"Info Edge (India) Limited Q2 FY17 Results Conference Call

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MANAGEMENT: **MR. SANJEEV BIKHCHANDANI – VICE CHAIRMAN, INFO EDGE (INDIA) LIMITED**
MR. HITESH OBEROI – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, INFO EDGE (INDIA) LIMITED
MR. CHINTAN THAKKAR – CHIEF FINANCIAL OFFICER, INFO EDGE (INDIA) LIMITED

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Info Edge Limited Q2 FY-'17 Result Conference Call. Joining with us on the call today are Mr. Hitesh Oberoi -- Managing Director and CEO; Mr. Chintan Thakkar – CFO; and Mr. Sanjeev Bikhchandani -- Vice Chairman. As a reminder, all participant lines 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 assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Hitesh Oberoi. Thank you and over to you sir.

Hitesh Oberoi: Thank you. Good Evening, Everyone and Welcome to our Q2 Results Conference Call. We will first take you through the quarterly financial performance of the company, then we will cover each business in more detail and in the end we will be happy to take questions.

We would like to mention that like in Q1, the Q2 numbers reported to the stock exchanges are based on the new Indian accounting standards. In this call, however, we will discuss numbers based on the previous Indian GAAP. The unaudited financial statements file uploaded on our site for Q2 contains reconciliation between the Indian Accounting Standards and the previous Indian GAAP for Q2 this year and for Q2 of last year as well.

For the standalone company, net sales in Q2 were Rs.200 crores Vs Rs.174 crores in the same quarter last year, an increase of 15%. For Q2 operating EBITDA was at Rs.65 crores Vs Rs.33 crores in Q2 of last year, an increase of 96% year-on-year mainly on account of one, higher sales and two, reduction of advertising and marketing expenses, where we saw a drop of 41% from Rs.37 crores in Q2 of last year to Rs.22 crores in Q2 of this year. Operating EBITDA margin was at 33% Vs 19% in Q2 of last year. Other income is about Rs.23 crores Vs Rs.19 crores last year. This is on account of increase in corpus even though interest rates have declined. PAT was at Rs.54 crores, up 59% and operating PAT was at Rs.39 crores, up 113% year-on-year. Operating PAT margin was at 19% Vs 11% in Q2 of last year. Deferred sales revenue was at Rs.205 crores as on 30th of September 2016 Vs Rs.172 crores as on 30th of September 2015, it was at Rs.220 crores as of June 30th, 2016.

We will now cover the numbers by verticals: First, we will discuss the Recruitment business. All business wise numbers that we are giving out are management estimates and are not audited. In Q2 Y-o-Y Recruitment top line grew 13% to Rs.145 crores, I will elaborate on the reason for the same subsequently. EBITDA margins Y-o-Y in Recruitment were flat at 55%, in Naukri, which includes the Naukri Gulf and the First Naukri business. EBITDA margin Y-o-Y was flat at 58%. In Q2 in Naukri we added an average of 15,300 fresh CVs every day and the Naukri database grew to 48.7 million CV. Average CV modifications were at 248,000 per day in Q2 Vs 185,000 per day in Q2 of last year. In H1 we serviced 48,000 unique customers Vs 44,000 in H1 of last year, and in Q2 we serviced 37,500 unique customers Vs 34,000 unique customers in Q2 of last year.

In our 'Updated Investor Presentation' which we would be uploading subsequently on our website, we will henceforth be reporting Traffic share numbers from January 2016 onwards basis data from SimilarWeb Vs comScore earlier, this is on account of us switching our subscription to SimilarWeb around July 2016 for all of our businesses because SimilarWeb gives us lot more insights than comScore.

There is not too much of a difference in Traffic share for Naukri for overlapping months of Jan 2016 to June 2016 between SimilarWeb and comScore. As per SimilarWeb the share of traffic amongst the four job sites, for Naukri on Page View basis we were at 74% for the month of September 2016, this share was 77% on Desktop and 69% on the Mobile

Phone. On basis of time spent Naukri was at 73%, the Desktop share was 74% and Mobile share was 71%.

