"Info Edge Q2 FY 20-21 Results Conference Call"

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Anand Bansal: Yeah. Good evening everyone. We will begin the call in a minute as people are joining, and it takes a while for people to join. I am Anand Bansal, and along with my colleague Vivek, will be conducting this call. We will begin in a short while. We have 110 people with us. We'll wait for a minute. I now request Vivek to start the call.

Vivek: Thanks. Thanks, Anand. Hi, everyone. This is Vivek, and I am the moderator for the call today. Good evening, and welcome to the Info Edge (India) Limited Q2 Results Conference Call.

As a reminder, all participants' line will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call, kindly raise your hand on your screen. Please note that this conference is being recorded.

Joining us today from the management side we have Mr. Sanjeev Bikhchandani, Founder and Vice Chairman; Mr. Hitesh Oberoi, Co-Promoter and Managing Director; and Mr. Chintan Thakkar, Chief Financial Officer.

Before we begin today, I would like to remind you that some of the statements made in today's conference call maybe forward-looking in nature and may involve risks and uncertainties. Kindly refer to Slide Number 2 of Investor Presentation for detailed disclaimer.

Now I would like to hand over the conference to Mr. Hitesh Oberoi for his opening remarks. Thanks, thanks, and over to you Hitesh.

Hitesh Oberoi: Thank you, Vivek. Good evening everyone, and welcome to our Second Quarter FY '20-'21 Results Conference Call. As always, we will first start with the overall financials and then cover each business in more detail. And then, of course, we will have time for Q&A.

The audited financial statements filed and other schedules on segment of billing revenues etc., along with the datasheet have been uploaded on our website InfoEdge.in.

Firstly, talking about the standalone financials, billings in Q2 were rupees 249.5 crores, down 17% year-on-year. Revenue in Q2 was rupees 256.1 crores, down 19.1% year-on-year. Operating expenses excluding depreciation for the quarter were rupees 204.6 crores, down 5.9% year-on-year.

Operating EBTIDA stood at 51.6 crores versus 99.3 crores last year, a reduction of 48.1% year-on-year. And operating EBITDA margins for the quarter stood at 20.1% compared to 31.4% in Q2 of '19-'20. EBITDA readjusted for ESOP noncash charges stood at rupees 58.1 crores versus rupees 104.8 crores in Q2 of last year. And EBITDA margin readjusted for ESOP for the quarter stood at 22.7% versus 33.1% in Q2 of last year.

Cash EBITDA for the quarter stood at rupees 45.7 crores, down 44.5% year-on-year. And deferred sales revenue stood at rupees 371.9 crores as of September 30, 2020 versus 480.7 crores as of September 30, 2019, a decline of 22.6% year-on-year.

The cash balance in IEIL, and its 100% subsidiaries stands at rupees 3373 crores as of September 30, 2020. This was rupees 1509 crores on September 30, 2019.

Key sort of highlights of the quarter, in Naukri traffic has returned to pre-COVID levels. JobSpeak Index, which is a proxy for hiring activity in the country is rising month-on-month. In September, October, it was down 23% compared to last year. This is a significant improvement over what we saw in Q1 when the index was down 60% on the average.

Some sectors, such as travel and hospitality, are yet to recover, and that is reflecting in the index.

In 99Acres also, we saw traffic turning back to pre-COVID levels, although builders are still exercising caution over their advertising spends. Brokers have slowly upped their spending on resale and rental segments. Due to a decrease in new launch activity and biased preference for ready-to-move homes, the new home segment continues to remain a little muted.

We continue to remain aggressive in Jeevansathi. Our aggressive investments here have helped us grow faster than our competitors, both in terms of traffic and in terms of billing. And of course, we continue to invest in areas of strategic interest and adjacencies.

Moving on to the consolidated financial highlights. At the consolidated level, the net sales for the company stood at rupees 260.9 crores versus rupees 329.5 crores from last year. For the consolidated entity at the PAT level, there is a gain of rupees 328 crores versus a loss of rupees 111.8 crores from the corresponding quarter of last year. Adjusted for the exceptional items, PAT stood at a loss of rupees 46 crores in quarter ended September '20 versus a loss of rupees 113.4 crores in the corresponding quarter of last year.

Moving on to business-wise results. We'll first discuss recruitment. In Q2, recruitment billings were rupees 167.3 crores, down 20.2% year-on-year, while revenues were at rupees 182.6 corers, a degrowth of 19.3% year-on-year.

Operating EBITDA stood at rupees 100.5 crores, down by 18.9% of September of '19. Margins were at 55% versus 54.7% in Q2 of last year. EBITDA readjusted for ESOP noncash charges stood at 103.6 crores at 56.7% versus 55.9% in Q2 of last year. And cash EBITDA for recruitment during the quarter stood at rupees 85.4 crores, down 20% year-on-year.

In Naukri, in Q2, we witnessed a good recovery, a solid recovery, in fact, in collections. From a 48% decline in Q1, we were, you know, collections in the corporate sales part of the business were down 13% in Q2, with September collection down only 10% year-on-year. The current recovery is experienced across all industries.

In Q2, the Billing and IT and Telecom service in September comprising our largest revenue base has reached pre-COVID levels. Continuous monthly improvement in direct online sales is also suggesting a revival in our sales from retail and small customers.

The job seeker activity in the platform continues to recover since June. And we added, on an average, we added 16,528 new CVs per day in Q2. And the Naukri database grew to 71 million CVs. Average CV mods were also at about 451,000 per day in Q2.

Recruiter engagement on the platform has also recovered in Q2, though recruiter searches are still down 12% in September and 30% for Q2. The recovery is being driven primarily by the IT and ITES segment.

Our traffic share in the job portal space continues to be in the 90s with nearest competition coming from Indeed. IIM Jobs reported a billing of 5.17 crores for Q2 of 2021. This is a growth of 11.6% from Q2’20. The business operated at a breakeven level during the quarter.

Moving on to the real estate vertical. In 99Acres, billings in Q2 stood at 46.7 corers, a degrowth of 22.9% year-on-year, while revenue stood at 36.3 corers, a degrowth of 36.3% from 57 crores in Q2 of '20.

Operating loss for the quarter stood at rupees 7.2 crores. EBITDA adjusted for ESOP stood at a loss of rupees 5.8 crores versus a profit of rupees 5.2 crores last year in the same quarter. And cash profit for 99Acres during the quarter stood at rupees 2.9 crores against a cash profit of rupees 6.8 crores last year.

In 99Acres, in Q2, business improved sequentially each month from July to September, recovering to 76% of last year Q2. We exited the quarter on a much stronger momentum than where we started the quarter.

While all business verticals of new home, resale, rental and commercial continue to be impacted in Q2, new homes was impacted more with lesser new launches than last year and a shift in buyer's preference for more ready-to-move-in properties.

