infoedge

"Info Edge Q3 FY 21-22 Results Conference Call"

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Anand Bansal: Hi everyone. Good afternoon. Welcome to Info Edge India conference call. We will begin in a while. We have about 50 people with us as of now. We'll wait for a while.

Good afternoon everyone. We will start in a short while. We have about 120 people with us. We'll wait for a while.

Good afternoon everyone. We have 150 people with us. We'll start the call now. Vivek you can go ahead.

Vivek Aggarwal: Thanks Anand. Hi everyone. Good evening and welcome to Info Edge India Limited Q3 22 financial results conference call. As a reminder all participant lines will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call 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, CFO. Before we begin today I would like to remind you that some of the statements made in today's conference call may be forward forward-looking in nature and may involve risks and uncertainties. Kindly refer to slide number 2 of our investor presentation for detailed disclaimer.

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

Hitesh Oberoi: Thank you Vivek and a very good evening everyone and welcome to our Q3 FY 22 earnings conference call. Trust you and your loved ones are safe and in good health. As always we'll first talk to you through our quarterly financial performance and then we'll have time for Q&A. As we've done in the past the audited financial statements and other schedules on segmental billing and revenues along with the data sheet have been uploaded on our website www.infoedge.in.

We'll first discuss our standalone financials. Overall billings in Q3 grew to Rs. 468.1 crores up by 57.6% from Q3 of 2021 and 56% compared to Q3 of 2020. YTD billing stood at Rs. 1184.6 crores. YoY growth of 61%. Revenue in Q3 stood at Rs. 403.3 crores up by 48.1% from Q3 of 21 and 26% compared to Q3 of 2020. YTD revenues stood at Rs. 1074.6 crores, a YoY growth of 32.9%. Operating expenses for the quarter excluding depreciation and amortization were at 291.2 crores up 42.7% from Q3 of FY21 primarily driven by advertising and promotional spends. Operating EBITDA stood at 112.1 crores versus 68.2 crores last year an improvement of 64.4% from Q3 of 21 and 6% from Q3 of 2020. YTD EBITDA stood at Rs. 318 crores, a YoY growth of 41.8%. Operating EBITDA margins for the quarter stood at 27.8% compared to 25% last year for the same quarter. Cash EBITDA for the standalone business for the quarter stood at 192.6 crores compared to 92.6 crores last year for the same quarter. YTD cash EBITDA stood at

452.5 crores a year-on-year growth of 197.5%. The cash EBITDA for Info Edge along with the acquired businesses like IIM Jobs and Zwayam stood at Rs. 200.9 crores for the quarter that is a YoY growth of 113% and 467 crores for the nine months ending 31st December 2021 that is a growth of 205%

During the quarter we also booked an exceptional gain of Rs. 217.8 crores. This relates to diminution recorded in value of investment in our fully owned subsidiary that is SIHL which has been reversed by way of exceptional gain of Rs. 217.8 crores. The net worth of SIHL has significantly increased as one of its investments that is Policybazaar FinTech has been categorized as financial investment post its listing and has been carried at mark to market value in the books of the fully owned subsidiary. Deferred sales revenue stored at Rs. 6 22.8 crores as of 31st December 2021 versus Rs. 393.5 crores as of December 31st 2020 an increase of 58.3% YoY. The cash balance of Info Edge including the wholly owned subsidies stands at Rs. 3855 crores as of December 31, 2021 versus 3387 crores as of December 31st 2020.

We'll now talk a little bit about the market conditions in our different verticals and then we'll discuss the financials for each vertical in a little more detail. We continue to see massive strong hiring trends across sectors in the recruitment space. IT clients recruiter activity remains an all-time high primarily driven by high attrition in the sector and the big wins for major IT firms in the current quarter and past few quarters. We see the current trend of high resource requirements and demand for our products to continue for a while. Consultants in Q2 22 were in recovery mode as well. However, in Q3 they have started exhibiting strong growth in their daily interaction with the platform. This is clearly indicated by a 14% YoY growth in the number of searches. Non-IT clients especially in sectors like real estate, FMCG and logistics and healthcare have also been hiring in large numbers through the platform. The jobs peak index for November and December clearly highlighted recovery in a few non-IT sectors like travel, hospitality, retail, and tourism. We are also experiencing some revival in the telecom sector. However, since IT being the main growth in general employment in the country in the white collar space we see maximum concentration of new jobs in south India in markets like Bangalore and Hyderabad.

Moving on to the real estate vertical despite a temporary slowdown due to the third wave of COVID we are still experiencing good momentum in the residential buyer segment. Low interest rates and home loans, people looking for bigger homes and incentives by governments to the sector will continue to aid the residential home sales market for some time. With price correction over time the sector is also a lot more affordable after a long time. We expect this trend to remain for some more time.

Moving on to the matrimony business as this quarter was marked with the presence of the marriage season which normally starts post Diwali. Post-COVID we saw a decline in activity on the platform after COVID too but we've seen users come back to the platform in large numbers post Diwali. So hopefully things should get better from here on going forward.

The education segment has witnessed, a strong vibrancy in our study abroad segment specifically after a brief contraction post the first wave of COVID in Q1 and in Q2 of last financial year. We also see a lot of interest in new colleges and universities and advertising on our platform.

Now we'll talk about the segment-wise financials in more details now. We'll first cover recruitment. In Q3 FY 22 the recruitment segment the links were Rs. 356.5 crores up 77% from Q3 of 21 and 70% from Q3 of 2020 while revenues stood at Rs. 298.5 crores up 57.5% from Q3 of 21 and 30% from Q3 of 2020. YTD billings stood at Rs. 891.1 crores a YoY growth of 75% while revenues stood at 777.5 crores a YTD growth of 35.9%. Operating EBITDA stood at Rs. 178.7 crores up 67.8% from Q3 of 21 and 33% from Q3 of 2020. Margins peaked at 59.9% versus 56.2% in Q3 of FY 21. YTD EBITDA stood at Rs. 455.3 crores a YoY growth of 39%. Cash EBITDA for recruitment during the quarters stood at Rs. 245.8 crores up from Rs. 118.3 crores reported for Q3 of 21. Cash EBITDA margins are at 68.9% of the billings compared to 58.7% in Q3, 21. YTD cash EBITDA stood at Rs. 583.4 crores a YoY growth 120.5%

Billings for Naukri India for the quarter stood at Rs. 309 crores up 84.6% YoY. This is just a Naukri India business while revenues for the quarters stood at Rs. 254.93 crores up 63.2%. YTD billing for Naukri India stood at Rs. 759.6 crores a YTD growth of 82% while the revenue grew 38.6% YoY and stood at Rs. 653.3 crores. The recruitment numbers I shared with you just now are standalone numbers and do not include IIM Jobs, Zwayam and DoSelect. Recruitment segment billing including the acquired businesses IIM Jobs and Zwayam etc. stood at Rs. 375 crores that is a growth of 80% year on year for this quarter and 74% compared to Q3 of 2020 and Rs. 932 crores that is the growth of 78% year-on-year for the nine months ending December 21. IIM Jobs and HIRIST YoY growth of 91.7% in their billing numbers closing at 12.7 crores from 6.6 crores reported in Q3, 21. Both Zwayam and DoSelect are in the process of integration with Naukri business teams and we continue to devise a strong go to market course for them.

During the quarter we also launched a new age look of the Naukri homepage to create a refreshing experience for job seekers and to ease the discovery of the variety of offerings that can help them in their career journey. Along with this we have upgraded our employer branding portfolio also to create a new offering that allows employers to drive we call an engagement with job seekers across all platforms; web, app and the mobile website and across all touch points. Employers now have the flexibility to tweak their brand positioning as per their target persona and leverage data driven insights to understand the impact of these of their branding initiatives.

This is a strategic milestone in demonstrating our commitment towards delivering the best experience for our users and reinforcing the perception of our brand as a modern platform, modern recruitment platform. The quarter was also marked with more emphasis on value selling with higher uses customers which resulted in better price yields and rationalized discounting across the board.

