



3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✓	✓	✗

+ Positive = Neutral - Negative

What has changed in 3R MATRIX

	Old		New
RS	✓	↔	✓
RQ	✓	↔	✓
RV	✗	↔	✗

ESG Disclosure Score

NEW

ESG RISK RATING
Updated Jan 08, 2022

21.85

Medium Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

Source: Morningstar

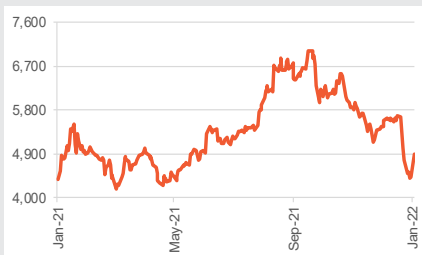
Company details

Market cap:	Rs. 63,111 cr
52-week high/low:	Rs. 7,462 / 4,027
NSE volume: (No of shares)	4.2 lakh
BSE code:	532777
NSE code:	NAUKRI
Free float: (No of shares)	7.9 cr

Shareholding (%)

Promoters	38.4
FII	37.1
DII	14.7
Others	9.8

Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	-12.1	-22.2	-6.1	12.2
Relative to Sensex	-11.7	-18.7	-16.4	-13.1

Sharekhan Research, Bloomberg

Info Edge (India) Ltd

Healthy Q3; growth prospects steady

Internet & New media

Sharekhan code: NAUKRI

Reco/View: Buy



Upgrade



Maintain



Downgrade

CMP: Rs. 4,901

Price Target: Rs. 6,500



Summary

- We retain a Buy on Info Edge with a revised PT of Rs. 6,500, given buoyancy in the job market, a pick-up in real-estate activity and prudent investment strategies.
- Strong in-line revenue, but margins lagged estimates; billings growth remained strong in recruitment and *Shiksha.com*. Overall billings growth is likely to remain healthy in Q4FY22 despite challenges from the Omicron variant
- Recovery in hiring activity in non-IT markets, higher attrition and new hiring in IT industry are expected to drive the revenue growth of its recruitment business in the medium-term. Favourable macroeconomic factors would drive *99acres.com* growth in near-to-medium term.
- We continue to prefer Info Edge considering its dominant market positioning in recruitment and real estate classifieds space, track record of identifying scalable businesses early and strong balance sheet. We expect revenue/EPS to report a CAGR of 21%/29% over FY22-FY24E.

Info Edge (India) Limited reported strong in-line revenue growth of 48.1% y-o-y led by strong growth across verticals, while EBITDA margins remained below our expectations due to higher advertising expenses (up 60%/30% y-o-y/q-o-q). Overall billings grew by 57.6% y-o-y (even up 56.1% from the pre-pandemic level of Q3FY2020) to Rs. 468.1 crore, led by strong billings growth in recruitment (up 77% y-o-y), *99acres.com* (up 17.2% y-o-y) and *Shiksha.com* (51.4% y-o-y) that indicate a robust business environment. Strong revenue growth of 57.5% y-o-y in recruitment business was led by 31% y-o-y growth in the paying customer base, while EBITDA margin of recruitment business improved to 59.9% (an all-time high level). Revenue from *99acres.com* and *Shiksha.com* grew by 30.5% y-o-y and 65.7% y-o-y, respectively. A recovery in hiring activity in non-IT markets, increased attrition rate and new hiring in IT & ITes markets are expected to drive the revenue growth of its recruitment business in the medium term. Billings growth continued across all sub-segments (builders, brokers, owners and among others) of *99acres.com*. Favourable macroeconomic factors, stable housing prices and higher online ad-revenue are expected to drive the revenue growth of *99acres.com* in coming years. We expect that growth would return in its *Jeevansathi.com* business in coming quarters given investments on customer experience, higher promotional activities and rising users in its platform.

Key positives

- Recruitment billings grew by 77%/22.5% y-o-y/q-o-q.
- EBITDA margin of recruitment business increased by 370 bps y-o-y to 59.9%
- Strong cash & cash equivalents of Rs. 3,855 crore

Key negatives

- Billings growth in *Jeevansathi.com* declined by 6.5% y-o-y
- EBITDA loss for *99acres* increased to Rs. 22.6 crore from Rs. 3.5 crore EBITDA loss in Q3FY21

Management Commentary

- The management believes that overall billings growth during Q4FY22 would not be impacted due to rising Omicron cases as it is expected to be short-lived.
- The margin of recruitment business likely to remain stable on q-o-q in Q4 as the company may not spend on marketing aggressively in the near term.
- Management expects affordable home prices to drive growth of *99acres.com* in the coming quarters.
- The company's number of tech talents increased to around 800 employees given acquisitions and new hires for new product developments.

Revision in estimates – We tweaked our earnings estimates FY22E/FY23E/FY24E factored in Q3FY2022 results and strong demand environment in recruitment and the *99acres* business.

Our Call

Valuation – Maintain Buy with a PT of Rs. 6,500: The revenue growth would be driven by strong demand in recruitment business, expected pick-up in real estate business, continued growth momentum in *Shiksha.com* business and anticipated recovery in *Jeevansathi* business. We expect the company to register revenue/earnings CAGR of 21%/29% over FY2022-FY2024E. Info Edge had a cash balance of Rs. 3,855 crore, which would be largely utilised for merger & acquisition opportunities in the core business areas. The company's strategic investments would scale up in the medium-to-long term, which would augur well to its overall valuation. We continue to prefer Info Edge because of its dominant positioning in the recruitment and real estate classifieds space, strong margin profile in the recruitment business and robust balance sheet. We maintain a Buy rating on the stock with a revised SOTP-based price target (PT) of Rs. 6,500.

Key Risks

Intense competition from both international and domestic players in the recruitment business could affect growth trajectory and margins of the recruitment business. Further, high competitive intensity in the real estate segment could enhance losses.

