Anand: Good evening everyone. The conference will start in a short while. The conference is about to begin. We have 100 participants as of now. We will begin in short while. We have 150 participants as of now. We will wait for couple of more seconds as the participants are continuously joining. Good evening. My name is Anand Bansal. My colleague Vivek Agrawal will help me conduct this conference. Over to your Vivek.

Vivek: Good evening and welcome to Info Edge India Ltd. Q1 results conference call. As a reminder all participants line will be on listen-only mode.

Anand: As a reminder all participants line will be on listen mode only and there will be opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call please 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 risk and uncertainties. Kindly reference slide number 2 of the investor presentation for detailed disclaimer.

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

Hitesh Oberoi: Thank you Anand. And very good evening, a warm sort of evening and welcome to our first quarter conference call for FY 21. At the very outset we are very-very grateful to all our existing and new investors for the faith reposed by them in us. Thank you for helping us close successful QIP in the middle of the COVID crisis. The shareholder resolution to raise funds was approved on July 27, 2020 and the QIP was launched on the 4th of August 2020. We got a demand of six times our planned fundraise from both existing and many new marquee investors. In the end we raised rupees 1875 crores at rupees 3090 per share a discount of 2.74 % to the SEBI floor price. The funds raised through the process rupees 1875 crores along with our existing cash balance of over rupees 1500 crores will be utilized to leverage both the organic and inorganic opportunities that may rise in our four core verticals going forward.

Moving on to our standalone financial results for the quarter, billings in Q1 were rupees 188.6 crores down 43.9% year-on-year. Revenue in Q1 was rupees 280.1 crore down 10.4% year-on-year. Operating expenses excluding depreciation for the quarter were rupees 175.6 crores down 17.1% year-on-year and operating EBITDA stood at 104.6 crores versus 101 crore last year an increase of 3.45% year-on-year. Operating EBITDA margins for the quarters stood at 37.3% compared to 32.3% last year and EBITDA adjusted for ESOP non-cash charges stood at 110.8 crores versus rupees 106.2 crores in Q1 of last financial year.

EBITDA margin adjusted for ESOPs for the quarter stood at 39.6% versus 33.9% in Q1 of FY20 and cash EBITDA for the quarter stood at rupees 13.72 crores.

Deferred sales revenue stood at rupees 371.7 crores as of June 30, 2020 versus rupees 495.3 crores as of June 30, 2019 a decline of 25% year-on-year and the cash balance in IEIL and its 100 subsidiaries stands at rupees 1530 crores as of June 30, 2020. This was rupees 1553 crores as on June 30, 2019.

Moving on to the consolidated financial results for the quarter. At the consolidated level the net sales of the companies stood at rupees 285 crores in Q1'21 versus rupees 319.7 crores for Q1'20. For the consolidated entity at the total comprehensive income level there is a profit of rupees 94.4 crores versus the loss of rupees 192.1 crores for the previous quarter ending June 30, 2019 and adjusted for the exceptional items PAT stood at a profit of rupees 87.6 crores in Q1, 21 versus the loss of rupees 187.9 crores in the quarter ending June 30, 2019. The aggregate top line of the investing companies into FY 20 declined to rupees 571 crores versus rupees 866.2 crores last year, a decrease of 34%.

Now let's move on to the results by business segment. First we'll discover the recruitment segment in Q1 in 2021 recruitment segment billings were rupees 140.3 crores down 44.3% year-on-year while revenue were rupees 200.2 crores a decline of 8.8% year-on year. Operating EBITDA stood at rupees 120.7 crores up 5% from June 19. Margins were at 60.3% versus 52.4% in Q1'20. EBITDA readjusted for ESOPs stood at 123.6 crores at 61.7% versus 53.5% in Q1 of 2020 and cash EBITDA for the recruitment business during the quarter stood at rupees 60.8 crores.

We saw some recovery in June across various segments suggesting a revival in business as the economy was unlocked. YOY growth or improved to -38% in June from -54% in April. So there are signs that things will get better going forward. The IT and telecom sort of services segment major contributor of billing improved from -45% decline in April to a -27% decline in June. Travel and hospitality, automotive manufacturing, industrial services continue to be the most impacted. The retail segment also showed some signs of recovery in June after a large decline in April and May. The lockdown impacted both job seeker and recruiter activity on the platform in the months of April and May and we added an average of 8400 CVs per day only in Q1'2021 down by 50% compared to Q1' 2020. We also curtailed our marketing spend substantially in this period. Average CV modifications were at 324,000 per day in Q1 a decline of 20% year-on-year. Our traffic share in the job portal space was not impacted and continued to be in the 90s.

We are of course now seeing a significant improvement of traffic on the platform in Q2 as the economy is opened up. Job seeker traffic is back to pre-COVID levels year-on-year and recruiter traffic has also improved significantly from a decline of 65% in May. It is now down 35% year-on-year and of course and this is despite almost zero expenditure on marketing.

We continue our focus on product investments specifically in the recruitment management system as automation and technology will play a critical role in the emerging work from home scenario, remote collaboration and higher productivity and expectations post COVID.

iimjobs.com reported a billing of rupees 3.16 crores in Q1 down 44.1% from Q1 of 2020. Iimjobs revenue for the quarter stood at 4.94 crores up 4.67% from Q1 of 2020.

Moving on to the real estate business, 99acres. In 99acres billings in Q1 declined by 71% year-on-year to rupees 14 crores while revenue fell by 24.7% to rupees 42.5 crores. EBITDA for the quarter stood at 4.1 crores against an EBITDA profit of rupees 24 lakhs in Q1 of 2020. EBITDA adjusted for ESOP stood at Rupees 5.5 crores versus a profit of rupees 0.9 crores last year in the same quarter. Cash loss for 99acres for the quarters stood at rupees 24.5 crores against 8.99 crores cash loss last year.

In the 99acres business all business verticals of new home, resale, rental and commercial were impacted in Q1 due to extended lockdown during the quarter. Post the slump in April and May where lockdown was very very severe. Business started improving gradually in June. Number of clients billed and average billing were both impacted in Q1. On average smaller cities showed lesser decline in billings compared to the larger metros. We reduced our expenses in 99acres by 32% year-on-year in Q1 both marketing and other expenditures were cut. By the end of Q1 daily listings posted by owners had fully recovered to almost pre-COVID levels, which is Feb 20 levels, while broker listings are recovering but at a slower rate with brokers being more cautious and spending money due to lockdown restrictions still existing in some shape and from in their cities, while traffic was severely hit in April traffic on the site recovered to 85% of pre-COVID levels by the end of June. Our traffic brand share versus our nearest competitor Magic Bricks inched up slightly to 57% in Q1 compared to 55% in Q4 as per Google search trends.

We continue to see a strong revival of traffic and inquiries through the platform in July and August. By the last week of August buyer traffic visitors were up 11% compared to pre-COVID and 3% year-on-year. By the last week of August buyers enquiries were 34% compared to pre-COVID levels and 65% year-on-year. We expect this improvement to sustain in the new homes segment, in fact to some extent even surprised by the rise of deals by the rapid sort of return of real estate as sort of search activity on our platform in the last two or three months. More clients are also looking to come back to advertise on the platform and we expect business to keep improving with every passing month. The share of online medium in the overall spend of advertisers is likely to go up due to its inherent cost efficiency versus print and hordings.

We continue to invest aggressively on improving our platform experience in this downturn in all our business verticals to come out stronger post the crisis.