On the ground, we are not seeing any material change in hiring environment; however, in the middle of Q1 we changed our sales incentive policies in Naukri mainly to reduce discounting and crowding of sales at the end of the quarter. Such deferment, in our view resulted in growth percentage being slightly lower in the transition period. We expect this transition to complete over the next three or four quarters and we hope that it will result in better realizations from our customers in the long run; however, as a result of this transition we expect slightly lower collection growth in Q3 & Q4 of this year and possibly higher collection growth than normal in Q1 & Q2 of next year. Of course a lot will depend on how the change pans out in the marketplace.

We are seeing the slowdown on IT hiring in markets like Bangalore; however, for the timing this is getting compensated by the growth in non-IT sectors especially in markets like Hyderabad, Chennai and Mumbai.

Naukri Gulf business continues to face growth challenges in the Gulf market and has largely been flat. Of course as you know the Gulf region has been sort of slow because of low oil prices.

Moving on to the 99acres business: Top line in 99acres is up 16% year-on-year at Rs.32 crores in Q2. In Q2 99acres made an EBITDA level loss of about Rs.10 crores Vs Rs.16 crores in Q1 and Vs Rs.25 crores in Q2 of last year. In H1 the EBITDA loss in 99acres has declined to Rs.26 crores Vs Rs.60 crores in H1 of last year, mainly due to decreased advertising and higher sales. We continue to invest in product and user experience and will continue to invest in what we feel is needed to strengthen our leadership position. Collections in 99acres actually grew 23% this quarter over last year. Even for 99acres we have now switched to SimilarWeb and we are not using comScore anymore to major traffic share. Our traffic share amongst the four real estate sites for September 2016 as per SimilarWeb was 60% if you are going to take Page Views into consideration for 99acres and 49% if you were to look at time spent for the month of September. On Desktop we were at 63% in terms of Page View market share and 47% on time spent, and on the mobile we were at 47% in terms of Page View market share Vs 55% on time spent. When I say Mobile, here it does not include mobile app.

The real estate market however continues to be sluggish with demand for new homes being weak and unfinished project inventory overhang continuing in most markets. We continue to work with serious and viable players in the market whether it is developers or agents while continuing to improve our offerings and solutions which is helping us to grow our revenue and our traffic share. As mentioned earlier, losses in H1 were moderate Vs last year and we expect to have reduced cash burn in this financial year Vs FY-'15-16.

The Jeevansathi business also had a good quarter; net sales grew 30% year-on-year in Q2 and reached Rs.14 crores Vs Rs.11 crores in Q2 of last year. At the EBITDA level, we made a small loss of Rs.58 lakhs Vs loss of Rs.6.2 crores in Q2 of last year.

For the Shiksha business Q2 sales grew 17% to Rs.8 crores and we made a small profit at the EBITDA level of Rs.30 lakhs.

Moving on to our Strategic Investments: In Q2 we invested additional amounts; Rs.5 crores was invested in Happily Unmarried, Rs.6 crores in BigStylist and Rs.17 crores in Canvera. Over the last 8-months, we have advanced Rs.18.8 crores to Applect by way of a loan. The gross amount invested in external ventures was Rs.837 crores as of 30th of September 2016. Some of these companies which we have invested in may require additional funding and we will look at these requirements on a case-to-case basis.

I have sort of a few comments to make on the new accounting standards IndAS and on the reconciliation between the new AS and iGAAP. In Q2 revenue as per the IndAS Vs iGAAP is higher by Rs.10 crores. So the revenues higher as per the Indian Accounting Standards is Rs.210 crores and not Rs.200 crores primarily on account of recognition as revenue of amounts deferred at time of transition to IndAS. In other income Rs.20.9 crores is a non-cash charge pertaining to valuation of our investee company portfolio. Since IndAS requires valuations to be based on fair market value which in the case of private market companies is hard to determine such fluctuations may occur from time-to-time. The people cost under IndAS are higher due to ESOP charges which are again based on fair market evaluation of the ESOP. There is also a tax reversal of Rs.40 crores, which pertains to certain tax rulings and the result of the same are spelt out in Note-V to the financial results submitted to the stock exchanges, these have to do with ESOP primarily.