Over the last few quarters Naukri business through product enhancements and acquisitions like IIM Jobs, RMS, Zwayam, DoSelect, Ambition Box has been able to diversify its product portfolio. Together these businesses have a strong potential to be a significant contributor to Naukri revenues in the next few years. The quarter also witnessed a 50% growth in new client acquisition versus FY 20 with growth across all segments. Growth in non-IT customer base improved from 23% in Q2 to 36% in Q3. A sizable portion of this growth is being generated through online and retail sales. As far as our operating metrics go we added 17000 new series per day with an increase of 11% year on year and average CV modifications are at over 400,000 per day. Our traffic share in the job portal space continues to be in the mid 70s.

Moving on to the real estate business the billings in Q3 and 99acres grew by 17.3% year-on-year to Rs. 61.4 crores and 13% compared to Q3 of 2020 while revenue grew from Rs. 44.9 crores in Q3 of 21 to 58.6 crores in Q3 of 22. YTD billing for the business stood at Rs. 151.9 crores registering a YoY growth of 34% while revenue stood at 156 crores a YoY growth of 26%. Operating loss for the quarter stood at Rs. 22.6 crores against the loss of Rs. 3.5 crores in Q3, 21. YTD EBITDA stood at loss of Rs. 44.4 crores up from a loss of 6.5 crores over last year from the same period. The business reported a cash loss of Rs. 16 crores during the quarter against a cash profit of Rs. 3.6 crores earned in the same quarter of last year. YTD cash loss for the period stood at Rs. 42.9 crores against a cash loss of Rs. 17.94 for the nine months ending December 2020.

Business momentum continued in 99acres in Q3. We witnessed growth in our YoY billing for the quarter across all categories; new projects, resale, and rentals and across all client segments, builders, brokers and owners. We also experience higher usage of the platform by our customers specifically in the new and resale home segments. Our recently launched product premium listings also saw good adoption amongst brokers. Daily listing postings on the platform were similar to last year but listings from owners grew 15% year-on-year and traffic in the Q3 grew 3% YoY. We also witnessed 5% year-on-year growth in the number of responses from the platform. The rental category grew faster than other categories. New plans and e-commerce experiences for owner clients wider range revamped commercial investment section, application, a new application to self verify properties and a digital brand campaign were rolled out in Q3. The business teams are also working on improving the customer delivery initiatives for a few of top clients. Moving on to the matrimony business. Billings declined by 6.5% year year on year in Q3 to Rs. 24.5 crores. They were up still up 9% compared to q3 of 2020 and revenue declined by 1.9% year on year to Rs. 24.2 crores. YTD billing for the business stood at Rs. 73.8 crores a year-on-year growth of 0.3% while revenue for the nine month period stood at 74.8 crores YoY growth of 5.4%. Operating EBITDA losses stood at Rs. 37.2 crores in Q3 of FY 22 against a loss of 27.6 crores last year same quarter. YTD EBITDA loss stood at Rs. 81.6 crores a year on year increase of 10%. Cash loss for the quarter for Jeevansaathi stood at Rs. 35.9 crores against a cash loss of Rs. 26.4 crores in Q3 of 21. YTD cash loss for the period stood at Rs. 81 crores a year on year increase of 12%. With the marriage season setting in marketing investments were scaled up in November, December as of improving trends of traffic led to sequential growth in sales. Profile acquisition and site engagements is also up and an overall recovery in sentiments and interaction on the platform is being seen in the matchmaking market which was temporarily hit by the second wave of COVID for the last few months. Investments we continue to make investments including the tech backbone of the platform. New verification mechanisms were launched for our NRI users which helped improve the quality of matches in that segment. More privacy options were offered to users to make the platform experience more secure. A fresh iOS app experience has been in the works and will be available to users this week which should significantly enhance platform engagement on the app.

Moving on to the Shiksha business. In Q3 billings in Shiksha grew 51.4% year on year and 94% compared to Q3 of 2020 and stood at Rs. 25.7 crores while revenue grew 65.7% year-on-year and 105% compared to Q3 of 2020 to 21.9 crores. YTD billing for the business stood at Rs. 67.7 crores, a YoY growth of 72.6% while YTD revenue grew 59.5% and stood at Rs. 66.2 crores. We made an EBITDA Rs. 2 crores during the quarter versus an EBITDA of 80 lakhs in Q3 of last year. Cash EBITDA for the quarter stood at Rs. 7 crores a year-on-year growth of 55% and YTD EBITDA stood at Rs. 14.7 crores a year on year growth of 26.7% while YTD cash EBITDA stood at Rs. 18.1 crores for year-on-year growth of 27%.

The Shiksha business team has again been able to pull through a strong quarter with reasonable revenue growth. The recent momentum is backed by positive sentiments among students who are now more involved in online searching for universities and colleges and at the same time most of the private colleges have realized the worth of online marketing on platforms like Shiksha. Our study abroad business has also seen an encouraging response from students. We continue to make invest in making our content more comprehensive and more student-friendly and in building up the domain expertise in this space.

Moving on to the consolidated financial highlights of the quarter. At the consolidated level the net sales for the company stood at Rs. 419 crores during Q3 of 2022 versus Rs. 277.64 crores in Q3 of 21. For the consolidated entity at the total comprehensive income level there is a profit of Rs. 4562.8 crores versus Rs. 678.1 crore for the previous quarter ending December 31 2020. Adjusted for the exceptional items PBT stood at a profit of Rs. 2621.1 crores in Q3 of 22 versus the loss of Rs. 6.9 crores in Q3 of 21. Since investment in PB Infotech is held by our wholly owned sub companies joint venture companies mark to market gain on such investment after being categorized as financial investment for suggesting amounting to Rs. 4488.2 crores. Net of deferred tax liabilities of Rs. 554.9 crores on the date of listing has been included in the PAT of consolidated financial statement. The mark to market loss of Rs. 151.2 crore net of deferred tax asset of Rs. 19.5 crore which reflects the change in fair value of such shares as a quarter end over fair value in listing date has been recognized as other comprehensive income as per the accounting policy of the company. While computing the impact on PAT and OCI 50% of gain loss recognized in joint venture makes sense is considered. Okay I hope you understood that. thank you and we are now ready to take any questions that you may have.

Vivek Aggarwal: Thank you Hitesh. We will now begin the Q&A session. Anyone who wishes to ask a question may raise your hand on the screen. We'll take your name and announce your turn in the question queue.

Anand Bansal: Yeah. The first question is from Vivekananda from Ambit Capital. Please go ahead and ask the question.

Vivekananda: Hi thank you very much for the opportunity. I have two questions. So the first one is on recruitment margin. You said that the margins have I mean they've improved substantially and have remained elevated for the last two quarters even though your employee costs seems to be rising. So any thoughts Hitesh on how one should look at the operating margin improvement now that there is more clarity on a normalization

Hitesh Oberoi: Yes. So our margins are going to be a function of what kind of revenue growth we are able to get going forward. In the past we've said listen at 15% we can maintain margins at 20% growth we start improving margins. Right now but what is different this time around is that there is massive age inflation across the board. So listen our sense of this is that unless we start this, we decide we sort of start spending aggressively on marketing margins should sort of get even better going forward if we continue to grow at 20% plus. That's our current take but like I said a lot will depend on whether we are making investments in marketing or not. Right now it doesn't look like we're going to get very aggressive on marketing at least for this quarter and then of course next year it'll be a much higher base and we'll have to go on that higher base to do margins even further even more.

Vivekananda: Okay. Fine. My second question is on the job speak data that was very encouraging till September but then we've started to see the index moderate. Is this just because of Omicron though I'm not able to reconcile the Naukri index movement with your comments which seem to indicate that there hasn't been much adverse impact of the Omicron

Hitesh Oberoi: Yes. So right now at least the sense we are getting from the market is that Omicron it's impacted a 99acres business again to some extent because in real estate unless people go out and actually see houses they don't buy. In job market on the other hand people are happy to sort of sit at home and give interviews and even recruiters are happy to hire people without even meeting them. That's a new trend. So we don't expect our recruitment business to get hit because of Omicron at least that's been the trend so far in January but real estate could take a hit in January. We are hoping that Omicron will hopefully be behind us in the next couple of weeks and we'll be able to go back to office and things will go back to normal in all verticals. At a very macro level unless things get worse from here on the Omicron front we don't really expect it to impact our Q4 billings as a whole.