In Jeevansathi billings grew 13.3% year-on-year in Q1 to rupees 22.8 crores and revenues grew 13.2% year-on-year to rupees 22.5 crores. Operating EBITDA loss stood at rupees 13.3 crores in Q1'21 up from loss of 8.8 crores last year. EBITDA as readjusted for ESOP stood at a loss of rupees 12.9 crores in Q1 versus the loss of rupees 8.7 crore last year. Cash loss for Jeevansathi during the quarter stood at rupees 13.3 crores.

In Q1 Jeevansathi saw further acceleration in profile growth rates and higher traffic on the platform again because of the lockdown people are stuck at home and they've maybe got more time to search Jeevansathi. Growth slowed down in the first few weeks but has consistently improved since then. Some of our sort of industry first features like video calling, video profiles and video based online meetups launched in the last financial year helped the business drive growth and in user engagement in the quarter.

Aggressive marketing spends during the quarter along with continued improvement in realizations help maintain relatively higher sales growth. We continue to consolidate our position as we penetrate deeper into our core markets. We plan to spend considerably more on marketing going forward across all our markets to strengthen our brand presence in the matrimony space.

Moving to the Shiksha or the education vertical. In Q1 in Shiksha billings declined by 28.4% year-on-year to rupees 11.5 crores while revenue declined by 11.8% year-on-year to rupees 14.9 crores. This was mostly on account of the education sort of admission season getting deferred at most colleges and universities. We made an EBITDA of rupees 2.1 crores versus an EBITDA rupees 4.3 crores in Q1 of 2020. EBITDA readjusted for ESOP for the quarter stood at rupees 2.7 crores versus an EBITDA of rupees 4.5 crores reported last year ,while cash loss for the quarter stood at rupees 1.3 crores.

We made significant traffic share gains during the quarter. Shiksha continues to gain traffic share despite heightened competition from different players in this. We continue to invest in making our content more comprehensive and more student friendly and in building deep domain expertise. This will hopefully help us in generating more response for our clients going forward.

Moving on to our strategic investment, since the easing of lockdown restrictions we have seen recovery of business in most of our investing companies like Zomato, Ustra, Shopkirana, Bizness among others. For Zomato along with the bounce pack in order volumes profitability of food delivery business has improved and the monthly cash burn of the company has come down significantly. Zomato now has adequate capital with strong inbound investor interest.

PolicyBazaar also continues to grow and it's not expected to burn much cash in its operations going forward. PaisaBazaar which saw a major decline in business has also seen a business bounce back in the last couple of months. We made three new investments through our SEBI-registered category to AIF Info Edge Venture Fund which we had announced last quarter. Our investee company Happily Unmarried which owns the brand Ustra closed a new round of funding of 50 crores from a new institutional investor. We also made a follow-on investment in our investee company Bizness which raised primary funding of 50-60 crores co-led by two new institutional investors and we continue to evaluate new investment opportunities.

That's it. Thank you. This is all from me right now and we're of course happy to take questions.

Vivek: Thank you Hitesh. We will now begin the question and answer sessions. Anyone who wishes to ask questions may raise your hand on the screen. We will take your name and announce your turn in the question queue.

Ladies and gentlemen we'll wait for the moment while the question queue assembles.

Anand: So the first question is from Vivekanand Subramanian from Ambit. Vivekanand please go ahead and ask your question.

Vivekanand Subramanian: Thank you for the opportunity. I have three questions. One is the billing recovery that we saw in the first half of July compared to the first quarter sharp drop. Is there any further recovery in the months of July, second half of July, August and and what are the billing trends in the key cities and sectors? That's question one. Second question is Hitesh while you are mentioning about the buyer traffic on 99acres you mentioned about the end August trends. It was very unclear. Your line was problematic. So we did not get what you were trying to say about the buyer traffic. If you could just highlight those numbers again and build on them in terms of why the sector or why 99acres is seeing so much more buyer traffic now and will that translate into a better monetization for you? The last question is on any thoughts on the new normal as far as our operating costs are concerned? And is there any link between revenue and employee incentives just trying to understand what part of the cost control that we demonstrated in the first quarter is sustainable. Thank you.

Hitesh: Okay. So first question was around billing in July and August. So of course July and August are doing much better than April, May and June. Like I have said job seeker traffic in Naukri is back to where it was last year and in fact on some metrics we are growing at 15-20% over last year as well. Recruiter activity is back to 65% levels. Now of course let's see what happens to billing because a lot of our billing actually for the quarter will happen in September because that's when a lot of sort of subscriptions are due for renewal but clearly July and August are tracking much better than April, May and June. And of course we've been on track on traffic and this is when you're not spending much on marketing and the same we are seeing the same in the real estate business. Our billing were down 71% last quarter but both July and August were pretty decent. We are still not back to base. It is still not back to the numbers we were doing last year but it's getting better and better with every passing sort of week. Let's again let's see what happens in the month of September. Now buyer activity on 99acres is actually back with a bang while the number of people visiting the platform are up, are also up over last year what we have seen is a massive surge in response from where we were last year. So on the resale side for example buyer inquiries are up 65% year-on-year. That's a massive jump in queries on the resale side. On the new home side also inquiries are up. On the rental side we are still down compared to last year in terms of the number of inquires on the platform but rentals are a very small part of our overall business. Now let's see if this also sustains going forward. Right now revenues will follow is also because of a lot of seller actually in the platforms. So a lot of owners are coming in listing their properties directly as well more than what was the case last year. Dealer have been slower. So dealers and developers have been slower to get back onto the platform because they were not sure on whether people on sort of moving out of their houses and taking people for site visits but now with buyers coming back and with listings coming back onto the platform we are seeing dealers and developers also come back to the platform. The numbers of active dealers and developers and projects on the platform is also improving week on week. We are still not back to the levels we saw we were at last year but it's getting better and better with every passing week. Since we make most of our revenue from dealers and developers, revenue will sort of lag traffic by a few weeks. Right. Your third question was on what sorry?

Vivekanand Subramanian: That was on the new normal as far as operating costs and just trying to understand the cost control that we saw in the current quarter what part of that is sustainable?

Hitesh: So a lot will depend on what happens in to the market going forward if the market comes back quickly then see what we basically the cost control in Q1 was on account of the fact that we did not give a salary increase in Q1. We sort of put that on hold number one. Number two we also put fresh hiring on hold and number three we cut a marketing sort of expenditure especially in Naukri and 99acres and number four since we are not, we are working from home and not a lot of office we saved a fair amount of money on admin costs. Now going forward if we see business bouncing back and if competition also bounces back then our marketing expenditure will go up. Certainly it will go up in Jeevansaathi because that's our plan. We are planning to spend a lot more in Jeevansaathi going forward. That's a business which is growing for us and the growth rate in Jeevansaathi has been improving month on month for the last few months. In Naukri and 99acres we probably start spending on marketing once we see the market sort of come back. Our admin expenses will remain low for a while till we start going back, but if you go back to working from office and that is going to be a function of the COVID situation. Those costs will remain under control for some time but yes we'll have to spend, we are spending a lot more on IT costs, IT infra because we have to sort of, we need to buy more software. We need to buy more licenses to enable our people to work from home better. So on hiring we have seen demand for digital talent go up in the market. So we may be sort of forced to look really look at revisit our decision on putting salary increase on hold at least for the IT talent in the company going forward. We may also and as far as sales incentives go they are not incentives, the incentives we pay out are not linked to absolute sales. they are linked to the target we set for sales people in the company. Targets we believe should be stretched but they should be achievable. So it is possible that even on lower targets sales people will end up making incentives going forward because we would like to keep them to remain motivated and sort of do their best.