The number of clients billed, the average billing, and average billing per customer both impacted in Q2. On the average, smaller cities' business recovered more than the larger metros.

We reduced our ad spends on facilities and marketing. And by the end of Q2 of daily listings posted by owners were higher than pre-COVID levels, while broker listings were recovering with some lag.

Traffic on 99Acres had fully recovered in Q2. By the end of Q2, traffic had started growing by 10% compared to pre-COVID Feb '20 levels. Inquiries or responses through the platform grew in a strong manner in both new homes and resale.

The brand or top-of-the-mind sort of share versus our nearest competitor slightly inched up to 59% in Q2 as per Google Search trends.

Moving on to Jeevansathi. In Jeevansathi, billings grew 18.6% year-on-year in Q2 to rupees 24.7 crores, and revenue grew 14.4% year-on-year to rupees 23.8 crores.

The operating EBITDA loss for the business stood at rupees 33.3 crores in Q2 of FY '21, up from rupees 16.5 crores last year. EBITDA readjusted for ESOP stood at a loss of rupees 32.9 crores for Q2 versus a loss of rupees 16.3 crores last year. Cash loss of Jeevansathi during the quarter stood at rupees 32.7 crores.

In Q2, Jeevansathi saw further acceleration in profile growth rates and higher traffic on the platform. Aggressive marketing spends resulted in reaching pre-COVID levels of sales growth.

Some of the features like video calling, video profiles, and video-based online meet-ups continue to help the business drive growth in user engagement in the quarter. Improved payment experience across platforms also helped improve realizations.

We continue to consolidate our position as we penetrate deeper into our core markets. We plan to spend aggressively, considerably more on marketing across all markets to strengthen our brand presence going forward.

Moving on to the Shiksha business. In Q2, billings in Shiksha grew 15.2% year-on-year to rupees 10.8 crores, while revenue grew 7.7% year-on-year to rupees 13.4 crores. EBITDA for Shiksha stood at rupees 0.9 crores versus a profit of rupees 0.2 crores in Q2 of last year.

EBITDA readjusted for ESOP for the quarter stood at rupees 1.4 crores versus a profit of rupees 0.6 crores last year. Cash loss for the quarter stood at rupees 1.7 crores.

We are continuously putting more efforts to get more and more user-generated content on the website so that we can drive more leads to our customers.

Finally, our strategic investments. Zomato -- talking about Zomato, the company is witnessing the revival of business in food delivery. Both revenues and volumes are trending towards pre-COVID levels. The management is thriving on its journey towards profitability, and the unit economics still remain encouraging.

Policy bazaar has registered growth in its core businesses. That is health and term insurance. This growth rate is higher than the industry growth in these two segments.

Paisa bazaar is also witnessing a revival in its operations, and we expect significant recovery for the business in the second half of this year.

Besides this, we continue to explore investment and acquisition opportunities in areas of strategic interest and adjacencies. These investments would be continued to be made through our balance sheet or the IEIL venture fund.

Thank you. This is all from us today. And we are now ready to take any questions that you may have.

Q&A Session

Vivek: Thanks, Hitesh. We will now begin the Q&A session. Anand, you may start the questions now?

Anand Bansal: The first question is from Sachin Hemnani. Sachin, go ahead and ask your question.

Sachin Hemnani: Good evening, sir. I have few questions, listing them together. As per your latest--

Sanjeev Bikchandani: Sachin, sorry, can you introduce yourself first, please? Sachin Hemnani from where?

Sachin Hemnani: From Perfect Research.

Sanjeev Bikchandani: From?

Sachin Hemnani: Perfect Research.

Sanjeev Bikchandani: Perfect Research. Okay. Thank you.

Sachin Hemnani: So I have few questions, listing them together. Number one, as per your latest presentation, indeed seems to have lost some market share on desktop traffic share. So, are we gaining the market share from the other players like Indeed, etc.? Number second, on 99Acres, Magicbricks seems to have gained some market share since March '19 and our lead over them has reduced. So could you please throw some light on it? Next, with the growing number of online education players, what strategies are we talking to grow Shiksha? And the last one, also regarding our investment in Coding Ninja. Now WhiteHat Jr acquired by Byju's, how is the competitive intensity shaping up for Coding Ninja? That's all.

Hitesh Oberoi: Okay. See, Indeed, see we a already have a very large share in the market. The movement in market share over the last few months is because of COVID, you know, of course, we've lost the, you know, we lost traffic in the first few months. But, you know, competition was impacted even more, and therefore, we ended up gaining a couple of points in terms of market share over Indeed. But I would not read too much into it. So, you know, since we already had a very large share of the market, it doesn't really move the needle for us. Yes, but, you know, we sort of did a better job than Indeed at least in terms of share last quarter or in the last six months.

For 99Acres, in terms of MBs traffic share, again, I would not read too much into these independent sort of sources, which give out share, because a lot of these algorithms keep changing from quarter-to-quarter, right? The problem really is that the app traffic is not so easy to measure. And, you know, so that complicates a lot of things now, because a lot of the traffic is on the app. So unlike a few years ago, when a lot of the traffic was on the web, a lot of our customers now sort of use the app. And that is not so easy to measure a lot of these online sort of traffic and data providers.

We may have lost a couple of points to Mag bricks over the last few months. Normally, when these two or three points or swings which you see are often a result of advertising spend in that particular quarter. So, in a quarter, if Magic bricks spends more, we may end up losing a few points. On the other hand, when we spend more, we may end up gaining a few points. So I would not read too much into these swings at this point in time.

Your third question was around sort of -- sorry. What was your third question?

Chintan Thakkar: It was on Shiksha strategy.

Sanjeev Bikchandani: Byju, Whitehat Jr, Coding Ninja.

Chintan Thakkar: Shiksha strategy and then fourth one is on, on Coding Ninja.

Hitesh Oberoi: Okay. So, Shiksha, we continue to invest in more content, you know, and that is what's really driving traffic to our platform. So we started as, you know, a site which listed out colleges and courses. Now we have a lot of information, exams. There's a lot of other education content which we have on our platform as well. We have hundreds of thousands of reviews now on these colleges and courses on our platform.

So really, our strategy in Shiksha is to, you know, provide more and more relevant content to our audiences. Okay? And we believe that if you do a good job, then, you know, we get more traffic. And as a result, we can then generate more inquiries for our customers who pay us for these inquiries.

You know, so Coding Ninja in the overall scheme of things. Their model is a little different from WhiteHat Jr. They sort of, originally when we invested in them, they were basically trying to teach, you know, that was their main business. While WhiteHat and others are sort of targeted, they are basically trying to teach students and kids in school. So Coding Ninja, the proposition is that, you know, they want to help sort of upskill, you know, jobseekers and then help them get better jobs, right, over time because of the upskilling we sort of provide to them. So -- and it's very, very early for them. And this is the model they are sort of working on right now. So they're very different from White Hat and Byju's and the others.