That is all from us. We are now ready for any questions that you may have. Thank you so much.

Moderator: Thank you. We will now begin with the Question-and-Answer Session. The first question is from the line of Sandeep Agarwal from Edelweiss. Please go ahead.

Sandeep Agarwal: Hitesh, I have a couple of questions: First, coming to the 99acres business, just wanted to understand structurally, when do you see this business scaling up because the real estate situation in NCR as of now looks very gloomy, we do not see any encouraging signs of any kind of improvement there. So how will you play this, will you focus more on developing your product in a much-much-much better way and developing the channel so that when growth starts coming in you are a bigger beneficiary of it. Or you have something else in the mind in this business to add on some other kind of services or something like that within this platform in the real estate side. Question #2, your comment on the Recruitment side of the business. So you are not seeing some slowing down of demand in the IT side. So you are telling this is based on what you are seeing some lower inflow of queries or very lower renewals, what kind of pressure you are seeing, which suggests that there is a lower demand of manpower. Finally, is the non-IT hiring gone up so significantly, it has been able to compensate for the IT portion slow down ?

Hitesh Oberoi: I will first take the question on 99acres. We are a very small part of the total spend on Real Estate Advertising even today, give or take a few may be 10% or 20% the Real Estate Advertising market in this country is at least \$500-\$600 million and we get maybe \$20 million a year from that. So we think it is possible for us to grow our business even if the market continues to be slow and that is what we are witnessing; we grew our collections by 23% in Q2 in a very-very slow market. So while other sort of media, other sort of areas are declining as far as real estate advertising is concerned we are still growing. We believe that we do not really need to add too many new services to our offering, what we need to do is execute better, offer more value to our customers, and if we are able to do that we can may be accelerate our growth rate from here on if the market gets slightly better. So, we are not looking at adding too many new services, we are certainly not looking at getting into transactions as far as real estate is concerned. Within real estate what we have also seen is that it is not just the new home market where we operate in, it is a resale market, it is a rental market and when new homes go down the resale and rental markets pickup a bit, when resale and rental go down new homes pickup a bit. So we need to sort of continuously improve our offering in all these areas to get a larger share of the spend and that is what we will continue to focus on at least for the next 3 or 4-quarters. Moving on to the question on Naukri, yes, we have seen slowdown in IT. We track our sort of revenue growth by segment also and there are certain markets like Bangalore which are primarily IT markets. So what we are seeing is a slight slowdown in our revenue growth in the IT segment and we are also seeing slight slowdown in our revenue growth in Bangalore; we had a great time in Bangalore for the last five or six quarters, revenue growth was actually higher than the national average for the last two quarters, Bangalore now has a revenue growth which is lower than the national average. On the other hand, we are seeing revenue growth accelerate for us or collection growth accelerate for us in markets like Bombay, Hyderabad and Chennai and even Delhi which are primarily mostly non-IT markets and that is also getting reflected in our MIS. "Will non-IT makeup for the slowdown in IT?" I do not know it will depend on the extent of the slow down in IT and how serious and deep their slowdown is. So far we are okay but going forward, time will tell.

Moderator: Thank you. The next question is from the line of Ankur Rudra from CLSA. Please go ahead.

Ankur Rudra: Could you highlight what was the growth again excluding Naukri Gulf?

Hitesh Oberoi: Naukri Gulf growth was like I said we have been facing serious pressure and it was flattish.

Ankur Rudra: So excluding Naukri Gulf, Naukri India growth which was I think ahead of 20% for the last few quarters, that must be in mid-teens now?

