"Info Edge Q4 FY 19-20 Results Conference Call"

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Anand: Hi everyone. The conference is about to start in a minute or so.
My colleague Vivek Agrawal will start the conference in a short while.
So Vivek kindly go ahead and start the conference. We have 190 people in the call.

Vivek: Sure. Ladies and gentlemen, I'm Vivek Agarwal moderator for the call today. Good evening and welcome to Info Edge India Limited Q4 and Financial Year 20 Results Conference Call.

As a reminder all participants line will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please raise your hand on your screen. Please note that this conference is being recorded. Joining us today from 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 may be forward looking in nature and may involve risk and uncertainties. Kindly refer to slide number 2 of investor presentations for detailed disclaimer.

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

Hitesh Oberoi: Thank you Vivek. And good evening and welcome to our fourth quarter and annual results conference call for FY 20. We hope that you and your families are healthy and safe in these difficult and challenging times. This is the first time we are doing it on Zoom, so hopefully this will go through without any glitches. Like with every other company the pandemic and the resulting lockdown started impacting our business operations in the second half of March but the fact that we are new edge digital company helped, we were proactive and moved our entire workforce of over 4,600 people to working from home by the third week of March, a few days before the lockdown was announced in India. And after some starting trouble things settle down pretty smoothly on this front in less than a week.

Now all key processes such as billings, collections, vendor payments, payrolls, servicing customers continue to run effectively in this new work from home environment. Our websites, digital platforms and customer placing apps have also been running smoothly without any hiccups and the internal control and financial report environment has also been maintained effectively. As a company we believe that the health, safety and well-being of our employees is paramount. Our HR business partners and the facilities team are in constant touch with all our employees to provide support as required. Various webinars are being held to engage and motivate employees and to enable them to stay strong and optimistic in these trying times.

At the same time our offices are prepared to be in a ready to move in position as we continue to monitor the evolving situation. Once things start improving on the COVID front we will slowly and steadily get back to working from office like earlier. As you all know we operate in multiple categories and businesses. We expect the jobs in real estate business which are both directly indexed to the economy to be more impacted due to the various disruptions and the emerging economic situation compared to the matrimony and education verticals we are in. In these, in a challenging and uncertain business environment like the one we are in now we believe in conserving our resources. Accordingly we have restrained our discretionary spending in areas like marketing for example. At the same time, however, we are committed to investing in the various levers of our business which shall create value in the long term. This includes key tangible and intangible assets such as brand, people, platform, IP, network effect, technology innovation, etc. Our fixed and committed costs for FY 20 were approximately in the region Rs 600 crores. This includes fixed salary, facilities and technology running expenses. We are a zero debt company with a negative working capital cycle in a business-as-usual environment. We have cash and cash equivalents of approximately US $200 million at the overall IE group level including our AIF and the ESOP trust. We are well-positioned to fulfill our existing contractual obligations. Besides is as you all know we own sizeable investments in various startups which can potentially be monetized under certain circumstances. Further, yesterday the board of Info Edge approved an enabling resolution to raise further capital of up to US $250 million that is up to rupees 1,875 crores. This is of course subject to shareholder approval.

We also believe that hidden in every crisis are opportunities. We are conscious of the fact that going forward there could be opportunities to invest more aggressively in some of our core operating businesses including M&A activities and strategic stakes in emerging startups in adjacent and related areas. Before I move on to discussing our financial performance for the quarter I just want to point out that Q4 is normally our best quarter with the highest billings and a bulk of these billings are booked in the month of March and that to during the last couple of weeks. Though the impact of the lockdown was contained in the last two weeks of the month it significantly impacted the quarterly billing for our two large businesses 99acres and Naukri.

Now let me walk you through the quarterly and annual financial performance of the company post which we will cover each business in more detail and in the end we'll be happy to take questions. The audited financial statements file and the data sheet have been uploaded on our website www.infoedge.in.