So to some extent our cost will be a function of how fast business recovers. If the business recovers quickly our cost will go up once again. On the other hand if recovery is slow then at least advertising costs for 99acres and Naukri and shiksha may be restricted.

Vivekanand Subramanian: Thanks for this Hitesh. Just one small follow-up. So within recruitment what are the segment and city wise trends that you're observing? Is IT recovering faster than others? Is Bangalore doing better? And any trends that you want to call out?

Hitesh: Yeah. See clearly certain sectors have been impacted more than others. So sectors like auto, retailing, travel, tourism, hospitality, construction, real estate were impacted the most in Q1. We saw traffic, sort of listings and recruiter actually declined by 70-80-90% in some of these sectors. Sectors like IT, pharmaceuticals, consumer goods, education were impacted a lot. So there we saw decline in activity around 35-40% in Q1. The IT sector has also bounced back fast, activity from IT companies was down only 27%. So it's very likely that some of these sectors are impacted in the months of April, May and June and will bounce back the fastest. Travel, hospitality, apparel retailing etc… they will still take some time before these sectors bounce back.

Vivekanand Subramanian: Got it. Thank you and all the best.

Anand: So the next question is from Parag Gupta. He's from Morgan Stanley. Parag go ahead and ask your question.

Parag Gupta: Hi thanks and congratulations Sanjeev and Hitesh for a successful QIP. So I had two questions. Now that you have close to $450 million of cash on the balance sheet while you did mention last time that you would like to keep back some for operational expenses and just keeping it for a rainy day but with the extra cash that you have. Have you thought of any potential opportunities in the marketplace that you could be going after? So just wanted to get some evolving thoughts from you at this point in time as to which segment and what is it that you're likely to do with that cash. And the second question is just on competition. Have you seen any significant shake-up in the segments that you operate in, let's say more from a core business perspective anything in 99acres or real estate or anything in matrimony which could potentially create M&A opportunities? And relatively is anything that could happen for some of your investee companies? So just your thoughts on that will be great. Thank you.

Hitesh: Okay. I think firstly you should congratulate Chintan also because he is the one who spearheaded the QIP, entire QIP process. So we were sort of course putting up in front of investors but he was the guy running the show. So that's one and see as far as using the funds, go see what we said while raising money also was that we would like to push the pedal on some of the internal businesses we have in the company. The jobs of course we continue to do well and we are investing in a bunch of adjacent areas around Naukri. So we are experimenting with the blue collar job board. We are trying out an AI based hiring platform. We are doing a bunch of other things. We have the RMS business. We are pushing, we want to push a little more aggressively but in matrimony and real estate maybe the time has come for us sort of double investments. The truth of the matter is that the real estate vertical is a very large vertical. We are a leader but we are not a dominant player in this vertical. We are not as dominant as we are in jobs. In matrimony we are strong number two player in the North and West. We are number three nationally. So again there is, we see a huge option be there to gain share if you push the pedal on marketing and acquisition. So one this money will be used to aggressively invest in all the internal businesses and we will sort of do this both organically and if there are inorganic opportunities we would like to pursue them as well.

Now the number of inorganic opportunities out there which are of interest to us maybe you can count on the fingers on two hands. They're not that many number. Are we in active conversation with anybody at this point in time? The answer is no but if an attractive opportunity comes our way we will be more than happy to grab it in some other verticals in which we already operate. So that's really what, so we didn't want to sort of raise and scramble for fun at that point in time and that's why we did the QIP in August. We expect something to emerge in one of these areas at least over the next 12 to 18 months some opportunity. Now is there the probability 100%? No, but maybe there is a 50-60% chance that something might happen in the next 12 to 18 months. Let's see. So that's really the plan on the, yeah did I answer your question? Is there anything else that you would like to know?

Parag Gupta: I think that answers the questions on the funds. And just if you could give us a sense of competitive intensity has that, is there a significant shake-up or have some of your key competitors just paused and will likely come back when things start recovering?

Hitesh: See for the last few months everything's been very quiet and I think people are just waiting and watching to see how it evolves, how the situation evolves. Everybody was impacted majorly by what happened in April and May and in May people were taken by surprise totally by surprise. There was a lot lockdown is very stringent and like I said our business impacted recruitment was impacted 44%, 99acres was down 71% that's how stringent the lockdown was. Things are now beginning to return to normal. So I think the action will start in a month or two, if the situation continues to get better. So has there been any major change in the last few months that we've noticed? No but yes in any slowdown what you've seen in the past is that the number three and the number four players get impacted the most. The number one player is always impacted the least because if you have to choose one , which normally happens in a slowdown, the number three and number four players sort of always sort of end up on the weaker side. So let's see how this plays out. A lot will depend on how fast the market recovers going forward.

Parag Gupta: Got it. This is great. Thank you very much.

Anand: The next question is from Manju Bhashini from Sundaram Mutual. Please go ahead and ask your question.

Sanjeev: You are on mute Manju.

Manju Bhashini: Sure. Just want to understand you did mention about the utilization of funds and how there may be some certain opportunities that may come your way therein. So I'm only trying to understand given the current situation and where things are for competition as well as for us what would you look at in these names which may become your targets in the near term? Is it going to be the geographical presence, the scale or the niche or what are the things that you would look at in these potential targets therein that might be of interest to you?

Hitesh: See our ideal sort of candidate for acquisition would be somebody would be some a company in a space in which we already operate, a space which you already understand. Ideally a candidate for acquisition should help us get to clear leadership in the markets we operate in because that's what ultimate drives pricing power and margins in our business. Ideally it should be a sort of reasonably large company I mean we will keep doing small acquisitions as well but our ideal candidate would be somebody which is at least a reasonable top-line company. So these are some of the things we would sort of look at but like I said the number of targets out there you can count on the fingers or maybe two hands at max. So there aren't that many sort of companies in the spaces we operate which sort of meet all these criteria and so let's see if we can make it happen.

Manju Bhashini: Sure. Thank you.

Male Speaker: Yeah. The next question is from Mukul Garg from Haitong Securities. Mukul go ahead and ask your question.

Mukul Garg: Yeah hi. Thank for taking my question.

Sanjeev: Mukul can you come close to the mic. I can't hear you.

Mukul Garg: Yes Sanjeev. Is this better?

Sanjeev: Much better. Thanks.

Mukul Garg: Great. Hitesh, just wanted to follow up on the question about acquisition and QIP. If I look at your commentary 12 to 18 months seems a fairly long period. Have you seen any opportunity go away or reduce over last one to two months given that you move quite rapidly on the QIP? Is the ask rate still too high for you to be comfortable acquiring or making an offer to someone?

Hitesh: See nothing which is of any value in the internet sort of space is very cheap right. So all acquisitions will come at a certain price and of course for the good assets you will have to pay what a good price but like I said see if this these acquisitions help us nothing's not sort of gone away. Everything is, no other no company we are sort of looking at has been acquired by anybody or has sort of done a deal with anybody else. So any acquisition we do should help us gain more share, improve our pricing power or help us maybe get into sort of adjacent new markets, increase the addressable sort of opportunity for us, market opportunity for us in the medium term or maybe it should be a new business model something we are mostly in advertising sort of listings and subscriptions kind of company. We've experimented with transaction once but that was a long time back. So we could also look at transaction plates in the spaces we operate or in adjacent areas. So why it could take 12 to 18 months is because we would want to do the right deal and we would want to pay the right price and we would want to buy the right company and sometimes these things take time. We would not want to rush into an acquisition just because we raised money.