Sachin Hemnani: Okay. All right.

Anand Bansal: The next question is from Vivekanand Subbaraman from Ambit Capital. Vivek, go ahead and ask your question.

Vivekanand Subbaraman: Hi. Thank you very much for the opportunity. I have two questions. One is, we are seeing that the usage metrics, whether its jobseeker activity or say, recruiter searches, they are gradually coming back on track as far as Naukri is concerned, and same is the case with 99Acres. So, Hitesh, just wanted your views on how long will it take for our monetization to follow given that we are still quite some distance away from the peak billing that we saw both in recruitment and realty, right? We are down 36% versus 4Q FY '19 in recruitment 30% down versus 99Acres.

Second question is on the monetization of, of the new traffic that you are getting on 99Acres. You said that we now have owner listings at an all-time high, and brokers are also spending more time on the, on the portal. So how do we build out these new revenue streams? Because if I understand correctly, new launches used to be the dominant portion of our revenue in 99Acres. Thank you.

Hitesh Oberoi: Yeah. So, you're absolutely right. Activity is coming back. You know, we saw jobseeker activity come back about three months back. And, you know, now builders and brokers activity is also coming back and searches are also increasing month on month. And I think it's only a matter of time before we start -- before revenue catches up. See we -- we -- our billings in Q2 were about 80% of last year. But in September, we did 90% of what we did in September of last year, right? So, you know, on the COVID front, they are normal levels. We should not compare with Q4 because Q4 is seasonally a very strong quarter for us, right? And a lot of businesses are due for -- subscriptions are due for renewal in Q4.

Of course, what COVID has also done is it's sort of resulted in a shift. You know, a lot of businesses who did not renew in Q4 of last year or Q1 of this year may actually end up buying in Q3 and Q4 of this year. So let's see how that plays out. So some of the business we are getting actually is business from customers who did not renew when they were due for renewal in the last few quarters.

And the same thing is happening in 99Acres. Again, you know, a lot of the renewal part of the business is smaller in size compared to Naukri, because we sell a lot of monthly and quarterly campaigns as well. But even there, you know, a lot of our clients did not renew in Q1, especially brokers who are new customers, and now some of them are coming back. Traffic is also back in 99Acres. In fact, you know, the response on the site is actually at an all-time high. The number of inquiries we are generating are like 50, 60% in -- on the buyer side over last year. So let's see how that plays out.

But you know -- and to answer your second question, see, see there again, you're absolutely right. See what we are seeing is a shift in interest from buyers. So instead of, you know, new homes, many of them are looking for deals in the ready-to-move-in market, right? And therefore, interest or inquiries have shifted to that segment, which has resulted in our new launch revenue coming under pressure. And, you know, so new homes which are almost ready to move in are still sort of in demand. But new launches or, you know, homes will be ready three years from now, four years from now, that sort of response has gone down. And that's impacting revenue. But my sense is that even on that front things are now beginning to improve. You know, we are now seeing even new home inquiries go up a little bit. And it's only a matter of time before that revenue also, you know, and if the situation continues to get better on the COVID front, I think it's only a matter of time before that revenue also comes back on track.

Vivekanand Subbaraman: Right. Just one small follow-up on the Naukri answer. So, historically, we've grown via a mix of new customer acquisition and also greater usage by our existing customers. So when I look at the unique customers that we reported, we are still down around 20-odd percent as far as the unique customers are concerned. So, by when do you expect that we get back to the unique customer level that we had pre-COVID and potentially then acquire new clients also?

Hitesh Oberoi: So that will take a few more quarters in my -- in my view to play out because, see, a lot of customers have gone out of business. A lot of companies have shut down shop. A lot of companies have scaled down operations, you know, and many of them did not buy or renew in the last two or three quarters. We are slowly getting some of them back, right? But, I think, it will take a while before our numbers start hitting the kind of numbers we were getting earlier.

Vivekanand Subbaraman: Okay. Thank you. All the best.

Anand Bansal: Yeah. The next question is from Ashish Agrawal from Principal AMC. Ashish, go ahead and ask your question.

Ashish Agrawal: Yeah. Thanks. Sir, just wanted to understand the increase in the advertising cost. Was this primarily driven by Jeevansathi and the 99Acres business? And just wanted to understand on the Naukri side. You indicated a lot of that growth is being driven by IT, ITES business. I wanted to understand, apart from IT, ITES, have you seen a growth in other segments also? I think you highlighted Travel segment remains stressed. But apart from Travel, have you started to see growth in other segments also? Thanks.

Hitesh Oberoi: Yeah. So travel, hospitality and tourism, these segments are very, very stressed. We've not gotten back to pre-COVID levels or in fact, we're down maybe 40%, 50%, 60% from where we were a year ago in terms of activity on our platform from recruiters. In IT, we are getting close to base. So IT companies -- activity from IT companies is now almost at the same level as it was, you know, pre-COVID. Some other sectors are doing well are sectors like healthcare, and education, and telecom, and insurance. So these sectors are still okay. But they're still down, you know, vis-a-vis where they were pre-COVID. So that's the sort of lay of the land on the recruitment side.

Now of course, things are getting better with every passing week, and we don't know, but -- and if the situation of the COVID front continues to improve, hopefully, more and more sort of sectors will come back to normal levels. Anecdotally, what we're also hearing from companies is that attrition rates are going up everywhere, right? So that's something we are seeing, or companies are telling us. So let's see. Let's see how this plays out. Sorry, what was your first question?

Ashish Agrawal: This was on the advertising cost. Just trying to understand was it driven by your matrimony business.

Hitesh Oberoi: Yeah. That's mostly on account of Jeevansathi. That's mostly on account of Jeevansathi.

Ashish Agrawal: Thanks. Thanks a lot, sir.

Anand Bansal: Yeah. The next question is from Vijit Jain from Citi. Vijit, go ahead and ask your question.

Vijit Jain: Hi. Thank you for the opportunity. I have two questions. One is on the Naukri business. Now if we look at the commentary from the major IT companies in India, a lot of them have announced wage hikes for employees and looks like recruitment is going to be strong in the next year or so in that segment. So I know you mentioned that IT, ITES is almost close to base, but do you think it will meaningfully exceed pre-COVID levels in the near future in the next one, two quarters? What kind of momentum are you seeing there is my first question. And my second question is on 99Acres. You know, with activity in players like nobroker.com, which are adding more services on top of the classifieds in the real estate space, do you think there is opportunity for 99Acres in adding new services which can be monetized as well, and your thoughts on what you're going to do on that? Thank you.