Valuation (standalone)

Particulars	FY21	FY22E	FY23E	FY24E
Revenue	1,098.6	1,497.3	1,865.2	2,198.1
OPM (%)	25.3	31.0	36.5	38.5
Adjusted PAT	274.2	460.7	632.2	765.9
% YoY growth	-16.7	68.0	37.2	21.2
Adjusted EPS (Rs.)	21.3	35.6	48.8	59.1
P/E (x)	230.2	137.8	100.4	82.9
P/B (x)	13.8	12.8	11.6	10.4
EV/EBITDA (x)	224.7	134.7	91.5	73.2
RoNW (%)	6.0	9.4	11.7	12.7
RoCE (%)	7.6	12.1	14.9	16.2

Source: Company; Sharekhan estimates

Revenue in-line, billings growth was strong; however, margin off the mark

Standalone revenue growth was strong led by robust performance across businesses, while EBITDA margin lagged our estimate due to higher advertising expense. Overall billing growth remained robust during Q3FY2022, led by recruitment business. Standalone revenue for the quarter grew by 48.1% y-o-y to Rs. 403.3 crore, broadly in line with our estimate, led by strong 57.5% y-o-y and 30.7% y-o-y growth in the recruitment business and 99acres businesses, respectively. Revenue from *Shiksha.com* grew by 65.7% y-o-y, while revenue from *Jeevansathi.com* declined 1.6% y-o-y. Overall billings grew by 57.6% y-o-y to Rs. 468 crore, led by 77% y-o-y growth in recruitment, 17.2% y-o-y growth in 99acres and 51% y-o-y growth in *Shiksha.com*. EBITDA margins improved by 280 bps y-o-y to 27.8%, but this remained below our expectations owing to higher advertising and promotional expenses (up 60%/30% y-o-y/q-o-q). EBITDA grew by 64.4% y-o-y to Rs. 112.1 crore, 14% below our expectations. Reported net profit of Rs. 329.1 crore (versus Rs. 69.9 crore in Q3FY2021) was aided by an exceptional gain of Rs. 217.8 crore due to the increase in the networth of its subsidiary i.e. SIHL (Startup Investments (Holding) Ltd) as PB Fintech has been categorized as financial investment post its recent IPO. Adjusted net profit came at Rs. 111.3 crore (up 59.3% y-o-y) and was 6.5% below our estimate owing to miss in operating profitability.

Q3FY2022 Conference Call Highlights

- ◆ **Another quarter of strong billings growth:** Overall billings have been growing strongly for last three consecutive quarters, up 57.6% y-o-y to Rs. 468 crore in Q3FY2022. Further, overall billings grew strongly by 56% from the pre-pandemic level of Q3FY2020. Billing including acquired operating businesses (*IIMjobs*, *Zwayam* and *DoSelect*) grew 60% y-o-y to Rs. 486.4 crore. Deferred revenues growth accelerated to 58.3% y-o-y (versus 51% in Q2FY2022) to Rs. 622.8 crore. The management believes that overall billings growth in Q4FY2022 would not be impacted due to Omicron as wave-3 is expected to be short-lived.
- ◆ **EBITDA grew strongly:** EBITDA reported growth of 64% y-o-y, led by robust revenue growth. However, the improvement in EBITDA margins lagged our expectations because of higher-than expected advertising expenses. EBITDA margins of the recruitment business improved by 370 bps y-o-y to 59.9%. 99acres and *Jeevansathi.com* reported EBITDA loss of Rs. 22.6 crore and Rs. 37.2 crore. *Shiksha.com*'s EBITDA increased to Rs. 2.1 crore from 0.8 crore in Q3FY2021. The company's segmental PBT was up by 72% y-o-y to Rs. 110.6 crore. PBT margins of the recruitment business improved by 507 bps y-o-y to 58.1% (highest in last 17 quarters), while PBT margin for 99acres stood at -43.5% in Q3FY2022 compared to -51.5% in Q2FY2022. PBT margins of other businesses (*Jeevansathi.com* and *Shiksha*) stood at -80.8% (versus -39% in Q3FY2021), owing to higher advertising expenses.
- ◆ **Recruitment business: On a strong growth trajectory:** Recruitment billings continued the growth momentum at 77% y-o-y to Rs. 356.5 crore in Q3FY2022 (up by 74% y-o-y in Q2FY2022) despite Q3FY2021 being a normal quarter (was up 20% q-o-q), which is an indicative of a strong demand environment. Recruitment billings also grew by 70% from pre-pandemic levels. The recruitment billings (including acquired business) grew by 80% y-o-y to Rs. 375 crore. *Naukri's* India billings grew by 84.6% y-o-y to Rs. 309 crore. The recruitment business revenue growth accelerated to 57.5% y-o-y from 40.5% y-o-y in Q2FY2022 and grew by 29.6% from the pre-pandemic level in Q3FY2020, led by 31% y-o-y growth in the paying customer base. Recruitment business EBITDA grew 67.8% y-o-y to Rs. 179 crore that translates into an EBITDA margin of 59.9% for recruitment business, which is the highest in the past several quarters.
 - ◆ The company continues to see strong hiring trends across sectors in the recruitment business. Its IT clients' recruitment activity continues to remain all-time high, led by higher attrition rate and new hiring in the sector. With higher activity by IT consulting firms, the number of searches on its platform increased by 15% y-o-y in Q3FY2022. We believe that the strong demand for talent requirements in IT & ITeS segment will continue for next few quarters, which would drive demand for its products in the recruitment business. Further, the increase in hiring from its non-IT clients in the sectors such as real estate, FMCG, logistics and healthcare are expected to drive the growth of its recruitment business.
 - ◆ The Jobspeak Index also showed signs of revival in hiring activity in multiple sectors beyond IT, such as travel and hospitality, retail and education during November and December