Mukul Garg: Understood. And the second question was on the margin performance quite good this quarter. And then I think you very clearly explained the impact on various moving parts. But in this scenario which you also alluded to things get back to normal soon, the revenues conversion of billing will obviously take some time. So will that have a meaningful impact on your margins or will you kind of keep your cost under control till revenue growth comes back? And second part to this question is at what margin levels are you guys comfortable because I think clearly you are running close to all time high on Naukri.

Hitesh: See clearly these margins are not going to sustain because see because the revenue or the margins are a function of revenue and cost and yes our cost declined this quarter but our billings declined by 44% and that was not reflected completely in revenue and that's going to get reflected in our revenue going forward right. So a 44% decline in Q1 will result in much lower revenue growth in Q2 unless billings in Q2 go up substantially. So let's see how this plays out. Certainly from our standpoint we are not wedded to margins or anything of that. So we want to run we if there is a good opportunity which comes our way we would like to grab it. So if we see the market recovering and we see an opportunity to sort of push the pedal and gain share then we're not going to think about how margin will be impacted in that quarter or whether costs will go out of control and stuff like that right. So we would like to play by the year. We would like to see what's happening in the market and react appropriately. Like I said we are already seeing some signs of a bounce back in 99acres. So if that continues then we may start investing more in 99acres without waiting for the market to return to normal everywhere. In Jeevansathi we did not see any revenue decline at all in Q1. Our revenue grew by, our billings in fact grew by 13%. In the months of July and August buildings have grown even faster. So we are sensing an opportunity there. We want to double down in Jeevansathi. We are going to up our marketing investments in Jeevansathi this quarter itself. So we have to be more led by what's happening in the market, what's happening with competition, what opportunities we are seeing. We don't want to sort of in the short term manage margins, manage costs and give up on the long-term opportunity.

Mukul Garg: Great. The last one was on Zomato couple of quick ones there. A, what is the current burn rate Zomato has in the most recent months? On the fundraise side is the fund raise over now? What was the total amount fund raised eventually?

Sanjeev: We have not made an announcement of any fund raise on Zomato. We will make announcements in due course of time as and when the fund raise happens.

Mukul Garg: Okay. So the inbound investor interest which Hitesh mentioned is basically something which is on the horizon but it has not at least...

Male Speaker: Look Zomato has got enough money but but it probably will raise more money and there is enough investor interest.

Mukul Garg: Fair enough and Sanjeev on the cash burn side and return to the pre-COVID level delivery volumes if you can give some comments on what are the ---

Hitesh: So it hasn't yet returned to pre- COVID level volumes. See basically roughly about when I last checked a few days back their estimate was maybe 65 to 70% of restaurants that were shut down have opened and delivery revenue is back to about maybe a similar level as pre-COVID okay. Now that does not mean volume is back. It means necessarily it means that it's possible that they are charging higher delivery fees, they are charging a higher giving less discounts and so on so forth. But overall it's much healthier business. I think for the restaurant sector as a whole to recover to where it was earlier I mean estimated maybe 20-25 restaurants will open and then new ones become and take the place but that might take a year or so because see most restaurants can't survive purely on delivery because they need dining and revenue. Okay. Now if you're paying rentals which are not our cloud kitchen which are not in the back lanes you're paying high street rentals you definitely need dining. So until dining happens restaurant industry will not really be healthy. Delivery will take a restaurant so far. It takes Zomato very far but the restaurant industry as such it will take them only so far because people are stuck in locations they're already there until dining happens they can't make money location purely on delivery.

Mukul Garg: Fair enough. Thanks for answering my questions.

Anand: Yeah next question is from Roni Kapoor. He's an individual investor, Roni, go ahead and ask your question.

Roni Kapoor: I want to know that main operation of the company is related to the technology but your all investments are related like private equity fund.

Male Speaker: Sorry I didn't understand your question.

Roni Kapoor: My question is that the main operations of the company is related to the technology but all the investments are related like a private equity fund.

Male Speaker: Well actually the investments in external startups are in largely tech enabled tech companies. Right. So whether you look at any of our investment they will be tech angle to it. Now we invest behind our internal businesses. We investing behind startups in the adjacency to our internal business. We try to acquire companies in the verticals in which we operate. And we also invest in startups that are in these four verticals. Right. So Zomato is not in one of the four vertical that we operate. PolicyBazaar is one of the four verticals that we operate neither is Shopkirana and nor is Gramaphone nor is Ustra nor is Shoekonnect also called Bizness. But they all have a tech angle to it or consumer internet angle to it or B2B SaaS angle to it Shipsy for example. Right. So I would say we are tech investors. We are a tech company and we invest in our own businesses. We invest in startup which are in adjacent to our own businesses. We try and acquire companies in the verticals we operate and we also invest in startup and not in the forward vertical we operate. But all of them are tech.

Roni Kapoor: Thank you for your answer.

Anand: The next question is from Sunil Shah from Turtle Star. Sunil go ahead and ask your question.

Sunil Shah: Yeah. My question has been answered on the cash and the acquisition. So thank you very much. Thanks.

Anand: Okay. The next question is from Gautam Beri. Gautam go ahead and ask your question.

Gautam: I am sorry. I think I raised my hand by mistake.

Anand: Okay. The next question is from Vatsal Modi. Go ahead and ask your question.

Vatsal Modi: Hi, am I audible?

Anand: Can you come little closer to mic please.

Vatsal Modi: Yeah is this better?

Male Speaker: Much better. Thank you.

Vatsal Modi: So Hitesh I wanted to understand little bit more about the impact of this rise in digital adoption that we are seeing across the ecosystem. So would it be fair to say that last part of the [Inaudible] [00:44:55]

Hitesh: Okay please carry on. It is better now actually. I think we have lost. Anand you are on mute.

Anand: Yeah. So we will go to the next question as of now. So the next question is from Utkarsh Sholapurwala. He is from Dabus Capital. Utkarsh go ahead and ask your question. Utkarsh you are there?

Utkarsh Sholapurwala: Yes sir.

Anand: Please go ahead and ask your question.

Utkarsh Sholapurwala: So I have two questions. First PolicyBazaar what has been the growth rate of the company in last one year and is company profitable and second is on Zomato. If 30% of restaurants closes down then will Zomato be able to recovery its pre-COVID volume in next one year or will it take longer? And what is the expected growth that you are looking in Zomato in next one, two years?

Sanjeev: Okay. So neither of these companies give out specific numbers of their growths. So we can't disclose that but look Zomato is coming back nicely the delivery volumes. The delivery value run and also the volume. We expect in the few months time it will be back to pre-COVID level but you will have to wait and watch the second wave thing further lockdown thing. We are still waiting and watching. In PolicyBazaar the PaisaBazaar business is badly hit largely because employees couldn't go out and do KYC of the prospective customers. Insurance part of the business which is PolicyBazaar grew nicely. We expect this growth to continue. But we have to wait and watch.

Utkarsh Sholapurwala: Okay. Thank you.

Anand: Yeah. The next question is from Nikhil Pahwa. Nikhil go ahead and ask your question. Nikhil you are there?

Anand: Nikhil you are on mute.