Hitesh Oberoi: Yeah. Regarding your first question on IT hiring, see, it's difficult for me to say what's going to happen going forward. You know, what I can tell you is that activity in our platform from IT companies is going up. It's not, you know, it's still, you know, where it was a few months ago, it has still not hit pre-COVID levels, it is just about there. It's not as if we are hiring much more than what they were hiring earlier, at least from our platform. Very difficult for me to say what is going to happen in the next few months. I guess to some extent, it will depend on what happens in the U.S. and how that sort of scene plays out.

As far as, you know, nobroker and the other sort of players in the real estate, the real estate sector is a very large sector. 99Acres is basically is a real estate search and, you know, classified and research kind of company. We focus primarily on the buy side. You know, a very small proportion of our revenue comes from rental and even smaller proportion of our revenue comes from commercial. What nobroker is doing, I guess, is they sort of -- one, they are a different model. They're not just a classified. They're actually an end-to-end sort of transaction platform in some sense. They provide all kinds of services to their users. They don't allow other brokers to list on their platform, for example. So they are in some ways they are into transaction, right? There may call themselves no-broker, but they provide all the services a broker provides. And of course, they’re also trying to get into other areas, like society management and so on and so forth.

So our focus in the near-term is going to continue to be on improving the search and classified experience for our users on our platform in 99Acres. Of course, we may sort of provide a lot more information to them over time to help them, you know, take a decision, to help them sort of understand that real estate market better, to help them understand what's the lay of the land and so on and so forth. So we will provide a lot more research information in the near term. We may -- we already provide some owner asset services to owners. So if owners want to list their properties in 99Acres, we help them sell their properties. We help them rent their properties on 99Acres. We have a team which is sort of -- but we don't enable the closure of transaction. We just sort of help them a little bit, which is why they are called assisted services, not transaction services. Do we have any plans to provide more services in the near term? Not in the near term, but definitely not ruled out in the medium term.

Vijit Jain: Thank you so much.

Hitesh Oberoi: Yeah.

Anand Bansal: Vivekanand Subbaraman from AMBIT Capital has again raised. Vivek, you want to discuss again?

Vivekanand Subbaraman: Yes. Thank you very much for the follow up. So pressing a bit on the recruitment piece, you mentioned about certain sectors that are doing well. Also, could you talk a little bit about the growth that we are seeing, especially in the Job Speak Index in small towns? I mean, the tier 2 cities seem to be holding up much better than big cities like Mumbai, Delhi. So is there any plan to increase the sales infrastructure or distribution infrastructure in these towns so that we can capitalize on the opportunity in these small towns? And the same question is applicable for realty also. Hitesh, you mentioned this in the opening remarks that smaller towns seem to be doing much better than the large cities. So I guess it's a common question on whether you want to invest in creating additional infrastructure on the ground in small cities?

Hitesh Oberoi: Yeah. So, you know, smaller towns have actually, on the whole, performed a lot better than large cities during COVID, maybe because there have been kind of fewer cases of COVID in these small towns compared to cities like Bombay, Pune, Delhi, Bangalore, which were locked down for a very long period of time. And in 99Acres also, we've seen a surge in even buyer activity in small towns, not just listings.

Unfortunately, for us, today, at least, and they are a very small part of our total revenue, both in 99Acres and in Naukri. And we -- actually, we've been in these -- many of these small towns for a very long time now. So Naukri has offices and sales offices in over 40 cities. 99Acres has offices in over 40 cities. So it's not as if we don't cover these small towns. We've been there for a long time. They're growing, but they're growing off a very low base, right? So even if we continue to grow like this for a year or two, they will not really move the needle for us in any significant way in both Naukri and 99Acres. And of course, we will continue. So we, you know, we don't mind going to 100 cities, 200 cities. We go wherever there is business. So that's not a problem. But it's just that there's not enough business in these small towns still. They're growing, but off a very low base.

Vivekanand Subbaraman: Right. And I can understand that it would be the case in recruitment because, I guess, the white-collar recruitment activity and of course, business activity would be much higher in the top cities. But why is that the case in real estate? Is it so that the sales velocity is much lower in small towns? And is it because also a lot of, you know, construction happens by people on their own rather than sale of property by builders?

Hitesh Oberoi: No, so you're absolutely right in saying that the real estate market is a, you know, broader market. You know, the real estate is bottom sold in maybe 200 cities, 300 cities, 500 cities. You know, its bottom sold everywhere, unlike white-collar job activity, which is actually restricted to maybe 20, 30, 40 cities in this country. So we are cognizant of that. And we do believe that in the long run, 99Acres will be in 100, 200, 300 cities. It's just that today, you know, the number of transactions which take place in small towns is still very, very low, you know, on a monthly basis. Real estate market has actually shrunk over the last few years. And even in places like Bombay and Delhi, we've seen a massive drop in real estate transactions. Values are also lower. Housing values are also lower in small towns. So while you can -- you know, in Bombay, an average house is maybe 1 crore or 2. In a small town, you can get a house for 20 lakhs, 30 lakhs very easily. So therefore, it's just that the, you know, the size of the market is much, much smaller. That's all. So maybe this will change over the next few years. But right now, the number of brokers in small towns, the number of transactions, the number of houses bought and sold is just tiny compared to some of the bigger cities. Together, they add up to a significant number. Maybe, you know, if you add, you know, all the traffic we get for all the small towns in the country, you know, maybe you're still to 25%, 30%, 40% of all 99Acres traffic. But from a revenue standpoint, they are still very, very tiny.

Vivekanand Subbaraman: Right. Thank you. And last question is on Jeevansathi. So what is going right for you here? And if you could help us understand whether the growth is driven by volume? Or is it that your brand has now become strong, helping you take increases in tariffs or reduce the discounts? And secondly, you know, in terms of the overall market, what would our share be of the total transactions that happen volume-wise and value-wise? Do you have any sense on that?

Hitesh Oberoi: See, the -- we've gained some share in this market over the last three, four years because we're investing very aggressively in marketing and branding. You know, we've been growing at 15%, 20% per annum, in fact, for the last three, four years now while on the other hand, matrimony industry is growing at 10% per annum over the last few years. So we've gained share and most of our share gains have taken -- have sort of have been in the belt -- in the belt in the Northern and Western parts of the country, which is where we are, you know, focused. So we are a strong number two player now in the North and West, more volume than value growth at this point in time. More and more activity on our platform. We want more handshakes to be -- to happen on our platform. You know, that's been our sort of focus. And therefore, on the one hand, we dropped our marketing expenditure. On the other hand, we dropped pricing. And that's what's been the -- that's been the case for the last few years now.

In terms of share, nationally, our share is still very small. We are still maybe -- you know, the market is about -- we are maybe about 15% of the market. But that's because we don't really have any presence in the South, which is a very large part of the overall market. In the Hindi belt, we must be -- probably have a 35% share of the market. In the North and West together, we may probably have a 25, 27, 28% share of the market. So yeah, and -- so that's what we continue to do. We're continuing to sort of, you know, penetrate deeper and deeper into the heartland and trying to gain share.