- ♦ limjobs.com billings grew 92% y-o-y to Rs 12.7 crore in Q3FY2022 (vs Rs. 10.9 crore in Q2FY2022). Both *Zwayam* (a SaaS recruitment management solution provider) and *DoSelect* are in the process of integrating with the *Naukri* business.
- ♦ The company witnessed strong growth in terms of addition of new customers (up 50% from the pre-pandemic level), billings per customer, and demand for its new products. Management cited that its significant investments in the data science and user experience in the product business of recruitment segment would create stickiness of customers on its portal.
- ♦ The company launched a new Naukri home page to create refreshing experience for the job seekers.
- ♦ The company saw strong growth in both billings and traffic on its recruitment platform. As the technology talent market remains very competitive, management believe it would drive the growth of the recruitment business going ahead. The recovery in hiring activity in the non-IT markets and higher attrition rate and new hiring in IT & ITeS markets are expected to drive the revenue growth of its recruitment business in the coming quarters.
- ♦ Recent acquisitions in the recruitment business and investments for product enhancement have aided diversification of its product portfolio. Management expects these new acquisitions and product enhancement would contribute to Naukri's revenue meaningfully in next two years.
- ♦ Margins of recruitment business would remain stable on a sequential basis in Q4FY2022 as the company would not be aggressive in marketing spends.
- ♦ The management believes that the billings growth in recruitment business would not be affected in Q4FY2022 because of new COVID variant Omicron virus.
- ♦ Competitive situation in its recruitment business has not changed dramatically for the company in the last few quarters as it continues to investment on its products and platforms to provide superior customer experience to its customers.
- ♦ **Activities on recruitment platforms remained strong:** The number of unique customers grew by 31% y-o-y compared to a growth of 32% y-o-y in Q2FY2022. However, growth in the average number of resumes added daily moderated to 5.9% y-o-y in Q3FY2022 versus 22% y-o-y in Q2FY2022. The number of CVs were added around 18,000 per day on its platform during the quarter. Deferred revenue of the recruitment business increased by 31% y-o-y versus 51% in Q2FY2022.
 - ♦ Average realisations in Q3FY2022 improve sequentially. Average CV additions per day increased 38% from the pre-pandemic level. Average CV modifications per day declined by 8% y-o-y to 4,03,000. Traffic share across its recruitment platforms continues to remain above 75%.
- ♦ **99acres: Expect strong revival post normalcy:** The strong revival in all sub-segments (new homes, resale, rental, and commercial) of the 99acres.com business was temporarily impacted by the third wave of COVID-19. This has resulted in 6.6% y-o-y decline in number of total listings on its 99acres platform, while total number of paid listings declined 13.2% y-o-y.
 - ♦ 99acres.com's billings grew by 17.3% y-o-y to Rs. 61.4 crore in Q3FY2022. 99acres.com's revenue grew by 30.5% y-o-y to Rs. 58.6 crore despite 13% y-o-y decline in paid listings. EBITDA losses stood at Rs. 22.6 crore compared to a Rs. 3.5 crore operating loss in Q3FY2022. EBITDA loss also widened on a q-o-q basis.
 - ♦ Despite temporary slowdown in the real estate sector due to wave 3 of COVID-19, there has been continued momentum in the residential sales given an increase in household incomes, lower mortgage rates, stable housing prices and desire to own bigger homes. Management expects the affordable home prices would drive growth in 99acres.com in the coming quarters.
 - ♦ Billings growth continued across all sub-segments (builders, brokers, owners and among others) of 99acres. The company experienced higher usage of its platforms in new home and resale sub-segments. The recently launched product i.e premium listing witnessed strong adoption among brokers. Listing from the owners grew 15% y-o-y. Traffic during the quarter grew 23% y-o-y. The rental category grew faster than other categories in the 99acres business.

- ♦ The real estate industry's online advertising spend is expected to go up in coming quarters. Info Edge will continue to invest aggressively in this vertical in improving its core platform experience and strengthen its competitive positions.
- ♦ **Jeevansathi.com: Billings growth declined, expect recovery in coming quarters:** Jeevansathi.com billings declined by 6.5% y-o-y to Rs. 24.5 crore, while revenues declined by 1.6% y-o-y to Rs. 24.3 crore during the quarter. Operating losses increased to Rs. 37.2 crore from operating loss of Rs. 27.6 crore in Q3FY2021.
 - ♦ A surge in the COVID cases due to wave 2 impacted the activities in its Jeevansathi.com platform. However, the marriage season usually starts after Diwali after which users returned to its platform. We expect the growth would return in its Jeevansathi.com business in coming quarters given investments on customer experience and higher price discounting.
 - ♦ With beginning of the marriage season, the advertising spends scaled up in the month of December. This has helped in increasing the number of traffics in the Jeevansathi.com platform. New verification mechanism launched for NRI users during the quarter.
 - ♦ The management indicated that the company would continue to invest on product development to improve verification mechanisms and smoother communication on its platform. Aggressive investments on its brand and user experience would help Jeevansathi.com to increase its market share in the Hindi belt.
- ♦ **Shiksha.com: Likely to continue its growth momentum:** The company witnessed strong traction from both students and institutions for its education portal i.e *Shiksha.com*. Billings grew by 51.4% y-o-y to Rs. 25.7 crore, while its revenue growth accelerated to 65.7% y-o-y to Rs. 21.9 crore. Growth was driven by higher searches by the students for the colleges and universities. Further, study abroad segment also saw strong response during the quarter.
 - ♦ The company's study in abroad sub-segment witnessed strong demand in its Shiksha.com business. Further, the company sees strong interest from colleges and universities to advertise on its platform.
 - ♦ The company would focus on deepening its engagement with private colleges and universities for undergraduate admissions as well in admission to post-grad courses.
 - ♦ The company's focus on student-centric content and product improvements have helped it increase traffic and drive growth as well. The company would continue to invest aggressively in making comprehensive and student friendly content. The company's strategy is to provide more and more relevant content to students.
- ♦ **Strong cash balance:** The company had cash and cash equivalents of Rs. 3,855 crore as of December 31, 2021, compared to Rs. 3,880 crore/ Rs. 3,387 crore as of September 30, 2021/December 31, 2020 respectively. The company may aggressively invest in start-ups, take majority stake in companies in its core areas (recruitment, education, matrimony, and real estate), and merger and acquisition opportunities.
- ♦ **Higher employee cost likely to be offset by higher revenue:** The increase in employee cost was attributed to wage revision and recruitment expenses for tech talents for products that have not started generating revenue yet. Tech staff increased to around 800 employees from 700 employees in a few quarters back. Margin improvement would depend on strong revenue growth in the recruitment business, lower advertisement expenses in Jeevansathi.com business, and improvement in the real estate market.