Vivekananda: Okay and what about the job speak data that saw some moderation in the last few months. Is that also something that factored in your guidance for your commentary with respect to the optimism?

Hitesh: Yeah. So we continue to be optimistic. I mean like I said attrition rates are still high across most companies. Salary is also moving up. In fact we expected we were hoping that the non-IT sort of sector will also bounce back very strongly this quarter that may have got delayed by a month or two because of Omicron but up till now we were seeing a lot of our growth because of IT companies hiring more than they were hiring earlier and of course some non-IT sectors have started too but going forward we expect the other sectors to also start sort of hiring in more numbers. Now of course Q4 last year was a good year. We grew, we had healthy growth in Q4. So we can't expect the kind of growth we got in Q3 and Q4 I mean if you are if you get that kind of work we'll be very happy but this but compared to 2020, 2022 sort of Q4 should be very very good.

Sanjeev Bikhchandani : Can I just add something. You see you raised the point of the job speak moderating last month. That kind of contradicts what we are experiencing from our sales team and feedback it is possible that for one month it moderated because when Omicron was headed up there might have been an uncertainty because people are unsure about how serious it will be but given the fact that Omicron is now waning and it is not so serious I think we are optimistic.

Vivekananda: Okay. Thank you very much.

Nitin: Hello. Yeah am I audible?

Hitesh Oberoi: Yes you are audible. Anand you are on mute.

Anand Bansal : Yeah Nitin go ahead.

Hitesh Oberoi: We can't hear you Nitin.

Anand Bansal: Yeah Nitin.

Nitin: Can you hear me now?

Anand Bansal: Yeah.

Nitin: Yeah. So my first question is regarding the recruitment vertical. So a number of large IT companies they have indicated in their Q3 result commentary that attrition is expected to cool off in the next two to three quarters. So should we expect to see a lag impact of this in the Naukri business? That's my first question.

Hitesh Oberoi: So attrition numbers cool off then of course it will have an impact on our business because, so when companies, unless companies continue to grow rapidly in terms of overall head count. So gross hiring is basically a function of attrition plus new edition. Now that is really what decides the company budgets and how much companies spend on us to a large extent. So if attrition numbers fall drastically and new hiring also doesn't pick up then of course companies will spend, may not budget as much for recruitment as they have budgeted till now.

So yes I mean if attrition numbers cool off then that will have an impact unless new hiring picks up as well as far as IT companies.

Nitin: So my perspective here was will the drop in IT hiring be made up by the non-IT business is sticking up like as it was seen in your commentary this quarter.

Hitesh Oberoi: Actually very hard for me to say. I don't know how much non-IT hiring will drop by. I don't even know whether non-IT hiring will drop and we are expecting sorry IT I meant I don't know how much IT hiring will drop by. I don't even know when it will drop and if it will drop. As far as non-IT hiring goes we are expecting non-IT hiring to bounce back because it was sort of hit by COVID because of COVID and non-IT companies at least in some sectors we saw some recovery in last quarter in sectors like travel, retail, hospitality after a long time. So we're expecting I mean if this Omicron is now behind us and we don't get another wave then hopefully these companies will start hiring again going forward. Now whether it will make up for the decline in hiring because IT company in the slowdown it's hard for me to say.

Nitin: Okay. So next question is regarding the Shiksha business. So we have seen a very good scale up over the past two to three years. So what is the vision here for the next like three to five years? Where do we see, how big do we see this business becoming and what are the profit sub verticals are we expected to add here?

Hitesh Oberoi: See we don't know how big the business will become in three or five years. Our goal remains so this Shiksha is basically an education sort of counseling stroke information sort of platform and for people looking to get into colleges and universities in India and to this we added a study abroad vertical some years ago and that business has also sort of started doing well for us. Now our of course our desire is to grow this sort of platform. We get a few million users on our platform every month. Our desire is to sort of offer more counseling services, offer better information, offer more comprehensive content on the platform. Our desire is to grow their study abroad business and take it to the next level and we also have a small Naukri learning business inside Naukri which is again an education business which is basically about online courses. So while Shiksha is more about offline college and universities Naukri learning business is more about helping people figure out which online courses to sort of study. So the idea here is to sort of grow all these verticals into more comprehensive sort of platform which so that they become the first, so they become the preferred way of sort of searching for education information in this country. As you know there isn't a lot of information available. A lot of colleges and universities don't put out a lot of information. It's not available in the public domain unlike is the case overseas and parents and students in India have to spend a lot of time figuring out which college which course especially after class 12 even after and even after that. So the vision is to just make it easier for them so that they can take the right decisions. As you know this is a very important sort of decision for very for a lot of parents and students right and if you can sort of play a role in that journey then hopefully over time everything else will follow. Now whether how much will that this translate into in terms of revenue over the next three to five years hard for me to say.

Nitin: Okay. And my last question is regarding Shopkirana investment. So recently there was news about Shopkirana raising money at around $38 million led by Info Edge. So what valuation was the money raised at?

Sanjeev Bikhchandani: So look for competitive reasons we are not announcing that because see whenever that core investors the other VCs don't necessarily want to announce the valuation and we have to abide by that and also company may or may not want to announce it. So we can't just disclose the valuation unfortunately.

Nitin: Okay. Sounds good. Thank you.

Anand Bansal : Thank you Nitin. Next question is from Gaurav Chopra. Gaurav go ahead and ask your question.

Gaurav: Yeah thanks for the opportunity sir. My question on the margin. Can you hear me?

Anand Bansal: Yeah.

Gaurav: Yeah sorry about that. yeah my question was really on the 99acres business. What we have noticed is if I were to look at the recent numbers that some of these real estate players have sort of reported they have been extremely strong but if you look at our listings they continue to sort of remain flattish. So what explains that and if you just highlight the market share trends in our real estate business and secondly if you could just highlight our market trends in the overall recruitment segment? Are we facing tough competitions from the likes of LinkedIn, etc. Yeah those are my two questions. Thank you.

Hitesh Oberoi: Yeah. So the 99acres platform caters to different segments within the real estate business. So we have a new home section. We have a resale section. We have a rental section. We have a commercial section. Listings are normally more representative of the resale market and not so much of the new home market. So the developers you mentioned, the developers were listed and they released results they are mostly they operate in the new home space and there we offer very different solutions to developers. So that is not necessarily reflected in listing growth on our platform. Listings we get a, listings mostly are representative of rental growth and resale growth and what has happened in 99acres over a period of time is one that we treat our business model we don't necessarily want more listings because what happens after a while is you end up getting a lot of spam listings. So we are encouraging developer a lot of our broker partners to put up fewer listings but put a more genuine listings on the platform. So we are trying to sort of change behavior in some sense. On the other hand if you look at owner listings they have gone up because the owner listings tend to be very genuine listings. There is no spam and owners listed on our platform. Those listings are 15 year on year. Now as far as overall trends in the market go we have so there was a period over the last few years when real estate went through a lot. We had RERA. We had demonetization. We had GST. We had all kinds of other issues in real estate and the business was slow for a long time but 99acres kept growing. I think now we are our sense that we are entering a phase where some of these issues are actually behind us but of course Omikron and COVID have played spoilsport for a while now because every time we have Omicron every time we have a wave activity just freezes in the market because people just refuse to step out of their homes and broker shut shop and unfortunately we make a lot of money from brokers and if they stopped advertising we stop getting revenue. And they've been very cautious. We are hoping that activity will return to the real estate market post Omicron once again and that business will start to grow. Having said that what has also happened in real estate over the last 18 to 24 months is that there is a lot more competition than was the case earlier. There are many players which have got funded over time. So there are newer, there are lots of players in the, there are lots of new sort of brokers, e-brokers more active or spending a lot of money on marketing. There are players like no broker who have raised a lot of money and who are active in the market, housing has seen a change in ownership. They are a lot more aggressive than they were earlier housing.com. Magicbricks continues to be aggressive. So there's a lot more activity in there there's a lot more competition the real estate space that was the case earlier and that competition then is likely to result in sort of more of marketing from all the players to fight for share and more marketing spend to fight per share and this is also likely to result in depressed sort of pricing because players have need to discount to get customers. So that may be the case in this space for a while till data settles down as far as the business of portals goes. As far as the job market is concerned there has been no material change in competitive activity. LinkedIn and Indeed continue to be two big players who are active in the market. Naukri is of course the largest job board. We are not seeing any major sort of activity on the startup front and so on the whole I mean not much has changed in terms of competitive activity and market share in the job space. Now let's see how it plays out going forward.