Vivekanand Subbaraman: Right. Thank you.

Anand Bansal: Thanks, Vivek. Next question is from Suraj Garg from KPMG. Suraj, please go ahead and ask your question.

Suraj Garg: Hi. I just had one quick question. Could you give us a sense of how much of your marketing spend is being spent on Jeevansathi alone?

Hitesh Oberoi: So last quarter, our marketing spend on Jeevansathi was about 43 crores, I think.

Suraj Garg: Got it. And could you give us a sense of how much of your -- what is the paid profile growth and free profile growth in Jeevansathi?

Hitesh Oberoi: I think you have to refer to our data sheet. Whatever information you need is in our data sheet. We don't reveal everything. So I can't give you all the numbers, but whatever we reveal in our data sheet, which is on infoedge.in. Just take a look at that.

Suraj Garg: Got it. Thank you.

Anand Bansal: Next question is from Anmol Garg from Motilal Oswal. Anmol, go ahead and ask your question.

Anmol Garg: Yeah. Hi. So just wanted to get some sense that are we planning to increase our advertisement expense into Jeevansathi? And also, are we planning to increase any kind of -- planning to do any kind of advertising in 99Acres as well?

Hitesh Oberoi: So Jeevansathi ad spend, we're already up substantially over the, you know, compared to Q1, we spent a lot more in Q2. We'll continue to be aggressive in Q3 as well. I can't give you the exact numbers in Jeevansathi in the foreseeable future. The market has also become a lot more competitive. Our competition is also spending a lot more than they were spending earlier. So we really have no choice. And so that's Jeevansathi.

In 99Acres, you know, wait and watch. We have upped our ad spend slightly over last quarter in Q3, but we are waiting to see how the market evolves. If the market, you know, competitive activity increases in the real estate business, then, of course, we will be forced to up our ad spend as well.

Anmol Garg: Okay, sir. Secondly, Hitesh, just wanted to get any -- some outlook on some of the new initiatives within the recruitment portal that you have started off like Big Shyft? And is there any potential in the blue-collar job market?

Hitesh Oberoi: See, these are the start-ups initiatives we are experimenting in few areas. Big Shyft, still very, very tiny. We have a few customers now, and we are getting some sort of revenue, but still very, very early days. You know, blue collar, we are test marketing in the NCR region, we are making good progress. We've got some traction. We will expand NCR. So these are sort of long-term or the blue-collar job to contribute to revenue in the near term.

Anmol Garg: Okay. Sure. And just lastly, just for bookkeeping. Can you repeat the EBITDA of Shiksha? I missed that. Thanks.

Mr. Hitesh Oberoi: Shiksha, EBITDA. Vivek, do you have it with you? Can you just give it out?.

Vivek: Yeah. It was 90 lakhs for the quarter.

Anmol Garg: Okay. Thanks. Thanks.

Anand Bansal: Next question is from Alankar Garude from Macquarie. Please go ahead and ask your question, Alankar.

Alankar Garude: Yes, hi. Thank you for the opportunity. My first question is, can you comment about the M&A activity in each of our four key verticals? So, for example, there was a deal a couple of weeks back for one of our real estate peers. So are there any acquisition opportunities, which are likely to come out about for us over the next few quarters, in any of these four verticals?

Hitesh Oberoi: We’re constantly evaluating companies. In the last quarter alone, we must have looked at about five or six sort of deals which have come our way. We've said no to most of them. I can't comment on the deals. But we have a team in-house, and we are continuously looking for opportunities to both invest in start-ups and also acquire companies, in all the verticals we operate in. So, I mean, so far we haven't found a suitable candidate for acquisition. But yes, are we talking to lots of companies? Are we evaluating lots of companies? Yes, we are.

Alankar Garude: Okay. And Hitesh, when you say five, six deals, so that would be across these four verticals only the key verticals or any of our -- the start-ups -- includes the start-ups as well?

Hitesh Oberoi: No, no, no start-ups, that's a separate activity. That's through the Info Edge sort of venture fund and so yes, that's separate. They probably look at hundreds of companies every quarter. I'm referring to the spaces we're already in.

Alankar Garude: Fair enough. Okay.

Anand Bansal: Next question is from Aditya Badami from Carrhae Capital. Aditya, go ahead and ask your question.

Aditya Badami: Hello.

Anand Bansal: Yeah. Aditya, go ahead and ask your question.

Aditya Badami: Yeah. Sorry. So I think it was unmuted. Yeah. Good evening. I just wanted to mention about -- talk about Zomato. So Sanjeev last quarter mentioned that half the restaurants may not survive through this year because of COVID. And today, you mentioned that Zomato's unit economics are improving. So I just want to know, is it being driven by better revenue or has their cost rationalization improved?

Sanjeev Bikhchandani: No, no, no. I don't think I could have said half the restaurants will not survive. I probably said it is possible that half of the restaurants that are still shut may not survive.

Aditya Badami: Yeah. So, yeah. Yeah.

Sanjeev Bikhchandani: So, look, some restaurants closed down, right? Exact number, I do not know. The delivery part of the business is growing well. It's not yet come back to pre-COVID levels, but it should come back to pre-COVID levels pretty soon. And this you are talking about revenue for Zomato and not GMV and not volume, correct?

Aditya Badami: Right.

Sanjeev Bikhchandani: Zomato unit economics have changed since COVID. They are charging the delivery charge. They're giving lower discounts. Therefore, their revenue per order has gone up, and the average order value has also gone up as a consequence, right? So, therefore, on revenue, they are almost back to pre-COVID levels in a couple of months they must exceed it. Does that answer your question?

Aditya Badami: Yeah. Yeah. That does. Thanks. Thanks a lot. Thank you.

Anand Bansal: Next question is from Utkarsh Solapurwala from Damos Capital. Utkarsh, go ahead and ask your question.

Utkarsh Solapurwala: First one is on Ustraa. Marico recently acquired Beardo -- Beardo in July 2020. And--

Sanjeev Bikchandani: I can't hear your question, please. Can you come close to the mic?

Utkarsh Solapurwala: Marico recently acquired Beardo, and Beardo is the competitor for Ustraa. And when I compare the financials, Beardo is growing much better as compared to Ustraa. So will -- will Ustraa be able to compete with Beardo once Marico integrates the business in its business and started -- starts to grow the Beardo business?

Sanjeev Bikchandani: Well, look, obviously, Marico is a large company, and they have muscle in their distribution and all that. And therefore, it's a -- it's a significant competitor. But, you know, Ustraa also sells direct to consumers, right? Ustraa has raised money from IIFL. We've announced that, right? Beardo sells to salon chains a large part of their output. Now, of course, Marico could extend it to consumers. So it's a slightly different strategy, and it's not a winner take all market. So as long as, you know, Ustraa achieve its goals and numbers, you know, we think it's all right.