Results (Standalone)

	Rs cr				
Particulars	Q3FY22	Q3FY21	Q2FY22	Y-o-Y %	Q-o-Q %
Net Sales	403.3	272.3	351.7	48.1	14.7
Network, internet and other direct charges	7.2	6.7	7.1	7.9	0.5
Employee benefits expense	183.9	131.5	160.5	39.9	14.6
Advertising and promotion cost	80.5	50.3	61.7	60.1	30.4
Other expenses	19.6	15.7	16.0	24.6	22.2
Operating profit	112.1	68.2	106.3	64.4	5.4
Depreciation and amortisation	9.7	10.9	9.9	-11.3	-2.1
EBIT	102.4	57.2	96.4	78.9	6.2
Other income	42.6	31.6	44.0	34.8	-3.4
PBT	143.8	87.5	139.2	64.5	3.3
Provision of tax	32.6	17.6	37.7	85.3	-13.5
Reported net income	329.1	69.9	8355.7	371.0	-96.1
Exceptional item	-217.8	-	-8254.2	-	-
Adjusted net income	111.3	69.9	101.5	59.3	9.6
Adjusted EPS (Rs.)	9.1	5.7	8.3	59.3	9.6
Margin (%)				(Bps)	(Bps)
OPM	27.8	25.0	30.2	276	-243
EBIT Margin	25.4	21.0	27.4	437	-202
NPM	27.6	25.7	28.9	193	-128
Tax rate	22.6	20.1	27.1	250	-442

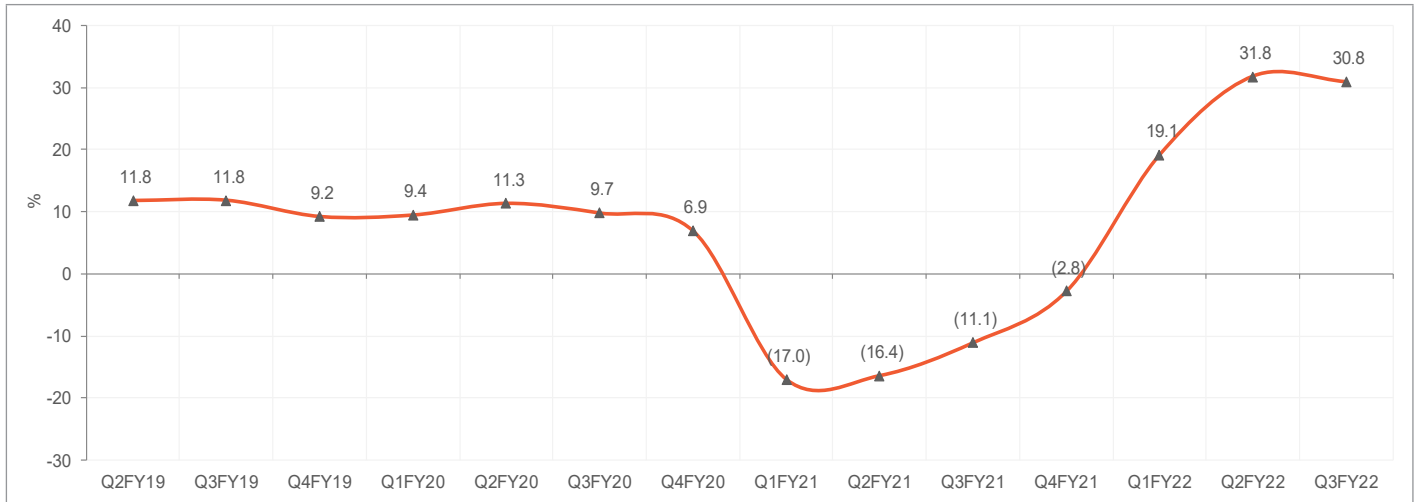
Source: Company; Sharekhan Research

SOTP Valuation

Business segment	Stake	Valuation methodology	Per share value (Rs.)
Recruitment business	100%	EV/EBITDA	4026
99acres	100%	EV/Sales	608
Jeevansathi.com	100%	EV/Sales	185
Shiksha	100%	EV/Sales	87
Standalone business (per share)			4906
Zomato	15%		719
PolicyBazaar	15%		415
Other investee company			75
Cash		Per share	384
Total per share			6,500

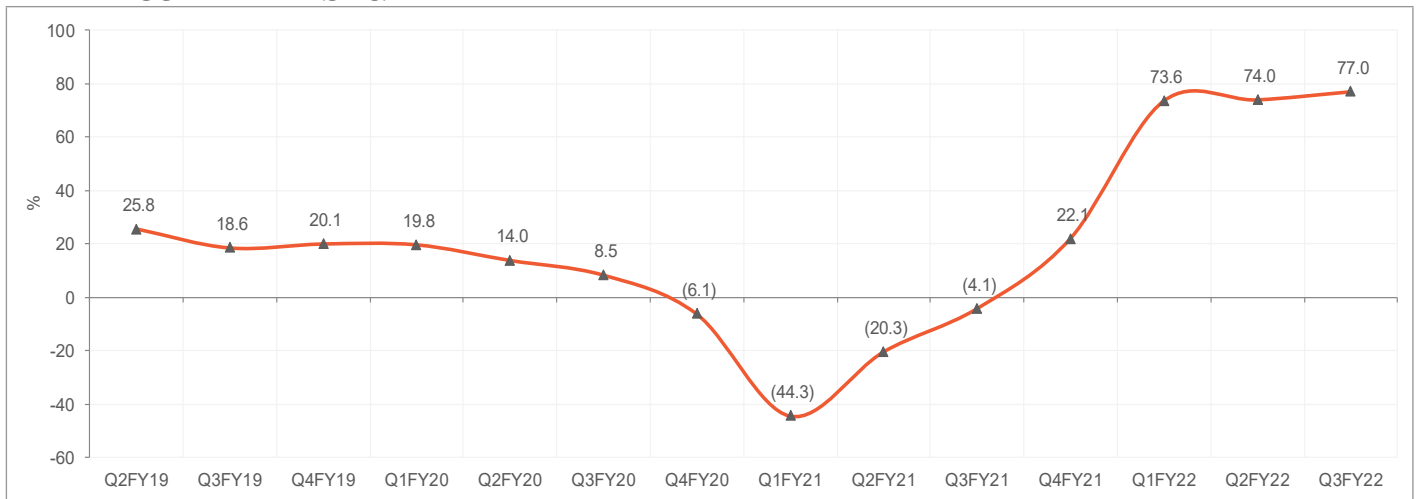
Source: Company; Sharekhan Research

Naukri: unique paying member growth trends (y-o-y)