Nikhil: Hi, yes. Sorry. Hi Sanjeev. Hi Hitesh. I just wanted to get a sense of there are a couple of regulatory headwinds coming up particularly in case of the personal data protection bill as well as this report on non-personal data which could lead to other companies potentially accessing aggregate data or anonymized data. Since most of your businesses rely heavily on the data that you have, I was wondering about what kind of, what are your views on these situations and what are your expectations of what's going to happen?

Hitesh: So some of these sort of reports haven't been brought to unnoticed but we have’nt to really to go through them in detail. You're absolutely right that some of these things really concern us and see from our standpoint we are a data company we take all possible precautions to protect and guard our data. We make it available only to recruiters for recruitment purposes in the case of Naukri and so on but yes any if the law changes and it could impact us positively or negatively. We are yet to deep dive and understand what the implications of the proposed sort of bill are.

Sanjeev: Yeah so Nikhil see our view is that an individual's data belongs to the individual. If he has come and entered his resume in a database he has entered for a particular purpose under certain terms and conditions and will only use it for that. So even if we are allowed to use it for something else by law the truth is we will honor our commitment to our users and use the data only for what we have committed we will use it for. We will not violate that commitment to our users. Having said that obviously we have to follow the law of the land and that is still emerging and we are going to figure out how to deal with that.

Nikhil: Sanjeev particularly in case of the non-personal data what the committee's recommendation is that other businesses and the government should be able to access anonymized data sets and also aggregate information that you may have from your databases.

Sanjeev: So there are two things.

Nikhil: That can be given, you would have to give that mandatory if demanded.

Sanjeev: Mandatory demanded by government. I don't believe a private company can mandatory demand our data anonymized manner okay. I cannot for example go and demand LinkedIn's data in anonymized manner. I'm a private company right. So if the government.

Nikhil: Actually that is a part of the report private companies can also demand data from other private companies.

Sanjeev: I don't, that well we have to look at that. I think that is quite unusual which will give us an opportunity to demand data from others, if that is a case.

Nikhil: Okay. Thank you.

Vivek: So I will let Vatsal take up his question because I think he was in the queue before. Vatsal you can ask your question.

Vatsal Modi: Yeah. Hi. Thanks guys. So Hitesh what I was trying to understand is is it fair to say that the rise in digital adaption will benefit the blue collar segment lot more but in the white collar segment a large part of the candidates are already online so there is no incremental benefit as such that you might get in the white collar space. Is that fair to say or do you think the SMEs getting online could help the white collar side as well?

Male Speaker: There will be some benefit. Even if you're absolutely right that many of the white collar sort of workers are already online but even there what will happen with time is that bandwidth will improve, speed will get better, internet will get faster all that will happen. So that will benefit us in some way but yes from a new user sort of standpoint it won't have any incremental benefit but what can also happen, what will also happen as a result of this is that our platforms will hopefully become richer over time. So like I mentioned earlier we've already introduced a video profile on Jeevansathi. We are experimenting with video profiles in iimjobs. We are going to experiment with video profiles in Naukri very soon. Video interviewing will be enabled over time. Video calling has been enabled in Jeevansathi. So there will be some benefits because the platforms will become richer in terms of content, in terms of experience over time because people will have access to cheaper bandwidth.

Vatsal Modi: Got it. That's useful. And for how are 99acres, Jeevansathi are you expecting a lot more users to also sort of get on these platform or again similar in terms of benefits there?

Male Speaker: No, we expect more users as well for example Jeevansathi has been growing very handsomely in the tier three and tier four cities of this country for the last couple of years. So many of these sort of users in these cities were not online till some time back and again it's a very rich site, lots of photos, lots of pictures, very intrusive video as well, calling as well. So penetration, increased penetration is certainly helping the Jeevansathi business like you mentioned it will help the blue collar job boards as well over time. On the real estate site also real estate is bought and sold in every nick and corner of this country. So it will benefit real estate sites also especially on the rental side because rentals are often sort of the user base or people who sort of take houses and rent not everybody pays 20,000-30,000 a month of rent. There are enough people who pay 2,000 rupees 3,000 rupees 1,000 rupees 4,000 rupees for rental as well, so it'll help us get those users, those landlords on the platform as well over time. So certainly all these things will help with more penetration in tier two, tier three, tier four cities and will sort of also over time results in the platform becoming much more richer in terms of content.

Nikhil: Got it. Perfect. Thank you so much.

Anand: Next question is from Aditay Bohora. Please go ahead and ask your question Aditya.

Aditay Bohora: Hi, am I audible.

Anand: Yeah. Please go ahead.

Aditay Bohora: Hi Hitesh, Sanjeev and Chintan and congratulation on a successful QIP and good set of Q1 numbers to you and the team. I have two questions. The first one being with the increased consumption of video content during the lockdown and after Coronavirus hit what is the impact that we are seeing on a business such as Kyunki? Is there any commentary that you have that might be meaningful in that respect and the second question is on the competitive intensive fee that is being seen in the food delivery space where a quarter ago Amazon had piloted a service in Bangalore. Some color on that if available thank you.

Male Speaker: Well I will answer the second question first. As of now there does not seems be a major push by Amazon to either scale up that service but obviously something which Zomato is watching. And figuring out how to deal with the situation if Amazon gets things up and push a lot of money, investment behind that initiation. As far as Kyunki is concerned look the Kyunki had a bit of, quite a set back actually because the founder and CEO passed away a couple of months back in a road accident and so the management team is still stabilizing the situation post that. The company is doing all right. Burn is coming down a bit but for it to make major initiatives and move forward will take a little time.

Nikhil: Sure. Noted. Thank you.

Anand: The next question is from Vinayak Mahota. He is from Augmenta Research. Go ahead and ask your question Vinayak.

Vinayak Mahota: Yes sir. So I basically had two questions first but what if I could give a number on what is the cash burn for Zomato on a monthly basis and the second question would be like can you please highlight like while back you had you were looking for some major opportunities and you were having cash on your hand. So have you started investing that cash into some PE investments or how is it that like what is the strategy out here? So I will have these two questions.

Male Speaker: So Zomato doesn't disclose the specific burn number month-on-month but it is substantially down. Having said that the burn may go up a bit in the coming months because they are reinstating the salary cut and they may start investing in brand. But I think unit economics will continue to be prudent and sensible and these are overheads that we are talking about. As far as the cash on hand is concerned first of all we don't do PE investments. We do early stage investments will be doubled. So I wouldn't call our investments PE investments. I would say seed, Series A maybe a little bit after that. We continue to look for investments but also but we divide our investments in two or three buckets. One is investments in startups that are operating in the same verticals as we operate which is jobs, real estate, matrimony and education classifieds. Here we could do a minority investment. We could do a majority investment. We could do acquisition. Right. The second is investment, further investments behind those companies that where we already invested earlier from the Infoedge balance sheet or an Infoedge subsidiary balance sheet. These would be Zomato, PolicyBazaar. It could be Gramophone. It could be Shopkirana. It could be

Ustra. It could be ShoeKonnect , those kind of companies, that sort of companies and then there are fresh investments in companies that we have not invested in earlier which are not in the spaces where we operate businesses. Right. So those will be through the AIF we had floated in January and some investments have been made through that already and so that's a new vehicle we've floated for further new investments in areas that we don't operate.

Vinayak Mahota: Okay. Thank you so much.

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

Vijit Jain: Yeah. Hi. Thank you. Can you hear me?

Anand: Yeah. Please go ahead.