Hitesh Oberoi: Our Recruitment business were 13% and if you exclude Naukri Gulf may grew at 14-15% but like I mentioned we have also changed the way we incentivize our sales team. So what used to happen in the past is that we used to get a lot of bunching of sales towards quarter-end and because renewals used to come up at quarter end we used to end up giving higher discounts than what we wanted to our customers. So what we have done now is we have moved to a new system, where we have given more leeway to our sales team to close the sale. So we are not putting pressure on them to close their sales at quarter end. Now, this is resulting in some sales getting postponed into next month into the next quarter, but we are hopeful that in the long run this will benefit us because we will be able to improve our realizations. Now, as a result of this transition we are likely to see lower collection growth for the next couple of quarters especially till Q4 and we are hopeful that Q1 and Q2 of next year we will see better growth, because collections will move from Q4 into Q1 and Q2.

Ankur Rudra: This has been put in place from first quarter of this year or just from this quarter?

Hitesh Oberoi: No, from middle of Q1 let us say.

Ankur Rudra: Because we did see a bit of slippage from 4Q to 1Q this time, 1Q collection was stronger and then 2Q we have seen collections softness. The other question I had was in the Naukri business is your slowdown apparent in collections also because we saw the revenue slowdown, but do you also see that in your collections?

Hitesh Oberoi: So we are seeing slowdown in collections but like I said it is mostly because the reasons I mentioned because what we incentivize the sales team is on collection growth.

Ankur Rudra: The reason for you to change this policy focusing on trying to getting better pricing, is that because you see your market positioning improving especially after the acquisition of Monster or is it something else?

Hitesh Oberoi: Not really, what has happened over time is often what happens in most B2B business is this that lot of the contracts come up for renewal at quarter-end right, and if you put pressure on the sales team to say, "Listen, you have to collect money" because like I said we incentivize on collections, they sort of end up over discounting to customers to get the payment or the cheque in before the 31st of the month. So we wanted to break that cycle because when we did our analysis we realized that there was certain customers where we were sort of discounting more than we should be, but that was also happening because customers have figured out that you could get a discount at quarter-end. So we are sort of trying to break that cycle, we do not know whether we will be successful or not, but we are trying this time and that will result in some collections getting pushed out by a couple of months. So this will impact the next two quarters as well but hopefully Q1 and Q2 should be much better as a result of this next financial year.

Moderator: Thank you. The next question is from the line of Arya Sen from Jefferies. Please go ahead.

Arya Sen: Firstly, if you could give any color on Zomato what is happening over there, we have been talking about bringing down the burn rate, so what is the status as of now?

Sanjeev Bikhchandani: Zomato burn continues to trend down, but as they have got more and more confident of achieving breakeven, they have decided, okay, fine, we can even decide to invest more in technology and products and other things and the Online Ordering business and we are comfortable on cash and therefore we can figure out when we want to breakeven. So they are currently validating on that, they could break-even in the next three-four months or push it by three-four more months. That is a matter of choice of strategy now. Of course, the company is comfortable on cash.

Arya Sen: I think Hitesh in one of the TV interviews was mentioning that the burn rate has come down to ex level. What was that number and what is this investment on the delivery side that you are doing, what sort of?

Sanjeev Bikhchandani: Company is not giving out specific numbers on the kind of investments they are trying to make, but burn is under $1.4-$1.5 million a month now and headed south if company does not invest further.

Arya Sen: I think there was a mention of basically doing a lot on the delivery side. So any color on that, what is the plan?

Sanjeev Bikhchandani: The Online Ordering revenue, Zomato does not deliver itself either restaurant delivers or Zomato's contracted party delivers, but 80% of the orders are delivered by the restaurants and about 20% of the revenue of Zomato is now from Online Ordering and that is growing really very-very fast and out of the 18 countries they are in the 14 countries they are focusing on Online Ordering just in three countries. So to grow to 20% this quickly is quite remarkable. The nature of investment that you make in Online Ordering is that you got to put some hardware into the restaurants, you got to pay for the wifi, you got to train the restaurant staff and then you wait for the orders to come in. So there is some upfront CAPEX, there is ongoing OPEX and then you make money a few months later on the orders, but the company is not putting up specific numbers on how much they are going to invest in Online Ordering in the coming days, but it does view Online Ordering as a strategic part of business.