Gaurav: All right. Hitesh thank you so much. All the very best.

Anand Bansal: Thanks Gaurav. Next question is from Vijit Jain from Citi. Please go ahead and ask your question.

Analyst: Yeah thank you for the opportunity. Hi Hitesh, my question is in the recruitment business what is a total unique customer base for nine months FY 22? And this number has been fairly stable for the last few years and now obviously it looks like from 3Q number at around 68,000 to 69,000 there should be a jump in FY 22. Is that jump largely also coming from IT and related sector hirings or is more broader than that? That's my first question.

Hitesh: I don't have the nine one number with me right now. Chintan do we give out the number? If yes can we get back to Vijit

Chintan: Yes we get back on those numbers I think we do give in investor presentation.

Vijit Jain: Sure. Thanks and my second question is the employee expense that has risen is that almost all wage hike related because the total head count hasn't grown that much? And related to that I think in 1Q you had shared that your total tech staff headcount was around 700. Where is that number at the moment?

Hitesh Oberoi: Yeah. So basically what has happened is that one of our tech headcount has gone up. Our overall headcount have been the same. Our tech headcount is up. One because of the acquisitions and two because we are doing a lot of new things inside the company. So we have a and so these new things are not revenue generating at this point in time for example we have a job Jobs hai business vertical that we are trying to, the blue collar business that we are trying to sort of build inside the companies. We have some people working on the blue collar platform. We've been investing more behind our Ambition Box platform. So that platform does not generate any revenue right now. We have a small team working on our big shift which is our premium tech hiring platform. That team does not generate any revenue. So we have a lot of internal sort of R&D stroke new business effort, new product development efforts going on which we have scaled up over the last 12 to 18 months. We are investing a lot more in these efforts and none of these efforts generate any revenue right now. So the tech cost has also gone up, has increased for one of course we've also given salary hikes and in fact we gave two salary hikes to intake last year, this year and we also upped our headcount in some of the newer sort of things that we're doing that.

Vijit Jain: Okay. Got it. So Hitesh that number was I think 700 if I'm not wrong for about six months back. Do you have the current number on the headcount tech side?

Hitesh: Yeah. So I don't recall the exact number but if you're referring to the same number then what was 720, 725 sometime back is now I think close to 800 plus 825, 850.

Vijit Jain: Got it. Thanks. Those are my questions. Thank you so much.

Anand Bansal: Thanks Vijit] next question is from Sudhir from Sudhir go ahead and ask your question.

Sudhir: Yeah thanks Hitesh for the opportunity. My first question is on the IT hiring front. Of course you mentioned that irrespective of how the IT attrition may look like over the next two to three quarters and irrespective of the fact that the growth numbers might be very strong, deal winds might be very strong. There has been a view that IT companies are now taking that this sort of a lateral hiring is not sustainable. So they should be focusing more on the pressure hiring and they should be correcting the pyramids. In that context they're focusing more in terms of getting hiring from colleges giving advance offers in colleges so on and so forth. So how do you see that impacting the activity on Naukri going ahead probably two three quarters down the line?

Hitesh: look I don't think I said that our billings would be good with respect to what happens to hiring IT companies. We are strongly indexed to IT hiring close to 50%, 60% of businesses is now indexed to IT hiring and if IT hiring slows down it will have an impact on our business. So if and yes while we have a campus hiring product and we work with a lot of IT companies for their campus and off-campus hiring efforts as well that's still a small part of our business. So if IT hiring changes structurally for some reason or attrition rates suddenly drop or if IT companies stop hiring for some reason it will have an impact on our business and you will see the impact very soon. It is not as if the impact is going to be delayed. So I hope that that doesn't happen because that's not what we are hearing from our customers and from our sales people on the ground at least.

Sudhir: Surely Hitesh. Thanks. And secondly on the 99acres side at the real estate side you mentioned that the competitive intensity has increased quite a bit and we are seeing similar trends even in the matrimony segment as well. Number of players present, competitive intensity has been high for quite some time. We have been investing with the hope that will probably become number one, number two players. So what's your outlook on these two segments in that backdrop and by when can we see some maturity in these two industries?

Hitesh Oberoi: So real estate, listen real estate is a tricky one because see we are a leader in real estate and I mean our revenue base is pretty solid. We like for the last two or three quarters I think for the last two quarters we've averaged about, we've done about 150 crores in terms of billing in the last two quarters and Q4 is normally our largest quarter. This year it may get impacted a bit because of Omicron but normally Q4 is also very very good. So we have a healthy business in real estate and it's growing but yes there is a lot more competitive activity. There is a lot of VC money which has gone into the sector. There are new players who entered the sector and in the hope that this will be a large sort of category over a period of time. So it's difficult to say how this is going to play out. We, of course, will continue to invest because this is the time to invest because we've been very patient for the last few years even though. So we went through a lot in real estate. You know how bad the real estate sector was for so many years. I guess the next few years from a market standpoint look good. It's very likely that the real estate sort of sector will grow at 10%, 15% per annum at least for the next few years. If real estate remains affordable, if interest rates mean modest that is likely to happen and therefore I think we should take a slightly longer term view on real estate. We should continue to invest aggressively in this space because while we may not be a dominant player it's not as if anybody else is dominated sitting there. So it's still open. The market is still open and we are a leader. So we should do whatever we can to protect our position in this market. If that means that we have to invest a couple hundred crores over the next couple of years so be it. As far as matrimony is concerned, matrimony, the matrimony market is more mature because it's been a three player market for the longest time. We are number three player in matrimony. We gained share for about two or three years in between. This year, this quarter was not so good for us but we are hoping that business will bounce back and we'll actually start growing it in 8%, 10% or more going forward. Now in matrimony I think we have to think a little out of the box. We have to do things a little differently than we've done until now if you want to continue to gain share in this market because it's not a very high growth market. It's a market with growth rate 10 % per annum. There are three players. The other two players are also well established. We don't have anything very unique to offer at this point in time. So I think we have to work hard on creating a new strategy in this space if you want to get anywhere in the medium term. Having said so we have a few ideas and we are working on them and let's see how this plays out.

Sudhir: Sure Hitesh. Just one follow-up on the real estate part. By the very nature of this industry probably we can assume that this will continue to be fragmented for a long period to come. In that context do we see it ever converging with a recruitment Naukri kind of a business where we have winner takes it all kind of a proposition and we are the number one by a wide margin?

Hitesh Oberoi: Well it could happen. I think it's possible I mean if you get the network effect going, if we are able to deliver superior customer value, if we can create a better experience for our users than our competitors anything is possible. There is no reason why, globally at least there are some very good case studies. There are some real estate sites which are actually bigger. Most real estate sites in many countries, in most countries are bigger than their boards in those countries. So it is possible it's just that I think people see that and they know that there is a lot of value to be created in this space and they're waiting to last it out and they're waiting to invest. They don't want to sort of give up given what they're seeing in jobs and given what they're seeing in other sort of categories. So will we get to 70% share in the next 12 months? The answer is no. Could we get there in five years? It will depend on how we execute and how much we are willing to invest in this category.

Sudhir: Sure Hitesh. Thanks. That's it from my side. All the best.

Anand Bansal: Thanks Suhdir. Next question is from Mayank Babla from Dalal & Broacha. Mayank go ahead and ask your question.

Mayank Babla: Thank you for taking my question. My question is directed [Audio Gap]

Hitesh: Hello. Mayank I think we lost you. We can't hear you.