Vijit Jain: Good. Congratulations first on great QIP. My question is more to the comment Hitesh earlier made about pushing pedal to the core businesses. On specifically Naukri when I see the revenue mix around more than 50% of it is coming from the resume database and there are two or three other areas through which you collect you monitize the asset. So my question is in this post-COVID scenario where lot of activity including business activities moving to digital do you think this mix will change overtime? Where do you think this mix will go in the next three to four years? Any color on that will be great. And secondly I missed the part where you talked about the margins that you reported on Naukri in this quarter, if you can repeat that, that would be great. Thank you.

Hitesh: So I will answer your second question first. So Naukri margins right. That's what you want to know or you want to know Infoedge Margin.

Vijit Jain: Naukri.

Hitesh: Okay. So in Naukri operating EBITDA stood at 124, recruitment business operating EBITDA stood at 120.7 crores up 5% from last year margins were at 60.3% versus 52.4% in Q1 of last year and EBITDA readjusted for ESOP stood at 123.6 crores at a 61.7% EBITDA margin versus 53.5% in Q1 of 2020.

Now to answer your first question the revenue mix or the product mix see unlikely that it will change in a hurry and in the short term because the resdex product continues to be our best selling product. We of course like I said we have been sort of experimenting with new offerings. We've launched an e-hire service. We have under the recruitment management system which we introduced in the market we have a campus hiring product we are working on. We are introducing new branding options on the mobile phone. We are working on an enterprise variant of resdex , the iimjobs of course we started selling in the market. So we've got a bunch of new products out there but they are all very tiny right now and they will grow hopefully over the next few years but for foreseeable future I think resdex will continue to be our star.

Vijit Jain: Great. And my second question is on Jeevansathi you mentioned that you are seeing month-on-month increase in activity, month-on-month increase in revenues on that platform. So I am just curious because historically I understood matrimony business is not just the fact that you are number two there in North India but also that it's overall quite fragmented. So I am wondering if overtime and this is something Sanjeev alluded to earlier overtime platform enrichment and those kind of things will make it more difficult for the smaller players to even stay in the business and is that something you are seeing now once you have launched these video call and phone call type features? And secondly are you looking to increase your share in Jeevansathi mostly through marketing at this point or is there a tech angle there as well?

Hitesh: So the matrimony market is not that fragmented actually. There are three large players, Jeevansathi, Shaadi and Matrimony and then there are a bunch of small players but I think the large player, the three large players between them control close to maybe 85-90% of the market if not more. Right. So it's fairly concentrated in that sense. You're absolutely right. See in the long run it'll be very hard for the smaller players to match the larger ones on product, technology, innovation because that's not easy to do for the smaller companies but they will continue to exist in pockets. So I mean that's how we are sort of as far as investing more in Jeevansathi is concerned yes a lot of, the bulk of our investments are in marketing right now because the only way to gain share is to get more profiles. There is a very direct connection. It's a freemium model. The more profiles you get the more matches you're able to make on the platform. The more matches you're able to make on the platform the more sort of people get married through you and you get more sort of revenue and you get more sort of registrations but we are also investing a lot in technology like I said we just enabled the video profiles on the platform. We've been in video calling on the platform. We've been organizing online Milan samarohs for different communities on the platform. So all these sort of technology our mobile app continues to be the best in the business. We continue to innovate on the mobile sort of app front. So all these your sort of investments we will continue to sort of do and maybe do even more going forward but marketing is where the bulk of the money will go in the near term at least.

Vijit Jain: Great. Thank you so much. Those were my questions.

Anand: The next question is from Prince Poddar from JM financial. Prince go ahead and ask your question.

Prince: Can you hear me?

Anand: Yeah please go ahead.

Prince: Yeah. So a couple of questions Hitesh. First of all I am sure a lot of sales in this COVID time would have been closed digitally by the sales team and being a sales team being a large proportion of the overall employee cost do you think any long term implication we could have on the cost saving front in that or would you prefer or would the company prefer having more offline transaction or offline interactions with the clients? That is the first question and the second is basically you did talk about the traffic trends in Naukri and 99acres if you can, can you share some trends which you have observed in the past couple of months in terms of billings which direction they have been heading, is there recovery or some sort of data on that?

Hitesh: Prince good to hear from you. See Zoom is our QIP we sold to investors on Zoom right. So we didn't have to go any part of the world. In normal circumstances we would have had to sort of go to the U.S., Europe, Singapore, Hong Kong. We would have spent hours in flights, days in hotels, all got red eyes and then we would have sold the QIP. This QIP was done in one week on Zoom. In one week we met and sort of interacted with over 100 investors right and it was done. So clearly technology, this technology it's a big enabler and for the last few months we've trained our sales teams on how to sell on Zoom because not all clients want to meet. They would rather sort of talk to you on the phone or Zoom call with you not enough of them want to meet face to face. So it's and there are several advantages of this technology. I can be here and talk to a client in Bangalore. Previously I would have to take a flight to go to Bangalore. So you could interact with clients everywhere. Your sales team can be based anywhere; all that. So there are many advantages of using technology and we'll continue to invest in in this technology going forward but I also believe that once this COVID situation is behind us and things sort of go back to normal then enough clients would want to meet face to face as well. Enough clients would want you to sort of be there, enough things can't be done on the phone. There are some things which need to be sort of discussed face to face especially the larger customers I'm sure would still want to meet us face-to-face. Now they will not want to do all their meetings face to face. This technology becomes the new normal but they may still want to meet some of us from time to time face to face. So let's see how this evolves. We are sort of getting ready for any sort of situation. Like I said we are training our sales team to sort of adapt to these new tools and we think in the long term it will be a big advantage for us if the world moves to this model. So that's one. Your second question was on billings.

Prince: Yeah. Billings trends basically if you can share some idea which that because you shared some information on traffic, some trends on billing side would be very useful.

Hitesh: So Chintan I don't know how much you can talk about billings what's yours view, are you on mute?

Chintan: I would broadly say that look we all know that billing comes with a little lag from traffic number so there will be some lag. We are hoping that traffic would be monetize and we keep improving. So it's hard for us to give any guidance or any forecast because also city to city situation keeps changing. So I think it depends on that as well. So we have seen as the unlock, as the cases kind of , as COVID number starts going down we have seen that there is increase in traffic then we can monetize it much better but if it again starts increasing then we might have some kind of uncertainty there as well.

Prince: Got it. Okay. That's all my side. Chintan good hair style and very great set of numbers. Congratulations.

Chintan: Thank you.

Prince: Thank you.

Chintan: Thank you.

Male Speaker: The next question is from Pradumna , go ahead and ask your question.

Pradumna: Yes. Hi. Am I audible?

Anand: Yeah. Please go ahead.

Pradumna: Yeah, hi guys. My question was regarding the fund, the AIF that you guys have recently launched. Just wanted to understand the structure of that and whether you are raising external capital, there will be external LPs in that fund as well and how will that fund be managed? Will it be managed by separate management entity or would it be managed by the existing team at Info Edge and also you mentioned that some of the new non-core investments sort of would be made through that fund going forward and so in terms of that would you increase the fund size over time or deploy some more of the capital that you have raised currently through that fund?