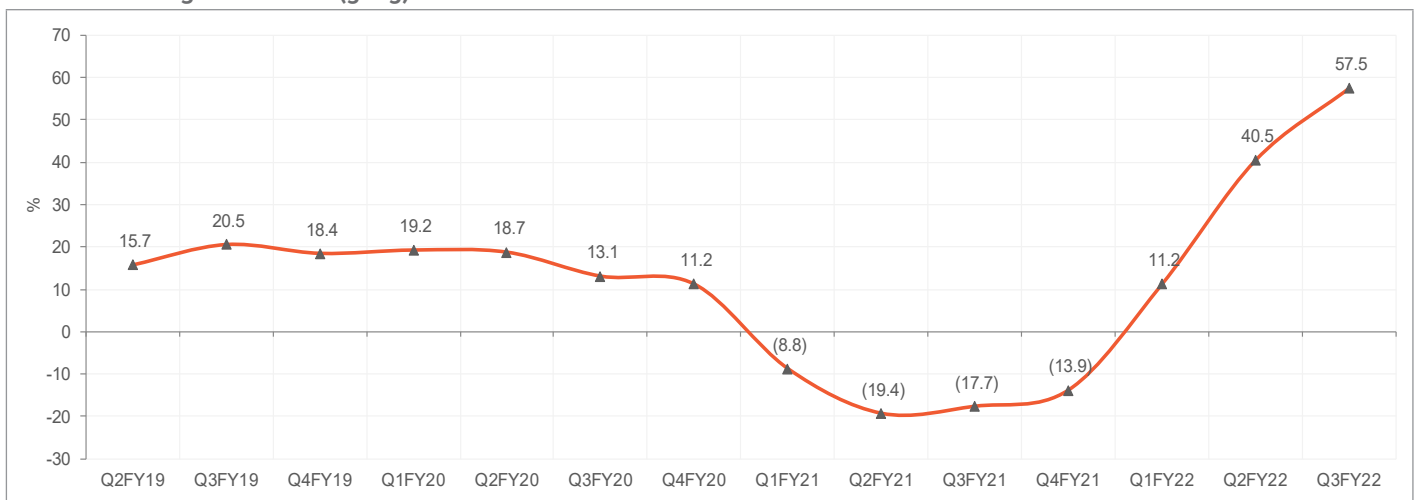
Source: Sharekhan Research

Naukri billing growth trends (y-o-y)



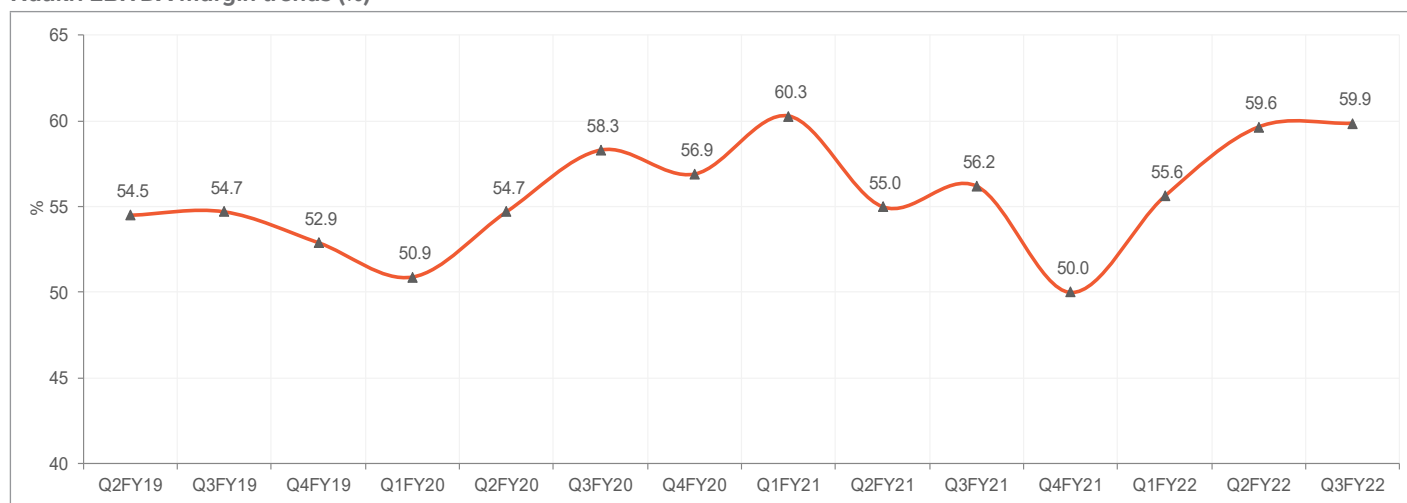
Source: Sharekhan Research

Naukri revenue growth trends (y-o-y)



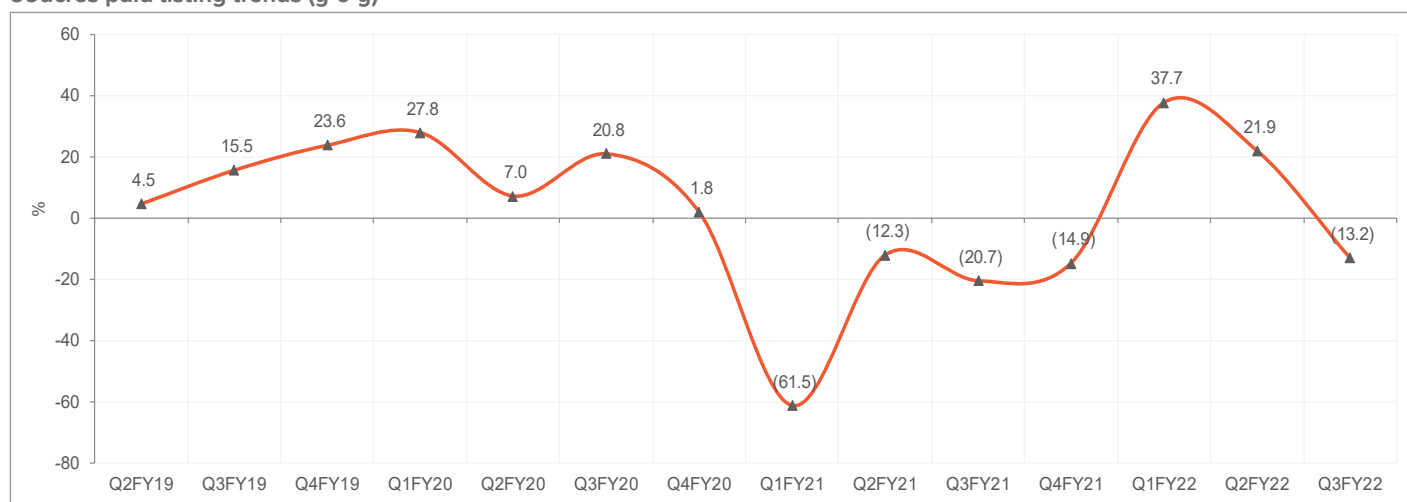
Source: Sharekhan Research

Naukri EBITDA margin trends (%)