Anand Bansal: He's off the call. Okay.

Anand Bansal : Hello. Let's take questions, next question here. Next question is from Amit Jeswani, Stallion Asset. Amit go ahead and ask your question.

Amit Jeswani: Hi Hitesh. Hi Sanjeev. I just wanted to understand the rational behind you investing more money in the Jeevansaathi business. We lose broadly 100 crores a year. Shaadi has never made money. The opportunity size is very small at 700, 800 crores. We're not market leaders. The market leader itself is 400 crores. Are we putting bad like good money behind bad money? Shouldn't we just shake and move on from this market and probably reinvest in so many other opportunities out there?

Hitesh: So Amit so listen so when we invest, we believe actually when we invest that we'll sort of grow our market. We will grow our share. We'll grow our business. Now sometimes some of these things work out, sometimes they don't. We actually saw reasonably good growth in our business over the last two or three years and we were gaining and we gained share. Last one or two quarters have not been so good. I don't think we should give up on this business in a hurry. Even though it's a 700, 800 crore market today the truth is it will be in 10 years it'll be maybe a 3000 crore market, 2500 crore market. There is nobody who's has even 50%, 60% or share I mean there's nobody who's there's I mean no one company is a dominant player in this market. So but like I said I think it's about time that we started thinking a little differently in this space. We need to do, we can't be doing the same thing and expect different results. So we need to think a little out of the box, go back to the drawing board and rework our strategy in this space. And as far as investing in other verticals go see nobody is being, it's not as if you're diverting money from other verticals or cash which could have been spent elsewhere to Jeevansaathi. We are sitting on 3800 crores the company is generating tons of cash. We are looking for newer places to invest in. so it's not as if we are distracted or we are diverting sort of resources from other verticals to the Jeevansaathi business.

Amit Jeswani: So you would be like we would continue reinvesting money till the time we can get like a better or this thing in Jeevansaathi right?

Sanjeev Bikhchandani: Well may I add something.

Hitesh: Yeah please.

Male Speaker: Yeah Amit see it's like this. The play over here ultimately has to be consolidation. Now if you consolidate one or two of the other sites you get pricing power straight away the total industry size goes up you get higher margins and it's a question of sort of waiting and trying and hoping for the best and we want to be the buy side and not the sell side.

Amit Jeswani: Got it.

Hitesh Oberoi: It may take some time. It's not that we've not been trying but it's going to take time.

Amit Jeswani: There are only two other players Sanjeev ji. Are you looking to buy anything? Have you ever spoken? Have you had –

Sanjeev Bikhchandani: No we can't, we can't comment specifically on that. all I'm saying is the play is consolidation. We want to be in the buy side and we are waiting.

Amit Jeswani: Got it. Thank you. Thank you so much.

Anand Bansal: Thanks Amit. Mayank is back. Mayank go ahead and ask your question from Dalal & Broacha.

Mayank: Sorry about the previous time. Am I audible now?

Anand Bansal: Yeah go ahead please.

Mayank: Yeah. My question is directed towards Chintan sir. Sir could you please explain to us it's an accounting question, could you please explain to us the accounting treatment of these newly listed like Zomato and PB fintech? So from henceforth the mark to market gains or losses will be in the other comprehensive income on all the quarters going forward? Could you please explain that to us?

Chintan: That's correct. So henceforth all the gains and losses because of mark to market would be another comprehensive income.

Mayank: Okay. So there will be no other tax implications and anything. It will just be other –

Chintan: They are notational gains and losses arising because of mark to market. There is no real transfer of shares or transfer of assets happening. So there are no capital gains and so there's more real tax impact. It's just an accounting national gain or loss

Sanjeev Bikhchandani Hitesh: So the tax incidents will happen when you actually sell.

Mayank: Sure. Sure. Thank you so much and best of luck for the future.

Mayank: Okay.

Anand Bansal: Next question is from Pranav Edelweiss. Pranav go ahead and ask your question.

Pranav: Yeah. Thanks for the opportunity. My first question is regarding this the trend in the advertisement market especially on the real estate side. So you have Google, Facebook on one side and then you have this vertical specific platform like Magicbricks and 99acres and no broker, etc. So can you explain how the trend has been for the shift to digital is happening? Are the Googles and the Facebooks of the world are gaining more market share? Or is it the more vertical platforms are gaining market share from the print and other forms of advertising?

Hitesh Oberoi: So listen we don't have Google and Facebook numbers for real estate advertising. They don't report their they don't give out numbers by vertical and so on. So we don't have the exact numbers but you see where Google let me just explain see where Google and Facebook do a great job of is in the new home launch market. So whenever a new developer launches especially a big developer launches a new project they want to quickly get the word out. Earlier they used to do a lot of print advertising today they do some print advertising but they also put a lot of money to work on Facebook and Google because they're able to get the word out very quickly. Once the dust settles down and the project becomes like a regular project then what happens is they start spending more money on portals because portals have a 365 24x7 365 a day audience and so on. Now our goal of course, our goal is to sort of get developers to shift their ad spend over time from print to online and from Google and Facebook to platforms like 99acres and therefore we keep working on improving our delivery, our experience our sort of responses to our users. So on the resale side on the other hand it's not as if brokers use Google and Facebook to advertise. For rental listings people don't use, the clients don't use Google and Facebook advertise. So that business mostly goes to portals like ours and Magicbricks and even on the new home side Google and Facebook mostly make money a lot of money from the bigger developers not from the smaller developers. So there are for example we in 99acres with over 5000 developers in the country big and small. So we have developers who may sort of do one small project and launch 10 units and then we have developers who launch thousand units, thousands of units every year where Google and Facebook do a good job is with the bigger developers.

Pranav: Sure my second question is regarding matrimony and possibly there could be some repetition to the earlier question but my thought was that if you look at the competitive intensity for the market which is reasonably consolidated is very high in that segment. So is the consolidation is the first thing to happen or possibly there is a rate hike or to drive the market that should happen? So what are your thoughts on that?

Hitesh Oberoi: So we don't really, so we are a small player in that market. We are of course very large in north India. We are the number two player in north India and in the Hindi bed but we are a tiny player in the grand scheme of things. We don't really decide the fate of that market. Of course we have been spending more aggressively than earlier and we've been running aggressive price discounting because that's what our competitors have been doing but you're right in saying see if one is of course companies could consolidate but the other thing which could possibly happen over a period of time is that people cut their ad spends and people up their prices because really we are giving everything away very very cheap to our users. Now whether that will happen or not I don't know how these things will play out over a period of time. So let's see.

Pranav: Sure. I mean I take that response but even you are the smallest player I think you are the one who actually set the possibly another pace of discount and because the pricing can't be very different because the offerings are so similar and to that –

Hitesh Oberoi: Our competitors are actually much bigger than us and they have the network effect going for them. They have much higher function. They should be able to charge much higher price and get away with it.

Pranav: Sure. Thank you so much. Thank you.

Anand Bansal : Thanks Pranav. Next question is from Ankur Rudra from JP Morgan. Ankur go ahead and ask your question.

Ankur Rudra: Thank you. Good to see the growth surprises and Naukri continuing to this quarter. Just a question on pricing given how strong the demand has been and how you're seeing this continue what are you thinking about the opportunity to take price hikes this year on all the products you have?

Hitesh Oberoi: So we've taken a price hike on some of our products and we also managed to sort of realize more than what we were arising earlier. We've cut discounts for a lot of our heavy users over the last few months. As a result our realizations have improved significantly over the last 12 months. Of course we're also sort of seeing more volume growth. We have added new customers as well and we are also selling more products than earlier because we have these sort of new things in our portfolio like IIM Jobs, Zwayam, DoSelect and others. Now so going forward I think a lot will depend on how hot the market is. a hot market's easy to take up prices. If there is wage inflation it's easy to take up prices because for the same number of people who are being hired through you companies are saving much more money because otherwise they would have had to hire through consultants and they would have to pay a lot more. So some of these some things are also function of how hot the market is. If the market continues to be hot you can expect us to take a price increase also. You can expect us to get higher volume also. You can expect us to add more customers also. You can expect us to sell more volume also. Everything will happen. If the market cools down for some reason then we'll have to be careful.

