11,769.54 million in FY2019.
- Revenues increased by 19.96% to ₹10,982.56 million in FY2019.
- Operating EBITDA increased by 14.81% to ₹3,413.42 million in FY2019.

Let me now touch upon the brands that are under our management.

naukri.com

In the recruitment business, billings grew by 19.73% in FY 2019 to ₹8,475.40 million, while revenues increased by 17.51% to ₹7,858.49 million. Traffic share in the job portal space continued to be around 75% on average across FY2019, thus reaffirming our superior leadership positioning. Though there has been some diversification, IT & ITES hiring continues to be the key revenue source for naukri. Business from hiring activities has remained stable. New customer acquisition as well as retention rate of existing customers remained high throughout the year — thus driving growth in business revenues. We also witnessed billing growth through sales of more upgrades and additional usage from existing clients.

There has been enhanced brand presence online and on television, especially during major events. Our marketing and promotion spend increased by 50.98% to ₹1,756.93 million in FY2019. This reflects our concerted strategy to revitalise our brands for the next phase of growth and competition.

Across businesses, Info Edge has started building a healthy pipeline of innovation, new products and features keeping in mind the long-term emergence of opportunities in the recruitment and other verticals.



99acres.com

In the online real estate business, billings for 99acres grew by 31.61% to ₹2,066.99 million in FY2019 and revenues increased by 41.74% to ₹1,919.64 million. For a business which is still in the development phase, segmental losses reduced to ₹275.88 million in FY2019. The cash loss in the business stood at ₹48.27 million for the FY2019. On the basis of time spent, our traffic share among online real estate portals stood at around 52% at the end of FY2019 — thus, continuing to maintain leadership in all major markets. Billings from brokers and agents continue to rise. Broker billings were around 52% of the total, while builder billings were about 43%. The proportion of billing from resale properties has been increasing, making the platform more comprehensive and vibrant.

jeevansathi.com

In the matrimonial business under jeevansathi.com, FY 2019 revenues and billings grew 5% year-on-year to ₹723.48 million and ₹735.41 million respectively. We are looking to consolidate our position with investments in this business that will help us penetrate deeper into our core markets, especially in the North and West.

shiksha.com

This is our education classifieds portal. Here, billings increased by 17.94% to ₹491.74 million and revenues grew by 13.01% to ₹480.94 million in FY2019. In this business, we continue to invest in improving the site content and building deep domain expertise. These ought to help improve the site's response to its advertisers and build more traction going forward.

We feel proud to share with you that the Company approved the acquisition of 100% of the Share Capital of Highorbit Careers Pvt. Ltd. (www.iimjobs.com) for an aggregate cash consideration of about ₹808 million. This Company is engaged in the business of providing online classifieds, database, digital platform and recruitment solutions in the recruitment and employability vertical to small medium and large enterprises and the job seekers across different verticals particularly Management and Technology verticals. Over the years, it has built a strong niche brand and has become one of the leading recruitment platforms.

Coming to our investee companies, Zomato concluded the UAE business deal for approximately USD170 million. They also raised USD310 million during the year from Alipay/Delivery Hero & couple of other investors.

We also made further investment, inter-alia, in our investee companies — PolicyBazaar, Meritnation, Shop-Kirana, Gramophone, Wishbook and ShoeKconnect.

Following prudent investment principles, we also provisioned some of our investments during FY2019, which included Rare Media, Canvera and Vacation Labs. We continue to review new investment opportunities from time to time. As of March 31, 2019, our investments in portfolio companies was ₹5,912 million.

We had a year of strong performance and cash generation. However,

we are acutely conscious of the ever-changing market landscape and competition. Thus, we have single-mindedly focused on preparing Info Edge for the future. Consequently, FY2019 saw considerable investments in brand development and technology enhancements.

There has been enhanced brand presence online and on television, especially during major events. Our marketing and promotion spend increased by 50.98% to ₹1,756.93 million in FY2019. This reflects our concerted strategy to revitalise our brands for the next phase of growth and competition. And we are doing so by ploughing back some of our revenue growth to consolidate the brand positioning and gain traffic share.

Similarly, we have continued with investments in areas like technology, product design, artificial intelligence (AI) and data science. Across businesses, Info Edge has started building a healthy pipeline of innovation, new products and features keeping in mind the long-term emergence of opportunities in recruitment and other verticals.

We will also focus on innovating and adding new functionalities in different platforms through application of AI and machine learning. We will accelerate investments in this space going forward.

From a purely financial perspective, many of these investments are a pass-through to our profit and loss account as incremental operating expenses — thus affecting our operating profit margin in the short run. However, these are long term investments to secure the future of the business, and to grow market share and revenue generation capabilities.

You may recall that in my previous letter I had clearly stated that the foundation of our business strategy going forward is based on four pillars: (i) our value system; (ii) our focus on financial strength; (iii) our emphasis on people development; and (iv) our customer centric approach.

We continue to develop the business on these principles — to deliver today with a clear vision for tomorrow. In terms of the path that we laid out last year, we have 'walked the talk' in FY2019. We hope to do so just as well in FY2020.

Info Edge and I look forward to your support for the next round of growth.

Yours sincerely,

Hitesh Oberoi
Managing Director & Chief Executive Officer





FINANCIAL HIGHLIGHTS & BUSINESS SNAPSHOTS

FIVE YEAR PERFORMANCE: STANDALONE (₹ MN)

	FY2015	FY2016 [^]	FY2017 [^]	FY2018 [^]	FY2019 [^]	CAGR [^]
Net Revenue	6,113	7,176	8,021	9,155	10,983	15.2%
Total Income	6,877	7,961	8,646	10,126	12,094	15.0%
Operating EBITDA	1,793	1,355	2,275	2,973	3,413	36.1%
Operating EBITDA margin	29.3%	18.9%	28.4%	32.5%	31.1%	
EBITDA	2,557	2,140	2,900	3,944	4,525	28.3%
EBITDA margin	37.2%	26.9%	33.5%	39.0%	37.4%	
PBT	2,675	1,815	2,619	2,814	3,986	30.0%
PAT*/Total Comprehensive Income	1,939	1,243	2,039	1,822	2,795	31.0%
EPS (₹)	16.82	10.40	16.91	15.04	23.12	
Cash & Equivalents (FD in Banks, Investment in Debt MF& FMP)	11,722	11,146	13,087	15,004	15,499	11.6%
Total Equity/Net Worth	16,624	17,950	19,831	21,074	23,239	9.0%
Head Count	3,826	4,214	3,999	4,036	4,243	0.2%

SEGMENT-WISE FIVE YEAR PERFORMANCE: STANDALONE (₹ MN)

	FY2015	FY2016 [^]	FY2017 [^]	FY2018 [^]	FY2019 [^]	CAGR [^]
Net Revenue						
Recruitment	4,450	5,290	5,953	6,688	7,858	14.1%
Matrimonial	392	476	580	687	723	15.0%
Real Estate	1,004	1,083	1,122	1,354	1,920	21.0%
Operating EBITDA						
Recruitment	2,279	2,747	3,214	3,759	4,295	16.1%
Matrimonial	(44)	(140)	(64)	(235)	(338)	NA
Real Estate	(375)	(993)	(574)	(304)	(222)	NA

* After exceptional item ^ As per Ind-AS