Utkarsh Solapurwala: And second question is on Shop Kirana. So companies are trying out different logistic methods to reach out customers in -- during the lockdown. So how has been the performance of ShopKirana in last six months?

Sanjeev Bikchandani: So ShopKirana exceeded pre-COVID levels within two, three months of the lockdown, because it's an essential item. I think it was initially a physical disruption because every vans would not go out, but at last from 15, 20 days after that, they were able to manage. So it's doing rather well in the cities that it's operating. And they've also launched their own house brands in a couple of categories, which are also getting some traction. So look, ShopKirana is doing well, but it's, you know, it's still making -- it's still, still doing experiments, you know, with its own house brands with a few tweaks of business models here and there. So let's see what happens.

Utkarsh Solapurwala: Thank you, sir.

Anand Bansal: Vijit, you want to discuss again. Vijit Jain from Citi.

Vijit Jain: Yeah. Hi. Thank you. Thank you for the question. I had two questions, one on Zomato. I think you answered it partly. But I was just curious, when you say unit economics are improving, do you believe that they would be able to achieve similar GMV levels as pre-COVID in the next year with these kinds of unit economics that they have? Or is it--

Sanjeev Bikhchandani: Pre-COVID revenue levels I said on the food delivery part, which is a bigger part and which is a substantial part. It should be back, you know, in a month or two is the expectation.

Vijit Jain: Thank you. And my second question was, you know, among the other list -- among the other investments you guys have, just wanted to know your thoughts on categories like, you know, you have a few in B2B, e-commerce. You have a few software and--

Sanjeev Bikhchandani: B2B, e-commerce, what do you mean, which investment?

Vijit Jain: Shop Kirana, sorry, yeah, ShoeKonnect would be B2B? And e-commerce.

Sanjeev Bikhchandani: Correct. So again, Shoe Konnect is doing rather well, because got investment from two other marquee investors. We've participated along with the other investor. So I think that company is showing great traction, great growth and has now got access to great capital, and it's back to pre-COVID levels.

Vijit Jain: So my question actually was over, you know, as a category, you have three or four of these, right? You have Gramophone, ShoeKonnect and you also have--

Sanjeev Bikhchandani: No, Gramophone is not B2B. Gramophone is B2C unless I think of farm as a business, which is quite possible to say actually. But go ahead. Yeah.

Vijit Jain: So my question was among these broader categories, right? Okay, if I just simplify that further to, you know, e-commerce, B2B or B2C, wherever you are present and some of these Software as a Service businesses that you are present in. Just wondering what your thoughts are on how these things have shaped up post-COVID? How the landscape for these businesses have changed post-COVID

Sanjeev Bikhchandani: So look, we don't bother so much about the landscape and the environment as we bother about the performance of our companies, each specific company. And I'm quite pleased to say that almost all of our companies have coped quite well with the COVID crisis. Whether it's Shipsy, whether it’s Gramophone, whether it's, you know, Bijnis or Shoe Konnect, whether it is Shop Kirana, whether it's a, you know No paper Forms. They have all coped very well with COVID, which was actually something we were quite worried about in the first month or two. I think the management teams are really good. We -- actually we invested behind some -- we are fortunate to have invested in some really good entrepreneurs.

Vijit Jain: Thank you so much. Yeah. That was my main question.

Sanjeev Bikhchandani: And one or two of them have got COVID also and have recovered. So it's not just a company; even they have coped with COVID.

Vijit Jain: Thank you.

Anand Bansal: Anmol Garg from Motilal Oswal, do you want to discuss again? You had discussed earlier also.

Anmol Garg: No, I think all my questions are answered.

Anand Bansal: Okay. Thank you so much. The next question is from Sudheer Guntupalli. Sudheer, go ahead and ask your question.

Sudheer Guntupalli: Hi. Thanks for the opportunity. Hitesh, as you alluded to in one of your earlier comments, attrition rates across the industry seem to be inching up gradually, and multiple industries have also been talking about bottlenecks in terms of availability of the talent or manpower. So in the equation, demand actually seems to be there, but still there is a huge gap in our monetizability on a year-on-year basis or even compared to pre-COVID levels. So do you think maybe relooking at our pricing or marketing strategy in the Naukri segment, at least for a limited period of time may help us in bridging the gap in monetizability?

Mr. Hitesh Oberoi: See, we -- our product team is continuously sort of looking at ways and means to sort of get more traffic, improve our monetization on the platform. What we don't want to -- see, this is a difficult time for our customers. We want to be as supportive as possible. What we are trying to, of course, do is create more value for them. And if you create more value, I'm sure they'll be happy to pay us more. That's what our focus will be going forward.

Sudheer Guntupalli: Sure. And secondly on Jeevansathi, looks like we had run multiple flash sales during the quarter, offering up to 70, 80% discounts on the subscription packages. But just trying to understand the rationale here. Matrimony looks like a segment which anyways is witnessing some shift from physical to digital in the current COVID context. So just curious on how you see the sustainability of this, let's say, aggressive pricing or marketing strategy, especially given the fact the churn of the customers in the segment is relatively higher?

Hitesh Oberoi: So this is something we've been doing for the last two, three years. And it's not just us now. Everybody else is also doing the same thing, whether it's Shaadi or Matrimony. You know, we sort of, of course, started doing it because, you know, we wanted more and more paid customers on our platform. We wanted them to spend. We were a number three player in the market, right? So in some ways, we were a challenger. And this was our strategy to get more and more people to use us and to become paid customers and many of these customers would have otherwise gone and paid competition because we were a weak player at that time. And this worked for us. You know, we were able to grow our volumes by over 200%, 300% over the last two or three years, and that's got the platform to a certain level. Is it sustainable in the long run? Clearly, you know, a three-player market where players are competing aggressively with each other on customer acquisition and also trying to outdo each other on pricing is not sustainable for a very long time. But, you know, that's what it is right now.

Sudheer Guntupalli: Sure, Hitesh. That's helpful. Thanks and all the best.

Anand Bansal: Utkarsh from Damos Capital. Do you want to discuss again, Utkarsh?

Utkarsh Solapurwala: No, all my questions have been answered.

Anand Bansal: Okay. Your hand was raised, actually. Okay. Thank you. Next question is from Jaipal Reddy. Jaipal, go ahead and ask your question. He is an Individual Investor.

Jaipal: Yeah. Thanks for the opportunity. I have, you know, two questions actually. The first question is about from our investing companies, you know, right now, we see Zomato and Policy bazaar are a very big piece and what is the next -- the good call that we have taken, which is emerging that we can count on in the next, you know, few years or few quarters?

Sanjeev Bikhchandani Sorry, could you repeat that question? Your voice was soft?

Jaipal: Yeah. So right now from our investing companies, we see Zomato and Policy bazaar are made out to be a very good calls. And what is the next one we can count on.