Ankur Rudra: And if you think about on a year-over-year basis Hitesh what's the broad split of the billing rate growth between volume price and maybe new products has been added?

Hitesh Oberoi: Chintan you have a sense of that?

Chintan Thakkar: I think it's very hard to really kind of give a precise number to that Ankur because there is no particular deal there would be an upgrades, there would be a new products, there would be a volume increase, and there would be a price increase as well and at the end of it finally it's a combo deal where sales guys just go and kind of say that okay this is the final price for you. So it depends on how you want to allocate and the methodology of a location the numbers would differ. So it's very very hard to kind of really give a precise number to that.

Hitesh Oberoi: But you know substantial chunk of our growth this year would be better realizations because for a long time we were discounting very heavily one because of COVID we were forced to give very aggressive discounts for about three or four quarters. So and even before that when we went into COVID the economy had started slowing down. for the last two quarters growth was 4-5%. So during times like these sales people tend to discount more. So I suspect that a lot of the growth that we've seen in the last three, four quarters would be basically us getting our pricing back and also to some extent.

Ankur Rudra: And this will be equally true Hitesh for the billings number and the revenue number or more true for one of them?

Hitesh Oberoi: More true for billings I'm assuming. [Inaudible] [00:58:59] Chintan?

Sanjeev Bikhchandani: No, three, four quarters it'll even out.

Hitesh Oberoi: Yeah over three, four quarters it will even out. Yes.

Chintan: Yes that's correct.

Ankur Rudra: Okay. Just in terms of the this question's been asked before I just wanted to take another stab at it the trend on Naukri job speak index versus your commentary about the growth you see out there maybe for the December quarter could you give us a sense if the billing detail growth you saw in October was similar to December or was there a acceleration or a deceleration just to see how the trend is playing out in January as well and how that goes ahead?

Hitesh Oberoi: So listen one sentence I just want to clarify this Naukri job speak index we have never said that it is correlated to our growth. Okay numbers and this is true why it is it is correlated but it's not a direct correlation. There is a correlation but it's not a 100% correlation. Like our 70, what happens in good time especially is that we get a lot of revenue from our other products. So people sort of use our database also a lot more and database revenue is I think 50, 60% of our total overall revenue. Then people buy more branding products. People buy our shortlisting and screening services. We've been sending our new products also in the market. So none of these things are captured in the job seek index. Job seek index basically is a barometer of listings on the platform and nothing else and even for the same listing on the platform if in a bad year companies are looking to hire 10 people they may be looking in a good year to hire 20 people because they have just many more requirements. So it's not even an index of the number of openings on the platform. It's an index for job listings. So I just want to clarify that because one should not read too much into the job speak index also. It's correlated but it's not a 100% barometer or what's happening here.

Sanjeev Bikhchandani: Ankur the way we look at it see we sell mostly annual solutions. A lot of revenue is there. The job seek index is listings for that month and the rate of change in that over the previous year, previous month whatever. Now if this omicron coming in and positivity running at 29, 30% in Delhi NCR there will be some freezing of some activity for some time because. If that freezing is for 10, 15 days it will impact job seek index that month. No two ways about it. But it would not impact billing or revenue. Now if this thing continues for three four months then surely it will impact billing and revenue. Ominicron which was thankfully short-lived it does not impact billings.

Ankur Rudra: Understood. This is very helpful color. Thank you for that. so I'm just assuming there's no change in the duration of the billing period or the contracts or the vouchers of that you're seeing.

Hitesh: No. No. We haven't altered our policies at all.

Ankur Rudra: Okay absolutely. Could you maybe give us an update where is the proportion of revenue or billings for IT or in overall technology as part of the billings right now?

Hitesh: Okay. So listen if you if you do a client-wise this thing then we estimate that about maybe 35-36% of our revenue is directly from IT stroke IT enabled services companies and maybe another 13, 14, 15% is from recruitment firms who hire for IT clients but if you go by activity on our platform to see okay which kind of [Inaudible] [01:02:35] are being accessed because the other trend that we're seeing is a lot of the non-IT companies are also hiring for IT. So in our database it may be classified as non-IT companies or banks or financial services companies or insurance companies but they could be hiring IT talent. So if you look at the demand for IT talent on our platform I mean today at least close to 60% of the demand on the platform is for IT professionals of some sort, of some type. That's how it is today. Now that could change going forward like I said IT market has been buoyant and non-IT market has been down for a while and that would change in the next few months but that is what it is right now as we speak.

Ankur Rudra: Understood. Just last question any change in the thought process about the Indeed type of business model? I know you've historically not tried to do that. Have you rethought that any sort of update in terms of how you're thinking about what they're doing and sort of dealing with that sort of competition?

Hitesh Oberoi: So to be honest we haven't given you too much thought but it's a project which we have mentioned inside the company. We're looking at how to revive our listings business. Our listing business is the tiny part of our total revenue and Indeed is mostly a listings platform and that's where we do well. So we've got a group of people trying to figure out what we can do going forward to revive our listing business. Now as a part of that project we will of course look at the Indeed model also and see if that makes sense for us.

Ankur Rudra: Understood. Thank you and best of luck.

Hitesh Oberoi: Yeah.

Anand Bansal: Thanks Ankur. Next question is from Rajesh investor. Rajesh go ahead and ask your question. Rajesh you are there?

Anand Bansal : Rajesh you are on mute.

Rajesh: Hello can you hear me sir?

Hitesh Oberoi: Yes Rajesh we can hear you now.

Rajesh: Thanks for the opportunity. I just wanted to know like will you be providing additional extra things for the Naukri thing so that like if you give additionally competitive exams for the freshers then it will be easier for the HR to shortlist the candidates something like additional features you will be providing to the Naukri because the competition from LinkedIn it's quite high nowadays right?

Hitesh Oberoi: No. So we've been doing a lot of stuff. So we for example like I mentioned we acquired a platform to DoSelect some time back and DoSelect is a talent assessment platform and we've been taking this platform to all our clients and they use this platform to conduct tests and hire sort of people through us. As a part of our first Naukri business also which is our campus hiring because a lot of this testing happens on campus and for freshers. We offer testing solutions to a lot of our customers. So we've been up, we've been sort of going with this idea for a while and a lot of our customers now use our services and we'll be doing a lot more in this area going forward at the end.

Rajesh: Okay. Thank you. Thank you so much.

Hitesh: Yeah.

Anand Bansal: Thanks Rajesh. Next question is from Mukul Garg from Motilal Oswal. Mukul go ahead and ask your question. Mukul is lost. We will take the next question. Next question is from Srinath. Sirnath go ahead and ask your question..

Srinath: Hello can you hear me guys?

Anand Bansal : Yeah please go ahead.

Srinath: Yeah. So we have I got dropped out for 10 minutes in the middle. So I'm not sure this question has been asked. We have made significant number of investments in this quarter 4B networks, Adda, 247, DoSelect and so on Redstart Labs. Could you spend a minute on each of these companies and kind of help us understand what was the thinking behind these investments? Some seem strategic, some seem like financial. If you could help us understand that that would be really great.

Sanjeev Bikhchandani: Yeah what have we announced Chintan? Are we allowed to discuss?

Chintan Thakkar: You can just explain what our strategies for investment because their financial and strategic and adjacency.

Sanjeev Bikhchandani: Okay. So shall I go with that?

Chintan Thakkar: Yeah please.