Sanjeev: Yeah. Okay. So first of all the capital raised currently is not meant for external investments. I mean it is our intent is to use it for inorganic growth opportunity, now of course all money is fungible, but this is our intent. We intent to do that. Now having said that now coming to the AIF. So the AIF is Cat2 AIF under SEBI, our initial thought was that we would invest let's say we earmarked Rupees 250 crores a year for three years as the investment period for this fund which is roughly equal to what we have invested in last three year before this fund was formed. So it's not as if we are committed more money than we earlier invested. When COVID happened we took a call. So we first announced the AIF we got a number of people talking about would you be looking at external money and our initial intent was we would not raise external money. When COVID happened we figured that look we don't know what is going to happen. Why don't we use the demand on Info Edge liquidity over the next few years to half of what we intended and so we said we put half the money and half we raise from outside. Now we are not really interested in running 30-50 LP fund. We want maybe 1 or 2 LPs and so we are talking to only such people who can put in that kind of money and are interested in doing it. Second, this is a structured as a slightly longer fund than most VC funds in India. Most VC funds are 8 plus 2, 9 plus 2 7 plus 3 years. This is a 12 plus 2 year fund. And the reason is if you look at most VC funds in India the exits are kind of hard. So if you leave out Flipkart it's not as if exits have given a lot of joy to many investors. Although where recently there has been this companies have been bought up by Byju ,WhiteHat and that was I would say a good valuation at time frame which got an exit but these are two anomalies. By and large it takes a long time for people to get a decent exit and very often it happens at the time of IPO when and where it happens and for real value to be created and IPOs typically take ten years or longer in India. We took nine years from inception to IPO was the fastest MMT took ten years I think Just Dial to 18 or 20 years I forget Matrimony took 18-20 Years. So it takes long time.

Praduman: India Mart also took time.

Male Speaker: India Mart yeah again launceh in in 1996 and went public whenever it want public a year or 2 back, so therefore you need patient capital in India. If you look at the way we invest we first went into PolicyBazaar in 2008. We invested in the first three rounds. We invested in 2017 and 2019. So as recently 2019 we still invested after being there for 12 years and the real value was created which happened last 2-3-4 years. Likewise in Zomato. We invested in 2010 we are still there. Okay. In both these companies we took some money off the table but that was by and large to facilitate other investors coming into the company. So we are patient capital. Our fund reflects that and we want one or two other LPs who are equally patient because without having patient capital in India you really can't do early stage investing and get great exists because it takes time. India is different from the West in that sense. However, if you raise money from LPs who do not want 12 plus 2 years like don't have prop money or who don't have the that kind of time horizon you then perhaps will have to exist prematurely and that will create a challenge for us in terms of returns.

Praduman: Sure. So that's what brings me to my second question is in terms of the management of the fund. Is it going to be managed by a separate team which will be remarked in the separate management company will be formed?

Male Speaker: There is a separate management company I mean there are separate AMC which will manage the fund but there is obviously a separate entity in a trust form. The team have been augmented. The investees now there is a team which will look at investments in the area where you operate businesses and M&A and that is will be strategic investment team. And that will be strategic investment team. That will be outside the fund. Perfectly outside the fund because that pool of capital is outside the fund. The fund that has been, the team that has been managing on the other investment so far will continue to manage those investments and will also run the new fund. So the old portfolio will reflect fund one in that sense in time duration and the new portfolio the fund will reflect the fund two notionally in terms of time commitment. So the same management team runs both.

Praduman: Okay. Interesting. And we are currently in the process of raising some external money from select few.

Sanjeev: There are conversations going on. Yes.

Praduman: And what is the target size for this fund now?

Sanjeev: The target size is same. It's $100 million I mean 750 crores. [Inaudible] [01:15:00]

Praduman: Sure. Okay. Thank you so much for your clarification.

Anand: Yeah. The next question is from Sudheer Guntupalli. He is from Motilal Oswal. Sudheer go ahead and ask your question.

Sudheer Guntupalli: Yeah. Hi Hitesh. Thanks for taking my question. I want to know your thoughts on a couple of aspects. Of the incremental sales or growth happening specially in segments like matrimony what part of it is coming from short term subscription packages like let's say three month packages where some first time customers may just be moving online and trying out something within the lockdown period either because offline options are completely switched off or because people have excess free time in hand.

And how would you see the stickiness of this customers going forward as offline options open up?

Hitesh: See most of our revenue comes from these short term packages because when people buy they buy for three months and then if they are happy they renew for another three months, sometimes for six months. So our average ticket sizes are in that ballpark only. So we haven't seen any major change in that because of COVID or because people being locked down. Will this revenue, will this disappear once offline options closes I don't think so because see the truth we are getting this growth because we are advertising a lot more. What also happened Q1 was that TRP actually went up for most programs on television because people are locked in. Advertising rates were also lower. So and I think in general people had more time so they were searching, they had time to search. So going forward we are already sort of like I said we are already, we already decided to up our sort of ad spent in matrimony and that should result in more sort of profile acquisition and once we acquire more profiles it's only then it's a premium model then certain percentage of them will convert into paid customers over a period of time. That's how it works.

Sudheer Guntupalli: Thanks. And the other thing is the come back we are talking about in the job market right. What part of this comeback will you actually take at the face value because if you remember even after demonetization the job market of IT companies bounced back in the immediate quarters but the result in deceleration panned out much later over several quarters. So in July and August while the recruitment segment would have bounced back for let's say near-term concerns around supply mismatch so on and so forth do you expect the actual impact to play out on a backhanded basis?

Hitesh: Actually I don't know the answer to that question. A lot I guess will depend on what happens with GDP growth in the coming quarters. So you only saw -24% now. If Q1 turns out to be a -6%, -7% a quarter then it's very different. On the other hand if Q2 sorry also turns out to be a -20, -15% quarter then who knows. So I think a lot will depend on how fast GDP bounce back. If you see a V-shaped recovery hiring will bounce back quickly on the other hand if the market for the economy takes a long time to go back to where it was last year then recovery would be slow.

Sudheer Guntupalli: Sure. Thanks Hitesh for those insights. All the best.

Anand: The next question is from Deepak Mehta. He is from Metlife. Deepak go ahead and ask your question.

Deepak Mehta: Hello?

Anand: Deepak you are there? Yeah go ahead.

Deepak Mehta: Thank you for taking my question. My question is that how tough is the competition from LinkedIN learning as I have seen that many of the MNC are opting for LinkedIn and is there any plan to tie up or acquire any learning option which can complement our Naukri business where we can map skill and suggest some learning and this kind of model. Thank you.

Hitesh: See there has been no sort of major change in the competition of LinkedIn. It is like it was a year ago or two years ago. In fact we've acquired iimjobs so that's given us a play in the premium segment at least on the MBA side. We're also investing more behind the high risk brand which is owned by iimjobs which is more a tech sort of premium tech brand. So let's see how that plays out. We are hoping to use, we were hoping actually to use our large Naukari sort of distribution the fact that we work with 80,000 customers to take iimJobs to many of them and we actually did a great job in Q4 but unfortunately we got hit by COVID in Q1. But once sort of, once the market bounces back we should be able to take iimjobs offering to more customers in our stable. So let's see how that plays out. So, sorry what was the other question?

Deepak Mehta: So other question is about learning. So are we planning to tie up or acquire any learning?

Hitesh: So we are not looking –

Deepak Mehta: --- complement our Naukri business.

Hitesh: Right. So what we are not looking to do is create our own content or acquire content but what we are certainly looking to do is aggregate courses online programs and courses and recommend them to job seekers basis what we think makes sense for them and basis what we think is the requirement of the job market and the skill gap in their CV. So we certainly are looking to use our data and the insights we have on the job market and the sort of job career ecosystem to recommend the right courses to job seekers to help them upgrade their skills but we are not looking to create content ourselves right now.