Hitesh Oberoi: Look, the others are much earlier, much smaller. But many of them have received external validation by external investments from marquee investors. So Ustraa has got investment from Wipro consumer. It's got investment from IIFL. You know, likewise, you know, business which is Shoe Konnect has got investment from two marquee investors apart from other external investor. And Gramophone, you know, has got enough inbound interest. Nothing announced yet. Shipsy has got, again, you know, enough inbound interest nothing announced yet. So a lot of them have got validation or getting validation in the process of. And it will be announced by and by as these companies raise money. But yes, would it become as valuable as Policy bazaar or Zomato will take some time. So, there are five or six, which we are hopeful of and now we hope all of them make it to that level. We know that we'll be very fortunate if one of them make it. But even if two, three of them make it to that level, I think we are doing very well.

Jaipal: Great. Yeah. Good to hear.

Sanjeev Bikhchandani: But it will take time.

Jaipal: Okay. I understood, yeah. So my next question is about, you know, there is a lot of uncertainty, you know, right now in the market, right, in terms of, you know, lot of people got, you know, lot of small business players were suffering from lot of losses and all. So what is our CSR activity, you know, that we're doing from last 6 months? Do we change any -- change in our CSR activity, you know, without -- at the end of the day, we also need to be safe, right? Did you do any investments and contribution to our society?

Sanjeev Bikhchandani: Yes, we have. And I'll leave it to Chintan to talk about it. Chintan, are you going to talk about it or Murali, are you? But we have reoriented at least a significant chunk of our CSR budget. We have had employee contributions towards this, and we're managing those projects. We are funding several projects. Now this is at a corporate level. At a personal level also, the founders, the management is also doing philanthropy, you know, to support people in times of COVID. And Zomato has done a lot. Zomato has, you know, launched a Feeding India Program where they're feeding -- where they fed a large number of people during lockdown. Chintan, you want to talk about what we've done?

Chintan: Yeah. No, I think that's correct. I just add the one point. And yes, we are continuing, you know, to support the organizations, which we were, you know, in the past we were not supporting because there is a kind of a sort of expectations. Those organizations also kind of are dependent in some ways on our contribution. So we have continued that. We have not diverted them. But we have generated additional funds from the company, from the employees and we have also focused on very specific initiatives around COVID and helping them out. So we are far more holistic in our approach. We are adding, you know, our contribution to COVID medical sites, but we are continuing to support the existing contributions as well.

Anand Bansal: Thanks gentleman. Next question is from Pooja Ahuja. Pooja, go ahead and ask your question.

Pooja Ahuja: Yes. I just have one question with Zomato IPO, you know, it’s coming maybe next year. Do we intend to pair some of our stake or do we intend to hold on to our stake in the company?

Sanjeev Bikhchandani: Look, we are not in any hurry to sort of sell anything. We have the ability to stay on for a long, long time because we are not running out of fund where we have to return somebody else's money. At the current period of time, we see substantial value creation going forward. Having said that, look, we will -- I will never say never. But there is no pressure on us to sell.

Let me just elaborate on that. You see the challenge in India is that early-stage investments take a long time to create value. So you've got to be patient because strategic sales are not happening in a hurry at valuation that will give VC investor any joy if you leave out Flipkart, right? That was a black swan, right? Now IPOs take a long time to happen, right? So if Zomato and Policy bazaar IPO in the next two years or three years or next year even, you've taken 11 and 13 years to have gone from inception to IPO or first round to IPO, right? Most VC funds are 8-year fund with two years extension. So really to get exits, you have to be very patient. We have been in Zomato for 10 years. We have been in Policy bazaar for 12 years, and, you know, a lot of the value creation has happened in the last two years. So hadn't been a regular VC fund if you would have exited, and not benefited on valuation. So we have to be -- to really make money in India, you have to be very, very patient and stay for a long, long time and that's fine.

Pooja Ahuja: Got it. That's it from me.

Anand Bansal: Next question is from Swapnil from JM Financial. Swapnil, go ahead and ask your question.

Swapnil: Thanks for the opportunity. So my question is regarding the employee cost. Have we started hiring again and have the appraisals which were postponed been taken and your comment on the incentives as well.

Hitesh Oberoi: Yeah. So we started replacing people in a lot of businesses. In some parts of the company, like the new businesses we are in like Job Hai and, you know, Big Shyft, we are hiring a few people as well. We had put salary increases on hold for the first six months. We are revisiting that right now as we speak. We have put bonuses on hold. We are likely to sort of roll out bonuses in this quarter to our employees for last year. But I think normally we will do sort of more of these things.

Swapnil: And are the incentives back on like because I think incentives are different from bonuses, right?

Hitesh Oberoi: Yeah. So incentives, our sales team is on incentives, and we have a monthly incentive plan and a quarterly plan. So they were never withdrawn. So, you know, it's just that the payout sort of reduced because the sales guys were not able to meet their targets in the first quarter and in the last quarter of last year. But Q2, we had a reasonable quarter. So many sales guys made their incentives. So incentive payout also increased substantially in Q2. And I'm hoping that, you know, people meet their targets and therefore, earn their incentives going forward as well.

Swapnil: Okay. Good. Thank you.

Anand Bansal: Next question is from Dheeresh. Dheeresh, go ahead and ask your question.

Dheeresh: Am I audible?

Anand Bansal: Yeah. Please go ahead.

Dheeresh: Yeah. So for September, Naukri, you said billing -- collection billing was down 10%. For October, what is it?

Hitesh Oberoi: So, normally, we don't give out quarter numbers before -- I mean -- so let me put this way, that the things are sort of improving this quarter also right now.

Dheeresh: Sorry, Hitesh. You are not audible.

Male Speaker: Hitesh, Hitesh, we can't hear you.

Anand Bansal: Much better. Much better. Much better.

Hitesh Oberoi: Yeah. Sorry. So, see, the, you know, the October is the first month of the quarter. The first month of the quarter is not a very large month for us. A lot of our renewals are due at quarter-end, and that's when we end up collecting a lot of money. Also, you know, last year Diwali was in October. This year Diwali is in November. So the numbers are not strictly comparable, but we are happy with what we saw in October.

Dheeresh: Is it better than September? Because it will be like-to-like, right? October versus last year October, right?

Hitesh Oberoi: Yeah. But like I said, it's not strictly comparable because Diwali was in October last year.

Dheeresh Pathak: Oh, okay.

Hitesh Oberoi: This -- November, right? So hard to draw sort of inferences from it.

Dheeresh Pathak: And for real estate, you did not give September collection exit rate?

Hitesh Oberoi: We are -- we did not, but, you know, I'm sure it is higher than the quarter average for sure. Even October was a reasonably good month for real estate. But again, you know, it's not strictly comparable because Diwali was in October last year; this year it's in November.