Arya Sen: When you say delivery was about 20% of revenue, this is 20% of India revenues or 20% of total revenues?

Hitesh Oberoi: In this month it is 20% of global revenue.

Arya Sen: Which are the three markets -- India and Dubai, is it?

Hitesh Oberoi: India and Dubai mostly as a small effort in Philippines.

Arya Sen: If you could repeat, I think 99acres you give a growth number for the quarter and you mentioned EBITDA loss of Rs.10 crores, is that right?

Hitesh Oberoi: Yes, Rs.10 crores as per the old Indian GAAP, revenue growth was 16%, collection growth was 23%.

Arya Sen: The data sheet that you put out is under the old GAAP, right?

Hitesh Oberoi: Indian GAAP, correct.

Arya Sen: Even on Jeevansathi you mentioned revenue growth of 30%.

Hitesh Oberoi: 30% yes, from Rs.11 crores last year to Rs.14 crores, YoY Numbers.

Arya Sen: Rs.58 lakhs was the EBITDA loss, right?

Hitesh Oberoi: EBITDA loss this quarter.

Moderator: Thank you. The next question is from the line of Ashish Chopra from Motilal Oswal. Please go ahead.

Ashish Chopra: Just wanted to know, so Hitesh, you are mentioning that the collections may come down over the next couple of quarters before going up maybe in the first half of next fiscal. So the rationale being that the investments or the collections should normalize over a period of time. Is that the right understanding?

Hitesh Oberoi: The renewals are getting pushed out a little bit, right, so let us say we had a base of Rs.110 crores last year for Q2, just to give you an example these are not exact real numbers and Rs.30 crores out of that came in the last 1-week or 10-days of the quarter, so we are now telling the sales team that listen, you can go slow on these renewals, they do not have to renew them this quarter if you can get a better deal. Now, what will happen as a result is that renewals will get pushed out. So the September renewal may go into October or November and so on. So what is likely to happen is that over the next 2-3 quarters most renewals will get pushed out and specially in the Q4 of this year because Q4 is our biggest quarter from a collections stand point and they will go into Q1 and Q2 of next year. So what got pushed out in the Q1 of this year is going into Q2, what got pushed out in Q2 will go into Q3 hopefully, and what got pushed out in Q3 will go into Q4, and what got pushed out in Q4 will go into Q1 and Q2. So we are likely to see lower growth in terms of collections for the next couple of quarters and hopefully higher growth than what would have been otherwise the case in Q1 and Q2 of next year.

Ashish Chopra: So this is the effort in Naukri per se, not in 99acres?

Hitesh Oberoi: Yes, this is only in Naukri.

Ashish Chopra: The non-cash loss on the investment for Ind AS, so which investments would this pertain to?

Chintan Thakkar: So we have this entire portfolio of all the companies that we have invested, it is very complex because this is as per the new Indian Accounting Standard, some of the instruments we are supposed to take it at a fair value. Now the complexity is that we have investment in first of all multiple companies, even in one company at multiple point in time we would have multiple instruments that we might have used equity or a preference capital or an optionally convertible or optionally convertible redeemable kind of preference share. So there is a huge calculation but what happen essentially is that there is a similar calculation that happened as on 31st March 2015, 31st March 2016 and 30th September 2016. Now, there are some notional gains that got booked on '15 and '16 and there is some amount of notional loss that has come for this first 6-months. Just to add to this complexity some of the inherent working let us say the other interest rates because interest rates are changing, the fair valuations would change, and if that happens then the notional gain or notional loss that gets booked, right, this is the notional loss coming out of notional gain booked in earlier years as per this new accounting standards.

Ashish Chopra: So, just if I understand this right, these are the accounting technicalities spread across the broader portfolio of investments rather than pertaining to anything?

Chintan Thakkar: As per old accounting standard, you will not see this gap that you are talking about Rs.20 crore, right, it is only in the new accounting and it is a notional, it is a non-cash one-item only.