Sanjeev Bikhchandani: So we've been now investing since 2007 that's 15 years in other startups. Initially we invested only from the balance sheet and we used to call all investments in our head we said they're all strategic investors. Then we got a little bit more discerning and we said you know what investments in the four verticals that we operate which is jobs, real estate, matrimonial education, classifieds; in these four verticals and the adjacencies is what we call strategies the rest we will call financials. So then we bifurcated investments into strategic and financial. Over time as some of the investments began to do well and we got a better handle on stuff we kind of figured that listen it's a little unwieldy to keep investing from a balance sheet. For a pure regulatory point of view it's better to have an AIF. So in 2019 we started an AIF and all fresh companies that were outside the four verticals which we operate those investments went from the AIF. However, follow-on rounds in the older companies which are financial investments continue to go from the balance sheet and they continue to go from Shopkirana is financial but it is invested in balance sheets. So there are five or six companies where investment are still going to balance sheet to follow on rounds. There is a whole bunch of investments which we have made which are strategic investments which go from the balance sheet or a subsidiary and they continue. Redstart is a different thing. Redstart is a subsidy of us where we are taking very small bets in deep tech companies and it's not a lot of money in Redstartn but we are taking very small bets in tech companies to figure out, it's a bit of an experiment, to figure out what happens there and that's how our investments organized. So Redstart you look at it as infusing capital into subsidiary that is investing in small checks into deep tech companies maybe 10 or 12 of them so far and Adda 24/7 well there are other financial investors in there so therefore financial investment you can't call it strategic because the moment is the financial industry in that other than you have to regard the financial investment as a strategic investor you have to be the only investor and there's a whole bunch of investments in our strategic investor You want a name some strategical investment Hitesh?

Hitesh Oberoi: Yeah so you mentioned DoSelect so DoSelect is an acquisition it's not an investment it's 100% acquisition offered the assessment platform I just mentioned. IIM Jobs is 100% acquisition. Zwayam is 100% acquisition. So these three are acquisitions and then we have a few where we own between 25 to 50%. Broker Network is a real estate investment we own close to 50%. NoPaperForms is an investment the education space we own about 49%. Then there is greytechHR we own about 24 odd percent 25% in greytHR and then we have Coding Ninjas where we own about 25%] so these are I mean right now classified strategic investments but early days and let's see what happens to them going forward. Sometimes strategic investment becomes financial and sometimes financial investments over time become strategic investment.

Srinath: Can you kind of help us understand how this all comes together at least on the strategic side? Again I'm not looking for any numbers or valuation or nothing out of the numbers like where do these fit in the broader scheme as in what do you like to bring them in and so on?

Hitesh Oberoi: Yeah. So like Sanjeev said you see the strategic in our head we define as investments in the spaces we already operate. So we have a recruitment vertical. We have a real estate vertical. We have a matrimonial vertical. Singles vertical, and we have an education vertical. So anything we sort of do in any of these spaces broadly is classified as strategic where we are very clear that we would like to own this business and run it and we see tremendous energy with Naukri or with any other verticals we already operate in we would rather acquire and if that is an option. Sometimes it is not an option but we like the asset and sometimes we want to watch the business for a while before making up our minds and so in such cases we end up investing and not acquiring upfront. Then, and sometimes we may believe that this may become synergistic with what we have not today but maybe three or four years down the line then we would want the entrepreneur to sort of stay vested and to sort of stay motivated and we may therefore continue to invest for a long time and but take more and more ownership over a period of time. So that's the thinking. Now but like I said some of these are experiments and we are not sure when we invest. Over time some of them may become more strategic and we may like to acquire a higher and higher sort of ownership in these companies and sometimes we may feel that maybe it doesn't make sense and maybe and at this point in time in those investments become strategic.

Sanjeev Bikhchandani: So let me elaborate. There is a company called NoPaperForms. Now we got into that as a financial investment saying that listen this is not really strategic and we did the first two rounds of that basis. And then we did a rethink and say you know what is strategic is okay and we're the only investor there and so now it has been treated as strategic investment and that's how we are handling it. So that's how companies sometimes evolve from financial strategic or the other way around.

Srinath: Perfect and just two more in that one is a GreytechHR one is Univariety. Any thoughts?

Hitesh: Yeah GreytechHR is a HR services company. It's not recruitment but it's HR services which is why we took a view that it's not strategic maybe right away in the sense that we may not want to acquire it but we want to watch the space, learn a little bit and then we make up our mind over a period of time and Teal is a real estate analytics company. So we are a tiny, it's a tiny setup right now so we want to again sort of see how that space evolves. But like, it's a little complex. Sometimes financial becomes strategic and then it becomes financial again. So where we are very clear we would rather acquire.

Srinath: Are they getting integrated in our product or where our sales teams are marketing them or how does this work once they become strategic?

Hitesh Oberoi: Yeah. So we sort of, we don't sort of up till now at least we have not really partnered with them in any significant way to sort of take their products to market or anything of that sort. Of course we talk to them. We bounce ideas with them. We mentor them sometimes and so on but we've not really in any significant way let me put it this way taking any of these products to market through our system for example.

Srinath: Got it. Last one Sanjeev just wanted to find out what is your broader understanding and view on the quick commerce space given that one of our large economic interests is deploying significant economic interest in the space? Again I'm not looking for any numbers as such or anything at all but broader understanding of how do you kind of see this place paying out over the next three to five years?

Sanjeev Bikhchandani: So look it's going to be massive massive demand in the top line. I think the real challenge will be getting the profit and they'll hopefully figure that out along the way but it's a huge space.

Srinath: Got it. Got it. Thanks guys. Thanks for your patience listen and answers.

Anand Bansal Male Speaker: Thanks Srinath. Next question is from Pratik. Pratik go ahead and ask your question.

Pratik: Can you hear me?

Anand Bansal: Yeah Pratik go ahead.

Pratik: Yes. Thanks for the opportunity. First question is on a clarification on like when we see the consolidated results there is this share of net profit from associates. There is a large swing from negative number to a 2400 crore kind of number. So is this some restatement or someone offs which has been reported here?

Sanjeev Bikhchandani: Yes Chintan would you like to answer that? Chintan are you there?

Chintan: Yeah. So largely it is because in this quarter if you're looking at Q3 it's primarily because Policybazaar got listed. So Policybazaar was an associate company till it got listed because we had certain special rights in that organization and then until it was a private company. Since it got listed and now we are like any other shareholders it is now classified as financial investment. So the gains which have happened and this Policybazaar was held by our three of different subsidiary companies so that's why it's part of the consolidated one. So when we consolidated all the gains that happened in those subsidiary companies till the date of listing I think they all are coming by we have consolidated when it comes to the Info Edge consolidated results. After that date whatever the gains and the mark to market gains and losses are there that is accounted as another comprehensive income.

Pratik: But that happened with Zomato also in quarters

Chintan Thakkar: Yes. The difference is that in Zomato shares were held directly by Info Edge that's why it is part of this standalone while Policybazaar was held through different JVs or different normally subsidiaries.

Pratik: Okay. That clarifies. The second question is on with the recent impact on stock prices of tech companies globally in India have we seen anything in private space in terms of valuations?

Sanjeev Bikhchandani: So look the space remains as busy as earlier. There have been statements made by Sequoia , by SoftBank and by Tiger that private valuations are going to correct but we haven't seen evidence of that on the ground just yet. When we go on and talk to companies and we compete and see there are two, three things. One is if there are committed pools of capital for private markets in India then their mandate is to go to private markets. So that pool of capital does not reduce and if they have an investment period of three years they have to invest in three years with all these funds. So structurally they can't go anywhere. Now it's a question of negotiations whether you can get something cheaper or not and we have yet to see evidence of that. it may materialize but in general my sense is that it takes six months for private markets to correct after public markets are corrected, four to six months maybe eight months. It does not happen immediately. We've seen that earlier.

Pratik: Sure thank you sir and one last question. So one of the investment company announced two small investments I think these were early stage investments or relatively early ones. So are these the kind of investment where we also compete with them in terms of investment opportunities?

Sanjeev Bikhchandani: No. No. In general no we don't and in general look if one of our investee companies wants to invest in a company and we all [Inaudible] [01:18:37] we generally defer to them. So because those guys are not interested in financial investments and if we are going after the company the financial investment. So the strategic investment will always get priority over financial investment. So even internally when you see a company which looks like it could be in a gray area strategic financial we always go to the strategic team first

Pratik: Understood sir. Thank you so much for the answers.

Anand Bansal: Thanks Pratik. Next question is from Shashank from Mercury Capital. Shashank go ahead and ask your question.

Shashank: Yeah. Hi just thanks for taking my question. Just one clarification on when do we see the acquired operating businesses being integrated with the standalone numbers IIM Jobs, DoSelect and Zwayam these the standard reported numbers.