Dheeresh Pathak, Hmm-hmm. And this new home construction activity, which you said, you know, because of the customer preference is down right now. How much does that contribute in a pre-COVID environment? How much was it contributing to revenue?

Hitesh Oberoi: So, see, new homes are a very large part of our business. But within new homes, there is a category called new launches, right? New launches are launch -- are basically projects which are launched. You know, they are sort of -- I mean, construction is like about to start, right? And therefore, the project will become available to live in maybe or the property will become available to live in three or four years later. So a significant proportion of new home revenue comes from new launches and new launches have actually been impacted the most over the last few months.

Dheeresh: Yeah. But that is like what? Was it like 30% of total 99Acres revenue? 40%? How much was it? Just a range--

Hitesh Oberoi: New home revenue is significant. New home as a whole is significant about, I think, 60% of our total revenue, if not more, 60%, 65%. Of that, new launches, I don't have the exact number right now, but would be maybe 30%, 40%.

Dheeresh: Okay. And what is the total cash now on the--

Hitesh Oberoi: On the balance sheet?

Dheeresh: Yeah.

Hitesh Oberoi: Okay, just -- Vivek, you have the number with you? 3,300 something crores, in that range.

Vivek: Yeah, 3,373 crores.

Hitesh Oberoi: Yeah.

Dheeresh: And at the time of the QIP, it was sounding as if, you know, some M&A transaction is very nearby. So has that phase gone for whatever reason it is, has it gone away and now nothing is immediately, you know, on the table just like that?

Hitesh Oberoi: No. So like I said earlier, see, we keep talking to companies, and we've been talking to some companies for a very long time. Some companies have recently come on the table. Sometimes, you know, we don't like what they see. Sometimes they don't like what we offer. So what is -- so we keep talking, and we've been talking to companies in the matrimonial space We've been talking to companies in the real estate space. We've been talking to companies in the education space, job space, in all the sectors we are in and even related sectors. But nothing has materialized till now. I mean, for a deal to happen, two parties have to agree and that's not happened till now, unfortunately.

Dheeresh: Okay. All right. Thank you. Diwali wishes to the team. Thanks.

Hitesh Oberoi: Thank you.

Anand Bansal: Next question is from Aatman Ajmera. Aatman, go ahead and ask your question.

Aatman Ajmera: Hi, good evening. Can you hear me?

Anand Bansal: Yeah. Please go ahead.

Aatman Ajmera: Yeah. So a bit of a big picture question from my side and slightly linked to the previous question. So given your size and the liquidity on the balance sheet are often seen as the one to be consolidating as a consolidator of the industry, be it real estate or matrimony. My question is, do you see a scenario where perhaps Magic bricks and Housing sort of merge together? And A, do you think that is a likely event? And B, what is the consequence for 99Acres if that were to happen? Can you sort of combat a merged Housing and Magic bricks?

Hitesh Oberoi: Yes, see, everything is possible. I mean, Housing is a number three player in the market. They could merge with Magic bricks, though, I think, what has happened there is that REA has upped their stake significantly, and they now are majority owners of Housing. So can we compete with the Magic bricks plus Housing sort of combination? Of course, we can. I mean, see, there was -- in the past also, see, we've had Common Floor. We've had India Property. We've had a bunch of other players in the market. Our sense is that, you know, unless and until the merged company sort of brings a strong sort of, you know, value in some form to the table, you know, either they are -- so, you know, if they are strong in some market and you are strong in some other market, and therefore, the combination is stronger, then it's a different ballgame or if they have something which you don't have, some technology, some products, some customer base, they add -- so mergers create value. But if, you know, it's just the number one company or a number two company acquiring number three company, you know, often -- at least we believe that those mergers don't create a lot of value.

Aatman Ajmera: But the previous examples, you mentioned they were fragments, right? I mean, they were sub-sub 10% traffic share. Now number two and three, they sort of have in the 20s, right? So even they might not have sort of synergies or sort is just the mere traffic? Is that a big deterrent sort of for you?

Hitesh Oberoi: We don't think so because we believe it is -- it makes much more sense to invest in sort of -- unless they are complementary, like I said, in different brands, and they sort of operate in different segments or different markets. You know, in my view, it makes a lot more sense to strengthen one brand and, you know, strengthen the user experience of that brand than have a multi-brand strategy.

Aatman Ajmera: Got it. That's all from me actually. Thank you.

Anand Bansal: Pooja Ahuja had raised hand again. Pooja, you want to discuss again? Are you there, Pooja? The next question is from Sagar Goel. Sagar, go ahead and ask your question.

Sagar: Hi. Hello, sir. Am I audible?

Anand Bansal: Yeah. Please go ahead.

Sagar Goel: Yeah. Could you just explain on Zomato and Policy bazaar IPO timelines? And second question is, could you explain on the Info Edge venture side, what is the fund strategy and what sort of deals are you looking in what sectors? Thanks.

Sanjeev Bikhchandani: [01:12:33 inaudible].

Hitesh Oberoi: Yeah.

Chintan Thakkar: Go ahead, Sanjeev. Go ahead, Sanjeev.

Hitesh Oberoi: No, no. What was the first question?

Sagar Goel: The IPO timeline.

Hitesh Oberoi: Yeah. Why don't you handle the IPO question, Chintan?

Chintan Thakkar: Yeah. So look, I know that are news reports around Policybazaar as well as Zomato intending to do IPO. And yes, that's not true in a sense that, you know, companies have been preparing themselves, right? To do an IPO, there is -- it's a kind of a long journey, and you need to really prepare yourself. So from the point where you are just a start-up to the point where you kind of make your company ready for IPO, it's quite a long journey. And they are -- both the companies are preparing themselves for that journey. They are making their companies ready for it. So there isn't definitely an intention behind it. When will it happen? I think that's a question that it's a little premature to respond to that. We'll see. Right now the focus is on making the company ready for an IPO so that if we finally decide and if we finally say that, yes, everything is right for us to do IPO, we will go ahead with that. Right now it's just about preparing the company for IPO.

Sanjeev Bikhchandani: So the strategy for the Info Edge ventures, it's the same as earlier. We are focusing on the same areas. We are growing in the same state of companies. Nothing changes. It's just that we have housed it in AIF.

Sagar Goel: Okay. Thank you.

Anand Bansal: So that was the last question we had. In case of any more question, we may wait for some time.

Vivek Aggarwal: Okay.

Anand Bansal: So there are no more questions, Vivek. Please go ahead.

Vivek Aggarwal : Sure.

Vivek Aggarwal: So on behalf of Info Edge India Limited, we conclude this conference. Thank you, and wishing you and your family a very Happy Diwali, and you may now disconnect the call. Thank you.

Hitesh Oberoi: Thank you, guys. Happy Diwali.

Anand Bansal: Thank you.