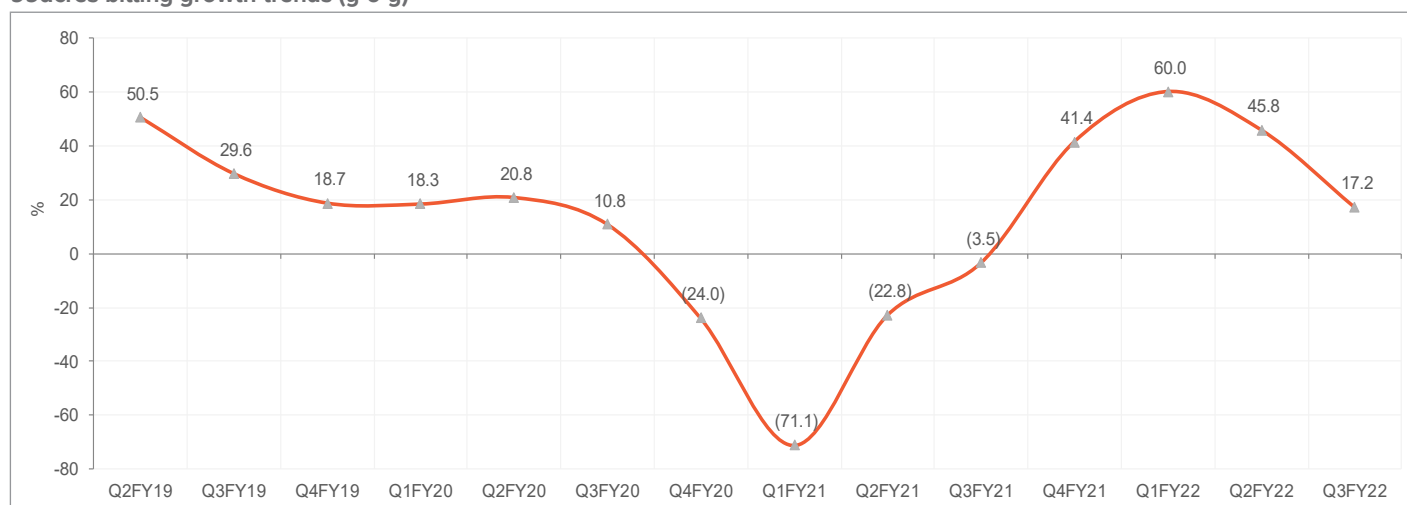
Source: Sharekhan Research

99acres paid listing trends (y-o-y)



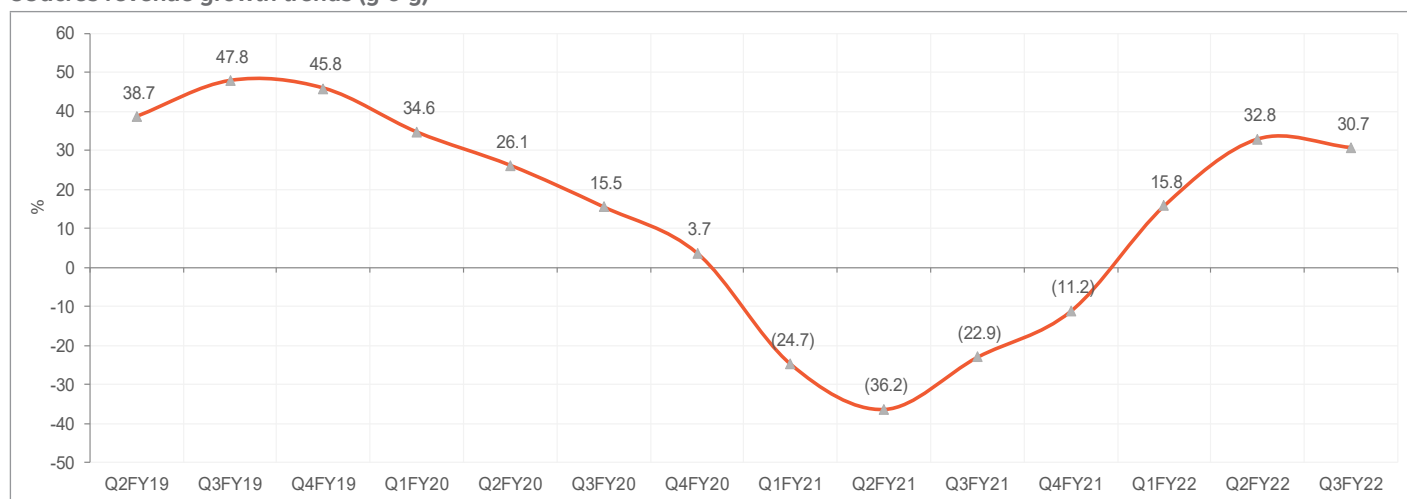
Source: Sharekhan Research

99acres billing growth trends (y-o-y)



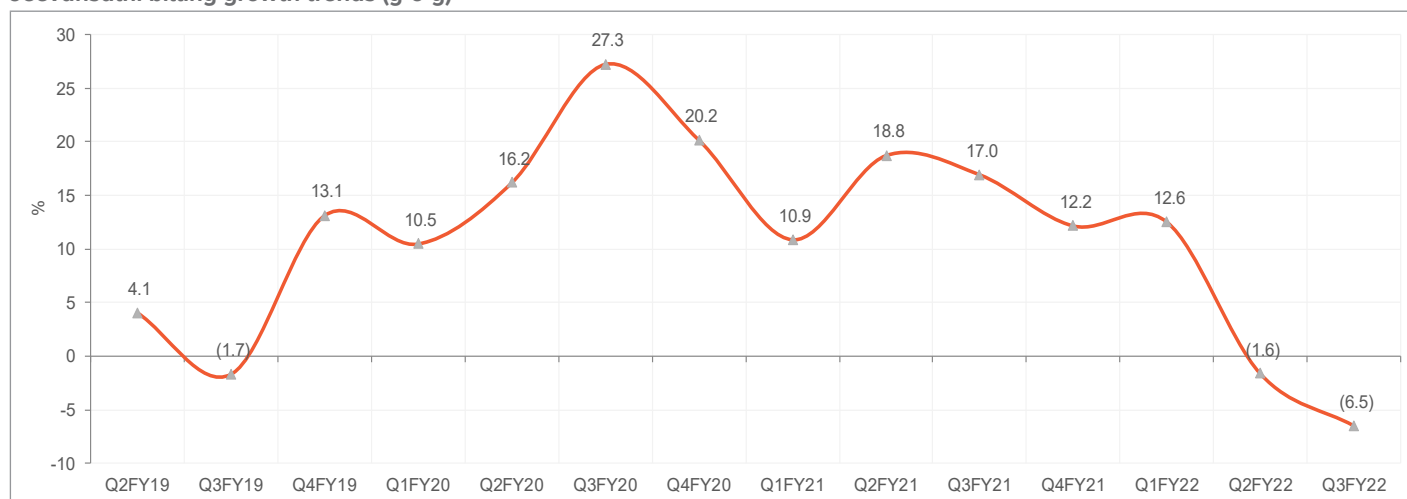
Source: Sharekhan Research

99acres revenue growth trends (y-o-y)