Male Speaker: Chintan are you there?

Chintan: On IIM Jobs actually you have already begun the process of the court hearings and shareholders meetings and creators approval. So everything is already there. The final hearing is also done almost so now probably four or five months ago before the written order comes then on judge retired and maybe I'm told that now the hearing will happen again and then they will get the order but it can happen any day. So IIM Jobs should be done. Zwayam and DoSelect may take more time. So it's a court driven process. So unfortunately we have limited control on that.

Shashank: Okay. Thanks.

Anand Bansal : Thanks Shashank. Next question is from Nitin Jain. Nitin go ahead and ask your question.

Nitin: Yeah. Thank you for the follow-up opportunity. So I would like to dwell a little up on one of our edtech investments Adda 24/7. So it seems to be scaling up quite well. We have around 15 million MIUs on the platform. So and this is why the focus has been solely on exams for government jobs. So is there any plan to broaden the offerings on the platform like outside of government jobs?

Sanjeev Bikhchandani : Adda 24/7 well actually there's truckloads of government jobs out there. If you and almost all of them have got entrance exams. So whether you are looking at a job as a constable in Maharashtra somewhere or you are looking to get hired by BSNL as a technical assistant or you want to join as a railway engineer apprentice through the SCRA exam there are many many government jobs. This companies still date largely been focused on banking and there's massive scope for expansion right now within government jobs. So and the number of people in India on government jobs is very very large. So it's a large market, lots of empty space for them which they will expand into. I don't think I mean you never know because they're saying many companies say independent management but as of now there's been no conversation about going after the government jobs.

Nitin: Okay and that's primarily because within the government jobs itself there is a lot of scope for expansion.

Sanjeev Bikhchandani: Yes.

Nitin: Thank you.

Anand Bansal: Vivek that was the last question we had for the day. We may wait for sometimes. If there are any more questions please raise your hand. There is a question from us from Utkarsh. Utkarsh go ahead and ask your question.

Utkarsh: Hello. Can you hear me?

Anand Bansal : Yeah Utkarsh go ahead.

Utkarsh: Sir my question is on Zomato. So what is the capital location policy on of Zomato when they think of investing strategically in many of the companies that grow first because Sanjeev sir is also –

Sanjeev Bikhchandani: So Zomato is a listed company and so we are sort of been told that at least we should not be talking about Zomato on your conference call so because Zomato is already listed you would have to talk with them actually on the capital equation policy. Apologies.

Utkarsh: Okay sir. And second question is on 99acres. So there are similar platforms like No Brokers and others which are also performing activities like listing of the homes and etc. on the platform but there is no single company that can provide actually an end-to-end home buying starting from home searching to providing some help like the other services because in India many times actually when you buy real estate it is a dicey business where the records are not clean. So people generally prefer brokers who looks after most of the stuff and then buy actually from the brokers and not directly from the 99acres. So are we planning to do something like that?

Hitesh Oberoi: Offer an end-to-end service in 99acres?

Utkarsh: Yes.

Hitesh Oberoi: No, right now there is no plan to offer an end-to-end service in 99acres but so we have teams however evaluating opportunities constantly and we are not saying that we will never do it but at least I don't see us doing anything like this for the next two quarters.

Utkarsh: Okay sir. Okay. Thank you sir.

Anand Bansal: Thank you Utkarsh. Next question is from Srinath from Belvedere. Srinath go ahead and ask your question.

Srinath: Hi Hitesh just wanted to understand if you could give us a qualitative view on 99acres app usage or eyeballs because just wanted to know that see the sales numbers in night frank they're all still the same as 2019. So the growth hasn't come yet but there's been a lot of commentary that demand is actually kind of funneling in and that would be seen in pre-enquiry stages with more footfalls on the app and so on. So if you could give any qualitative understanding of whether you're seeing a ramp up on the app or on the site that would be great.

Hitesh Oberoi: Yeah. So I think it's been a little sort of, so like because we've had these different sort of waves at different points in time COVID waves there have been periods where we've seen more activity than one or two years ago there have been periods when we've seen less activity. It's very difficult to say what's really happening in that market. Overall I would say it's been flattish in terms of activity. It's not as if activity has gone down but it's not as if it's like gone up significantly as well. We've seen more equity on the rental side for sure on the platform. Some markets are doing better than other markets for us now that could also be a function of our competitive position in those markets. Small towns did very well for us for the last two years have done well for us for the last two years. Now maybe that's because people went home and a lot of people sort of are operating from home and maybe they want to upgrade their accommodation. So hard to say because there have been because all those changes which sort of have been sort of impacting this market. What we have also picked up what however what we picked up and anecdotally from a lot of our customers was that there is at least for some time in between and this may have changed once again in the last two, three months because of Omicron, a month or two because of Omicron is that a lot of the leads inquiries were actually converting into transactions. So while the number of inquiries may have remained the same more people were sort of ending up buying or closing a deal. But this is anecdotal. So we don't have data on this. Overall I think come maybe February, come March we'll have a better sense because hopefully COVID will be behind us and hopefully companies will start to open. Employees will start to go back to work and the market will go back to being normal and we are at least the team seems to be of the view that given that interest rates are still low home loan rates and real estate is much more affordable and salaries have actually also gone up in the last 12 months. There is likely to be renewed interest in this market. Also because of COVID there weren't too many new launches over the last 18 to 24 months and therefore inventory in most cities is also lower than what it was two years ago. So let's see that's where it is and let's see how it plays out over the last next few months.

Srinath: Perfect and one last question for Sanjeev after the QIP you had kind of articulated a strategy for us in terms of concentric circles that we would look at from a point of view of doing a transaction to augment our existing businesses. So just wanted to understand where are we on that? Have we kind of stayed to the course on that particular path or are we looking at a different strategy going forward and that particular or set of deals did not rectify? So was that a valuation issue or the deal flow itself given that large deals don't come that often? So just want to understand how you are seeing this thing going forward.

Sanjeev Bikhchandani: The strategy, the intent remains the same. However it's about doability and it's not been happening but look we have done a few acquisitions. So if you look at you look at DoSelect. You look at IIM Jobs. You look at Zwayam those are acquisitions. They are not big acquisitions but if you add up the total cost of these acquisitions Chintan what would be?

Chintan Thakkar: All three IIM Jobs, DoSelect and Zwayam should be around 180, 190 cr.

Sanjeev Bikhchandani: So roughly little around 200 crores we've done it's not a big amount I mean we didn't require this but look we will keep on adding stuff. We will keep on looking for the big one and we keep on talking.

Srinath: Got it. So we are broadly staying to the –

Sanjeev Bikhchandani: And part of the last QIP was also because look COVID had happened. We didn't know what will happen. If you want to buy something it's good that money in the bank already rather than go hunting for money afterwards when you actually strike a transaction and then you find the market are not good enough. Of course in hindsight we did better raise money now than at that price but that's life.

Chintan Thakkar: You have also made some party investments it's not fully acquired company like this but there are other strategic investments like for example for the network. So you have made some part investments.

Srinath: Thanks guys. Thanks a lot. Much appreciated. I'll get back into the question queue.

Anand Bansal: Thanks Srinath. We have next question from Nitin Jain Again investment advisory. Nitin go ahead and ask your question.

Nitin: Yeah. My question is again on our investment portfolio. So after Zomato and PB Fintech do we have any other investee company which is closer to probably listing or becoming a unicorn?

Sanjeev Bikhchandani: So not from the balance sheet but from the AIF they has filed but that is a late stage investment for us not an early stage. So we can't say that we got it early and stayed 10 years and work with them and made it happen. We can't say that.

Nitin: Okay. Thank you.

Anand Bansal : That was the last question Vivek till now.

Vivek Aggarwal: Thank you everyone. On behalf of Info Edge we conclude the conference. Thank you and you may disconnect lines now.

Sanjeev Bikhchandan: Thank you bye-bye.

Hitesh Oberoi: Thank you everyone. Have a good evening and stay safe.

Chintan Thakkar: Stay safe yeah.