Deepak Mehta: Okay. Thank you sir. Best wishes for the upcoming quarters.

Hitesh: Thank you.

Anand: The next question is from Vivekananda Subramaniam from Ambit. Go ahead and ask the question Vivek.

Vivekananda Subramaniam: Hi, thank you very much for the follow-up opportunity. My question is on the investments planned in matchmaking. So why are we so gung-ho about the opportunity in matchmaking? Why not spend more money on 99acres either by way of brand X or expansion of presence in small towns given that there is a lot of traffic from these markets. So Hitesh if you could just give some more color on the priority of our investments and how we think about 99acres versus matrimony? Thank you very much.

Hitesh: So it's not an either/or for us. The way we are set up inside the company is that we have business units. Each business unit is run by a business head. Each business head has a separate product team, a separate tech team, a separate sales team and so on and each business draws up its own business plan given the business realities in that space. As far as cash is concerned we have enough money in the bank to be able to sort of bankroll both 99acres and Jeevansathi. So and we are investing behind both and it's, so we are going we are certainly looking to expand 99acres to tier 2 city, tier

3 cities. There is already a team working on it. We are making improvements to our platform on a daily basis. We sort of we've expanded, we started as a new as a resale platform we then have gone to new homes. We built a rental piece. We're looking to see how we can improve our commercial section on the platform as well. So we don't think 99acres at this point in time requires a lot of ad spend but if required we will sort of push the pedal on advertising as well. See in 99acres we are at least a leader. We may not be a dominant player like we are in Naukri but we are a market leader. In matrimony because we are not a clear leader. We are not the number one player in the market. We are not even number two only in the North and West are we number two there is a requirement to invest more and the strategy that we've been following in matrimony has been working well for us. So we've been gaining share. We've been growing faster than the market and so on and so forth. So we just want to sort of push the battle on this and do a little more of what we've been doing already. So for us it's not an either/or and clearly yes of course from a priority standpoint 99acres is a higher priority because it's our second large business and we see a great opportunity in it in the long run and our market position is also superior to the market position we have in matrimony but we believe we can do both.

Vivekananda Subramaniam: Sure. Understood Hitesh. Just one small follow-up there. So we see that the gap between you and the number two player both in terms of the traffic share including the app or excluding the app that has actually gone down in the sense the gap between us and the number two player has gone down and even in Google trends if we look at the brand versus say the number two player in some cities they are ahead. So would it not make sense to spend more money on say performance marketing and brand advertising so that we are able to sustain the lead and I'm just trying to understand why this doesn't concern you?

Sanjeev: Can I contribute to it.

Hitesh: Yeah please. I'll answer it as well but you can.

Sanjeev: Yeah. So it's like this the two are not mutually exclusive. You can invest in matrimony and real estate. I think what Hitesh and the business of 99acres believe is that perhaps it's not the most optimal time to invest in that because the market is currently down, has been down for a while and as the market comes back I suspect you may see investment up and I'll let you the transfer question now. This is just my view.

Hitesh: No Sanjeev you are right. See I'll tell you, see not every business can be built by just investing in marketing. See the nature of the Jeevansathi business is such that we need more profiles to counter competition because we are a number two, number three player in most cities and that's where we believe that and that's the investment we think will work we makes the most sense for that business. It also crowds out competition. Our competition may not be in a position to react to our increased ad spends because given their sort of financial position. So that's the strategy which we think makes sense for Jeevansathi to pursue. In the case of 99acres we don't believe at this point in time that by investing more in marketing we can gain more share right. We believe that we need to do a lot more sort of work on many other fronts if we have to build a sustainable sort of lead over competition. Now I don't want to talk about everything here but there are sort of many other areas where we want to invest, where we want to work on the platform a little more. We want to improve our data quality. We want to improve the analytics we provide to our users. We want to improve our algorithms. We want to improve our user experience on the mobile app a lot more. So there are a bunch of other things that we want to do in 99acres which unfortunately cannot be done by just spending money. We need to get people. We need to build teams. We need to sort of let them do their stuff and then hopefully results will follow. Now once we get to a level where we think people sort of good platform we've got an edge over competition and at that point in time we may supplement and complement it with even more aggressive marketing. So I'm not running on marketing spend going for more marketing spend going forward but we believe that we need to invest in many other areas in 99acres if you want to move the needle on our traffic share and our market share in the long run. Short-term traffic share market share I would not worry about too much because that's also often a function of how much you spend in that quarter versus your competition and that's sort of those two, three, four points which you lose in a quarter you can gain back very quickly the next quarter if you just pump up the advertising a little bit. But we would not worry too much about that.

Vivekananda Subramaniam: Understood. This was very comprehensive. Thank you and all the best.

Anand: The next question is from Utkarsh Sholapurwala. He's from Damas Capital. Utkarsh go ahead and ask your question. Utkarsh you are there?

Utkarsh Sholapurwala: Yes sir.

Anand: Please go ahead.

Utkarsh Sholapurwala: Can you give more insight on the performance of other key investee companies like Happily Unmarried, Gramophone, Shopkirana and ShoeKonnect.

Male Speaker: Yeah. So ShoeKonnect was badly hit by the lockdown for two months because it's a non-essential product/ so roughly two months they were shut for us, it is April and May right starting last week of March actually. But since then they bounced back nicely on two fronts one is businesses come back. It's not fully back to pre-COVID levels but it is very substantially back and second they managed to raise capital from external investors giving us validation and these are blue chip marquee names and now it's sufficiently capitalized and continues to grow. Okay. Gramophone is again is essential because it's agri input e-commerce but even essential commodities were disrupted for a few days and Gramophone was disrupted for a few days but has bounced back nicely again on this front and it should be all right but we are waiting and watching right. Ustra again was badly hit because it was deemed non-essential and then when sanitizers were deemed to be essential they got back with a few sanitizers but then eventually in June they launched again. It is substantially back but not fully back to pre-COVID levels and they have raised money from the external third party and that's good news because it gives us external validation. As far as Shopkirana is concerned they were impacted for a week or ten days maybe two weeks but now they're back to pre-COVID and higher levels and they're doing all right. So all of these companies so far are doing all right.

Utkarsh Sholapurwala: And the last is the, you invested edtech company called Coding Ninjas that must do well in the COVID.

Sanjeev: Yeah Hitesh you want to talk about Coding Ninjas?

Hitesh: Yeah. So we just invested in Coding Ninja. It's only been a few months. So it's a very small company. They have a coding business where they teach sort of coding. That business is doing well. They were also trying to venture into another sort of vertical that sort of again in the coding space but with a different business model that got impacted because of COVID but now that the situation is getting better.. I'm sure they'll sort of again experiment in that area. Very early days for us. We just invested a few months back.

Utkarsh Sholapurwala: Okay. Thank you.

Anand: So that was the last question we had for today.

Vivek: Thank you.

Anand: Over to you Vivek.

Vivek: Sure. Ladies and gentlemen due to bad network today you might have missed few parts of management response to your questions. Kindly read our transcript for more clarity on your responses. With this I would like to hand over to Mr. Hitesh for his closing comments.

Hitesh: Thank you guys. Thank you for taking time out for this call and have a great evening and of course say stay safe.

Sanjeev: Thank you. Bye-bye.

Hitesh: Bye.

Male Speaker: Thank you.