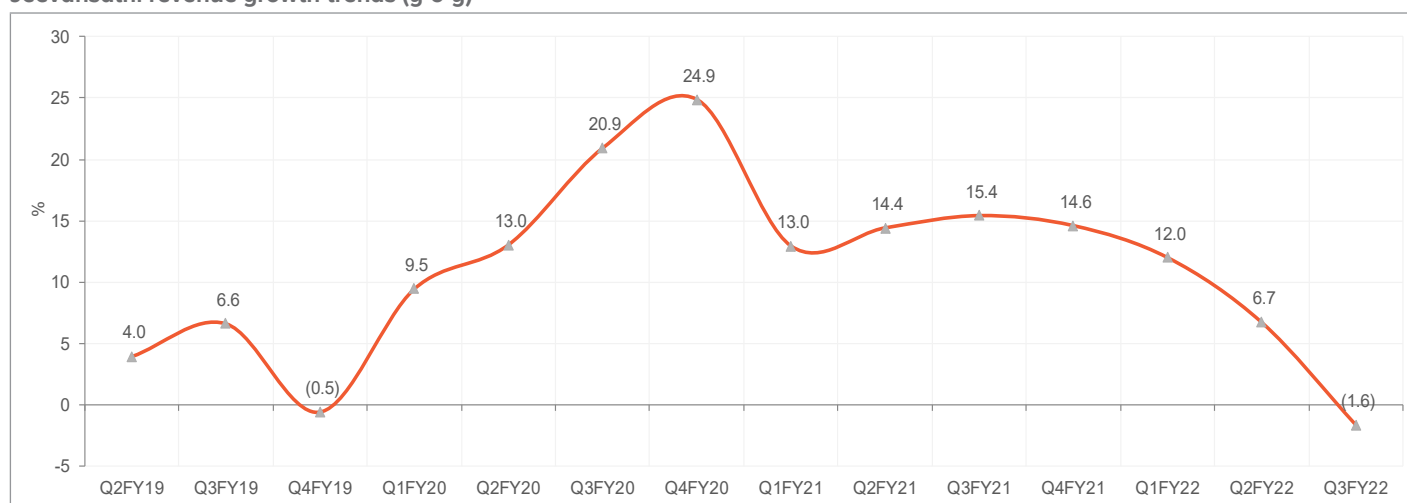
Source: Sharekhan Research

Jeevansathi billing growth trends (y-o-y)



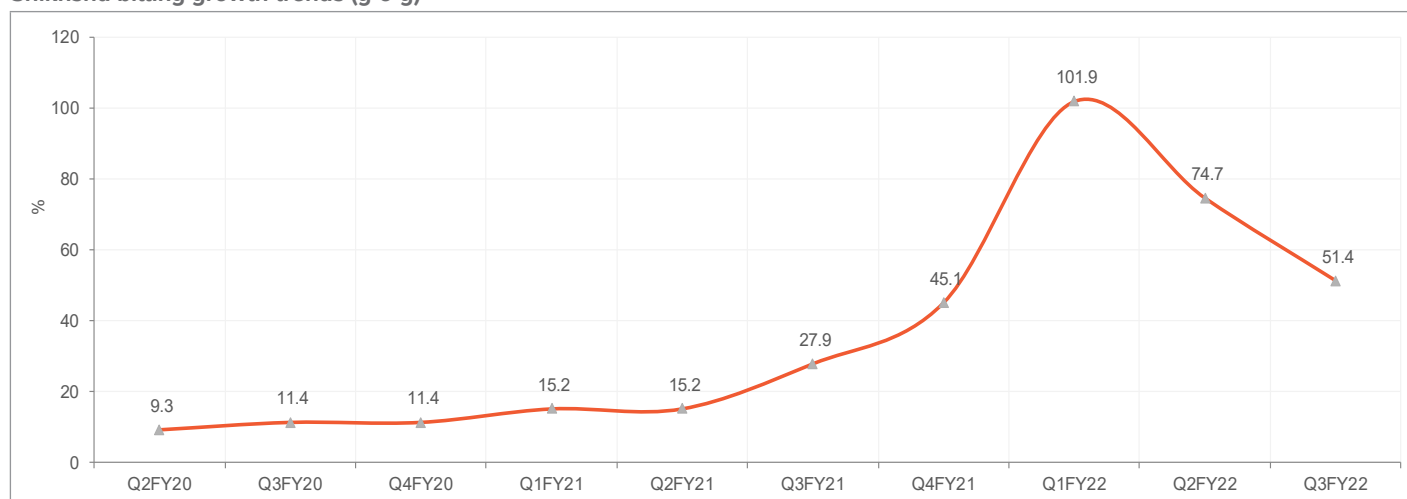
Source: Sharekhan Research

Jeevansathi revenue growth trends (y-o-y)



