

Date: May 2, 2022

1. **The Manager- Listing**  
**National Stock Exchange of India Limited**  
(Scrip Code: NAUKRI)
  
2. **The Manager- Listing**  
**BSE Limited**  
(Scrip Code: 532777)

**Sub.: Letter to shareholders**

Dear Sir/Madam,

This is to inform you that a letter to the shareholders of the Company (enclosed as Annexure A) has been sent explaining the management perspective on its financial investment journey.

This is for your information and records.

Thanking you,

Yours faithfully,  
For **Info Edge (India) Ltd.**



**Chintan Thakkar**  
**Whole-time Director & CFO**

Encl.: A/a

## Annexure A

Dear Shareholder,

We are writing to thank you for reposing your faith and confidence in Info Edge. For any organization, a shareholder is perhaps the most important stakeholder and it is only apt that we express our gratitude to you for being part of the Info Edge family.

As you may be aware, and I am happy to note that MacRitchie Investments Pte. Ltd., an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited (“Temasek”) has committed to approximately 50% of total corpus of each of the schemes of Alternative Investment Funds (“AIFs”), as described herein below, in partnership with the Company.

In this context, we would like to describe to you the journey and philosophy of the investing business at Info Edge.

Info Edge has been a market leader in identifying and investing in promising early stage companies. This began fifteen years ago, in 2007, shortly after we went public. This activity includes two types of investments – strategic and financial. Strategic investments are in those companies that are synergistic with and important for the businesses we operate viz. Naukri, 99acres, Jeevansathi and Shiksha. Financial investments are in companies that may not be strategically important to our four operating businesses and the primary motive for us here is to earn a financial return.

Our financial investing activity can be divided into four phases.

The first phase was from 2007 to 2012. In this period we invested in over half a dozen companies. From this batch emerged two of the most successful startups in India – Zomato and Policybazaar. We first invested in Policybazaar in 2008 and in Zomato in 2010. Since then we have continued to invest in subsequent fund raising rounds of both these companies as and when required and appropriate. As you are aware, both these companies have now listed publicly and have a combined market capitalization of approx. USD 10 billion currently. Mighty oaks from little acorns grow - indeed. What seemed like a small investment a decade or more ago has yielded great value for our shareholders.

The second phase was from 2012 to 2015. In this phase we were in “wait and watch” mode. We had placed some bets but it was too early for any positive results to emerge. As a company we are risk averse and conservative. Therefore during this period, we decided not to make any investments in any fresh start-ups until we had greater visibility about the results from the first batch of companies. In these three years we merely continued investing into the existing portfolio – to those companies that needed the funding and also deserved it.

As positive results from our investments in Zomato and Policybazaar began to emerge by 2015, we gained confidence that the strategy of investing in start-ups would indeed yield value for our shareholders. In 2016 we once again began to invest in fresh start ups and thus began the third phase from 2016 to 2019 where we invested in a number of promising start-ups while continuing to support the older portfolio. Some of the companies that we invested in during this period, include Bijnis, Shippy, Gramophone, Shopkirana and Adda24x7. Although these are all still at a relatively early stage in their journey and haven’t achieved the kind of scale and value that Zomato and Policybazaar have done, several are showing great promise. Of course, any early-stage investment in startups carries risk and sometimes despite our

best efforts, things do not pan out in the manner we expect and hope. However, we are hopeful that some of these investments made during this phase will go on to create substantial value for our shareholders.

Since 2007 we have invested approximately USD 250 million in the first three phases (including the follow on rounds that may have gone in as recently as 2022). Based on the public market value of our holding in Zomato and Policy Bazaar as well as on the estimated value of our holding in the unlisted companies based on the valuation of the latest rounds of fund raise where another investor has come in (external validation) the value of our investment has appreciated manifold. We are happy with the results achieved thus far.

The fourth phase of our early stage investing journey began in 2019 when we decided to set up a Venture Capital Fund, namely Info Edge Venture Fund (“IEVF”) in the form of a SEBI registered AIF vehicle. First Scheme of IEVF, namely IE Venture Fund I (“IEVF-I”) was capitalized with Rs. 750 crores with 50% being invested by Info Edge and 50% Temasek.

IEVF-I has invested in 28 start-ups over the last two and a half years. We came in as the first or second institutional investor in a large majority of these companies and have deployed a total of USD 83 million till March 31, 2022. As many as 10 companies out of these 28 have received investment from other investors subsequent to our investment. These subsequent rounds have been at a higher valuation than when we first invested and after the start-ups demonstrated significant business improvement. The valuation growth of the companies in this portfolio has been substantial and our hope is to continue to remain on this path of growth. It is possible that the IRR of this portfolio will moderate over time and it is hard to estimate the eventual IRR for these investments. However as of now, the estimated IRR of IEVF-I, based on valuations in the last round of fund raise in these companies is among the best in the industry.

It is in this backdrop, in order to carry on our early stage investing activity which we believe will continue to create value for our shareholders, that we are planning to invest in three new schemes in partnership with Temasek.

The total size of all the three proposed funds/schemes together is USD 325 million with Temasek committing 50% and Info Edge seeking to commit 50%:

1. IE Venture Fund Follow-on I, a Follow-on fund to invest in the emerging winners from IEVF-I (Fund size USD 100 million with USD 50 million from Info Edge and USD 50 million from Temasek). This is intended to consolidate our position in the best companies of IEVF-I. It is precisely this strategy of following on into the winners that delivered a large part of the returns we have earned in Policybazaar and Zomato.
2. IE Venture Investment Fund II (fund size USD 150 million with USD 75 million from Info Edge and USD 75 million from Temasek). This will continue to invest in new start-ups along the same strategy as IEVF-I – Consumer Internet, B2B Commerce, SAAS/Cloud/Devops, IoT etc.
3. Capital 2B Fund I (fund size USD 75 million with USD 37.5 million from Info Edge and USD 37.5 million from Temasek) – this will have more of a Deep Tech and IP focus.

Over the last decade we have built a stellar team that manages our investing activity. It is this team that has delivered the results that have been achieved thus far. We have confidence in their abilities and they will continue their work in the new funds to create value for all our stakeholders.

In case you wish to understand more details about our investments or investing strategy do write in to [investors@naukri.com](mailto:investors@naukri.com)

We look forward to your continued support in our investing journey.

Regards

Sd/-

Sanjeev Bikhchandani