Moderator: Thank you. The next question is from the line of Shalin Kumar from UBS Group. Please go ahead.

Shalin Kumar: Just wanted to understand, Naukri revenue growth a little more deeper. If I see your Naukri revenue growth may comprise of three elements primarily like one could be pricing, the other could be your new customer, and the third could be existing customer, where you will be providing additional revenue or additional logins, right. So where are we seeing the pressure -- is it the pricing or the new customer and what could be your roughly break up if you can give some idea on that?

Hitesh Oberoi: So we are not seeing any pressure except for in IT and in fact in the other parts of the business are doing better than last year. When we normally sort of grow at 15-16%, typically we get about 5% from new customers, we get about 3% or 4% from price hikes and we another 7% or 8% from higher volume, right, which is basically upgrades, selling more products to the same customer or selling higher volume to the same customer. That is what happens normally. What we have seen in the past when things slow down, everything slows down, so that is because most of them are indexed to the economy, so when the economy slows down, people do not upgrade, you do not have enough new companies setting up shop, and you are unable to take price hikes either or when the economy starts looking up you are able to get all three, but this is typically what happens when you are good at 15-17-18% p.a. As I told you we added about we worked with 44,000 companies last year in H1 this year, we worked with 48,000, so we got about 10% volume growth, but because a new customer typically enters at lower price point, that translates into about 5% value growth, to give you a sense.

Shalin Kumar: Hitesh, is this is there also a possibility that customer maybe looking some other means of hiring apart from Naukri or is there a possibility of cheaper medium…?

Hitesh Oberoi: Customers obviously they use multiple channels because we do not think we are more than 25-30% of hiring for most companies, right, so even in the segment where we are strong is not as if a customer that we are able hire all their people through Naukri, may be small companies are, may be mid-sized companies are, but definitely not large companies and they often end up using multiple channels, so they have referral program, newspapers still get some ads, they use their own websites, they use recruitment firms, even our competitors like Monster and Shine and Timesjobs, LinkedIn, so there are sort of all kinds of players out there which companies use, it is just that we happen to be the largest sort of game in town and they are able to do a lot more hiring through us than they are able to do through some of the other sources they use. But yes there is lot of scope for improvement for us like I said for most large companies we are less than 25% of all hiring. So there is scope for us to sort of improve our product, improve our platform, improve our delivery to get a larger share of that sort of wallet.

Shalin Kumar: Hitesh, can you also give some color on the other value-added services like CSM, assisted search, how they have grown, and what would be their contribution to the Recruitment business?

Hitesh Oberoi: It is still very small, but we are very happy with the traction we are seeing specially in CSM, we launched a 'Pro Version' which is mostly meant for recruitment firms and that version is doing well, we have had about 300-400 companies switch to CSM Pro, they have given up what they were using till now and switch to our software but there is still a lot of work to be done on product, we are also thinking about launching an 'Enterprise Version', which is mostly meant for mid-sized companies sometime in the next few months. We see this as a good opportunity, but we have to execute well, because this is something which is new to us. We have so far been selling a data-base product which is very easy to sell and very easy to understand. This is more of an enterprise sale, this is a Cloud-based solution, the sale cycles are longer, but if we are able to build this business and if we are able to lock in our customers, we will have sort of ecosystem play and not just in a small Naukri play. So, we see a good opportunity in this segment and we are doing well; we have 1500, 1600 customers in total for the lighter version, about 300-400 customers with the Pro Version, and we have to launch an Enterprise Version. So who knows, in 3 or 4-years if we are able to get 5000-6000-7000 customers at a reasonably higher price point, it could become a good revenue stream but it is still very early days. We also have a referral hiring product which is a smaller product compared to CSM. The addressable market does not seem to be as large. It is also slightly more difficult sale, but that is also generating reasonable revenue. So these two products we are confident of that if we deliver well on both products and the go-to-market strategy, the Cloud portfolio which is what where these two sort of fall in, can become a new and important revenue stream for us.

Shalin Kumar: Would you like to give any kind of guidance for the rest of the year specifically for Naukri growth?