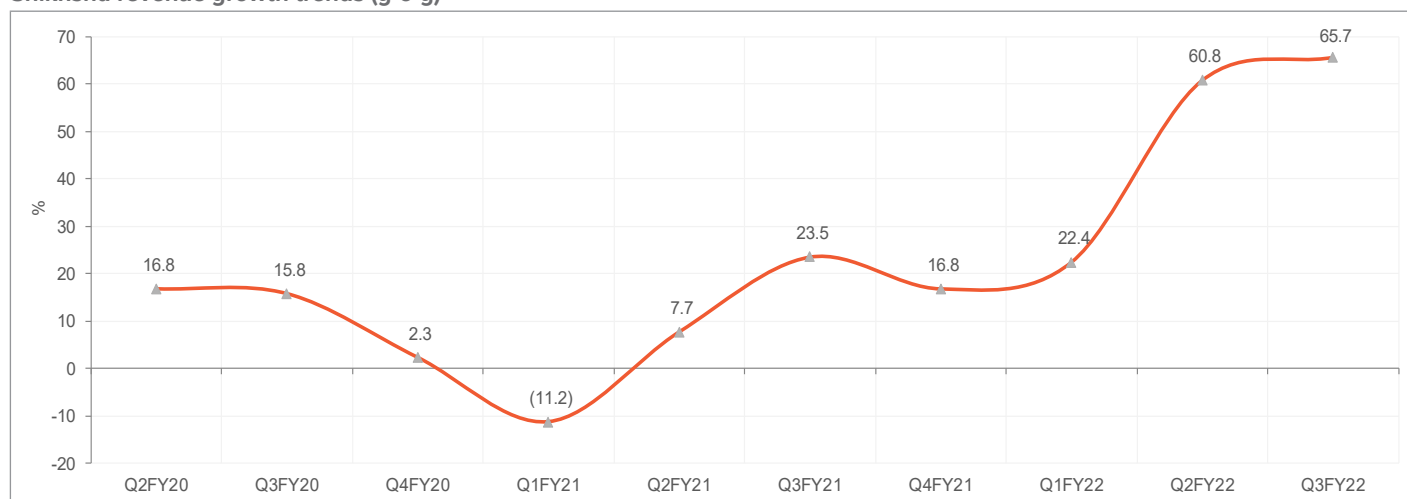
Source: Sharekhan Research

Shiksha billing growth trends (y-o-y)



Source: Sharekhan Research

Shiksha revenue growth trends (y-o-y)



Source: Sharekhan Research

Outlook and Valuation

■ Sector view – Expect acceleration in internet businesses going forward

Info Edge's recruitment business directly and disproportionately benefits from pick-up in GDP growth. With a strong shift from print ads to digital and lower interest rate, we expect a high-growth trajectory for 99acres.com in the long term. Further, India's real estate online classifieds market is expected to be worth Rs. 60 billion by 2030, with a 21% CAGR over 2018-2030E.

■ Company outlook – Poised to lead the pack

Info Edge is a leading online classifieds company with a strong position in recruitment, real-estate, matrimony, and education. Info Edge continues to sustain its strong traffic share across its core businesses over last few quarters. Among its early investments in start-ups, Zomato and PolicyBazaar.com have emerged as big bets and have a huge potential to grow in the coming years. In the long term, we believe market-leading position across core businesses along with improving traction in certain investee companies and potential higher valuation for its financial investments would bode well for the company.

■ Valuation – Strong positioning across businesses

The revenue growth would be driven by strong demand in recruitment business, expected pick-up in real estate business, continued growth momentum in Shiksha.com business and anticipated recovery in Jeevansathi business. We expect the company to register revenue/earnings CAGR of 21%/29% over FY2022-FY2024E. Info Edge had a cash balance of Rs. 3,855 crore, which would be largely utilised for merger & acquisition opportunities in the core business areas. The company's strategic investments would scale up in the medium-to-long term, which would augur well to its overall valuation. We continue to prefer Info Edge because of its dominant positioning in the recruitment and real estate classifieds space, strong margin profile in the recruitment business and robust balance sheet. We maintain a Buy rating on the stock with a revised SOTP-based price target (PT) of Rs. 6,500.

One-year forward P/E (x) band



Source: Sharekhan Research

Peer valuation

Particulars	CMP (Rs / Share)	MCAP (Rs Cr)	P/E (x)		EV/EBITDA (x)		P/BV (x)		RoE (%)	
			FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Affle India	1,312	13	17,477	88.6	69.4	81.6	60.0	29.6	20.7	33.4
Just Dial#	905	8	7,565	84.6	34.3	147.2	25.5	-	-	5.2
Info Edge*	4,901	13	63,111	137.8	100.4	134.7	91.5	12.8	11.6	9.4

Source: Company, Sharekhan estimates

About company

Info Edge is India's largest listed internet technology player, operating in businesses such as online recruitment, real estate, matrimony, and others. The company operates in the online recruitment business under its flagship brand *Naukri.com*, which has a share of more than 80% of the recruitment market. The company's other businesses such as online real estate and matrimony divisions operate under *99acres.com* and *Jeevansathi.com*, respectively. The company also has stakes in a number of companies, including *Zomato* and *Policybazaar.com*.

Investment theme

Info Edge enjoys a leadership position in its core businesses such as online recruitment, real estate, and matrimony and stands to benefit from the rising popularity of these platforms with greater internet penetration. Naukri is the leader in the industry and its revenue growth is directly linked to GDP growth. Cash generated by Naukri.com supports other businesses (*99acres* and *Jeevansathi.com*) and investments in start-ups. 99acres is well placed to capitalise from increasing spends on the digital front by real estate developers and brokers. In addition, the company has invested in more than 20 start-ups, of which some investments (Zomato and Policybazaar) have created higher value for the company. We believe Zomato and Policybazaar are now uniquely placed with a good brand names.

Key Risks

1) Entry of large internet players with aggressive expansion plans and any slower-than-expected economic recovery could affect growth trajectory and margins of the recruitment business, 2) any new technology that can provide tough competition to core businesses, 3) high competitive intensity in the real estate segment would widen losses, 4) higher competition for attracting talent in food delivery platforms would increase cash burn rates, and 5) increasing losses from companies that Info Edge has invested in.

Additional Data

Key management personnel

Sanjeev Bikhchandani	Founder and Executive Vice Chairman
Hitesh Oberoi	Managing Director and CEO
Chintan Arvind Thakkar	Director and CFO
Dr. Pawan Goyal	Chief Business Officer - Naukri.com
Maneesh Upadhyaya	Chief Business Officer- 99Acres.Com

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Axis Asset Management Co. Ltd.	6.50
2	Nalanda India Equity Fund Ltd.	2.99
3	BlackRock Inc.	2.19
4	Vanguard Group Inc/The	2.17
5	Life Insurance Corp of India	1.69
6	Nordea Bank Abp	1.47
7	WF Asian Smaller Cos Fund Ltd./Caym	1.34
8	First State Investments ICVC	1.24
9	UTI Asset Management Co	1.19
10	Goldman Sachs Group Inc/The	1.11

Source: Bloomberg

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Understanding the Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Sharekhan Research

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