Hitesh Oberoi: What I can tell you is that we cannot give guidance because specially we have so many sort of variables, like I said, we have changed incentive policy, the market is also sort of changing a little bit, but anecdotally what we hear like I told you is that IT markets are slowing down and they are slower than last year, but non-IT markets are picking up at least in parts, we are hoping that the slowdown in IT will be compensated by the growth in non-IT or the higher growth in non-IT even going forward, but let us see what happens.

Shalin Kumar: We saw a good jump in margin this quarter and that is primarily because of your lower A&P spend which was earlier primarily for 99acres. So can we sustain this kind of spend and this kind of growth?

Hitesh Oberoi: In 99acres we are seeing lower competitive intensity compared to last year and we are seeing our growth rate also pickup compared to what it was for the last few quarters. So if the market for real estate continues to improve, if interest rates go down further, for example, and our market share keeps increasing like it has been for the last few months, things will get better, but who knows, if competition becomes very aggressive once again we will be forced to respond. In Jeevansathi, we brought down our ad spend and we improved our revenue growth, but there could also be an opportunity for us to sort of spend a little more in the next few months to gain market share and we could do that. So it is possible that at Jeevansathi we may spend actually more than what we spent in the last few months to get higher growth and to gain market share.

Moderator: Thank you. The next question is from the line of Miten Lathia from HDFC Mutual Fund. Please go ahead

Miten Lathia: Actually just was thinking about the 99acres revenue growth. Is it primarily coming out of newer customers or out of mining the same customers better basically being able to sell same stuff at a better price to the same customers?

Hitesh Oberoi: So we are not really focusing on adding too many new customers right now in 99acres especially on the broker side. On the developer side, we are open to adding new customers, because that is the smaller list, because this growth is primarily coming from one sort of higher realizations from our listing prices; and two, by having sort of people advertise on our site for a longer period than earlier. So, for example, in Builders, you advertise projects, they can buy a subscription for one month or three months or six months. So, if they decide to advertise the same project for longer, we make more money. On listings which are mostly sold to brokers for resale or rental advertising, we have sort of successfully upped our realizations from brokers and builders.

Moderator Thank you. The next question is from the line of Ankur from CLSA. Please go ahead.

Ankur Rudra: If I look at your Naukri JobSpeak Index, it has been a bit volatile in the last three months, it has seen a very sharp decline in July, then picked up a bit in August and then sort of 5% up in September, but if I look at the three months rolling average carries down to single-digit growth. So two question here -- one, is obviously this has been impacted a lot by IT hiring, like you said. Secondly, is this more of an indicative of volume growth? Do IT companies pay you less than the non-IT companies, because you are bigger, hire more and hence the impact of volume will be lower than the impact on revenue… on a per seat level pricing?

Hitesh Oberoi: Frankly, we will have to sort of go into little more detail here, I do not have the insights, the details of the break-up of what has caused the JobSpeak Index to sort of be so volatile. But on the average to answer IT companies pay us more than non-IT companies. Our pricing is similar for both and our discounts are lower for IT companies. So our realizations are higher. But on the JobSpeak index, I will have to look at the details and then we will be able to get back to you.

Sanjeev Bikhchandani: Sanjeev here, just one comment on the JobSpeak index. I think it should be used as approximate directional input only, because the JobSpeak Index is about job listings on Naukri, right, it is not about searches in the database, it is a bigger product, it is not about what kind of jobs are being fulfilled outside Naukri, it is not about what kind of jobs are being filled on other job sites and therefore it is only our client base for the job listing product how many jobs they are putting on as compared to a year ago, right. That is how you should look at it. Do not take it like a real precise indicator which is definitely telling you whether it is moving up a lot.

Moderator: Since that was the last question, I now hand the conference over to Mr. Hitesh Oberoi for his closing comments. Over to you, sir.

Hitesh Oberoi: Thank you everyone for being on the call. Have a great evening and a very Happy Diwali to all of you.

Moderator: Thank you. On behalf of Info Edge Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.