Let's discuss the standalone financials first. Billings and this is at the company level, billings in Q4 were rupees 331.9 crores. Down 8% year-on-year. FY19/20 billings stood at rupees 1268.7 crores up 7.8% year-on-year. Revenue in Q4 was rupees 322.8 crores up 10.3% year-on-year and FY19/20 revenue stood at rupees 1272.7 crores up 15.9% year-on-year.

Our operating expenses excluding depreciation for the quarter were rupees 226.3 crores up 12.4% year-on-year. For FY19/20 as a whole expenses stood at rupees 870 crores up 14.9% percent year-on-year. A major proportion out of the 113 crore incremental expenses were on marketing and tech enhancements of the platform. Operating EBITDA for Q4 stood at rupees 96.5 crores versus 91.3 crores last year and increase of 5.8% year-on-year and operating EBITDA readjusted for IND AS 116 stood at 90.3 crores versus 91.3 crores in Q4 of Fy19.

Fy20 operating EBITDA stood at rupees 402.7 crores up from Rs 341.3 crore last year. This was up 18%. FY20 operating EBITDA readjusted for IndAS 116 stood at Rs 377.4 crores up by 10.6% compared to last financial year. Operating EBITDA margins readjusted for IndAS 116 for the quarter stood at 28 % versus 31.2% last year. For FY19/20 EBITDA margins readjusted for INDAS 116 stood at 29.7% versus 31.1% last year. And EBITDA adjusted for ESOP non-cash charges and IndAS 116 for Q4 stood at 97.5 crores versus 96.5 crores last year and FY20 adjusted EBITDA stood at rupees 401.7 crores versus 356.5 crores last year.

Adjusted EBITDA margins for the Qtr stood at 30.2% versus 33% last year. For FY20 adjusted EBITDA margins stood at 31.6% versus 32.5% last year. Deferred sales revenue has reduced to 465.6 crores as of 31st March 2020 versus 474.4 crores as of 31st March 2019; a decrease of 2% year-on-year. The cash balance at Info Edge group level and AIF stands at rupees 1544 crores as of 31st March 2020 versus rupees 1550 crores as of 31st March 2019. Cash flow from operations stood at 76 crores during the quarter versus 131 crores in Q4 of FY19 and rupees 302 crores for the year FY 19/20 versus Rs 296 crores for FY 19.

Exceptional items in standalone finacials for Q4 amounting to rupees 37.2 crores include diminution in wholly owned subsidiaries such as SIHL rupees 23.8 crores Smartweb Internet rupees 3.6 crores All Cheque Deals rupees 14.4 crores and New Inc. rupees 3.7 crores reduced by gain in NISL rupees 8.6 crores which arose primarily on account of impairment in value of investments and associates joint venture companies and a piece of land we own in Noida. Similarly exceptional items for FY 20 amounting to rupees 123.3 crore include diminution in wholly owned subsidiaries such as SIHL rupees 127 crores, Smartweb Internet rupees 15.6 crores, All Cheque Deals rupees 14.4 crores. Meritnation rupees 9.3 crores. New Inc. rupees 3.7 crores, reduced by gain in NISL rupees 8.6 crores which are rose primarily on account of impairment in value of investments and associates joint venture companies and the piece of land in Noida.

Moving on to our some of the key initiatives for the year. We've been investing as you know in multiple areas and during the year some of these efforts have started making an impact on our business operations. During the year we push the pedal on investment in the Jeevansathi business especially on the acquisition front, profile acquisition front and the iimjobs brand and this has started showing up in our billing numbers. We are experimenting with launching some niche and some new marketplaces like Job Hai and BigShyft. These businesses are very-very early but these could be large opportunities over a 10 to 15 year period. We also invested in a few startups that are strategic to our core operating businesses like GreytHR, an HR sort of payroll and operations provider for a small and medium enterprises, Coding Ninjas which is an e-learning business and TEAL which is property analytics and intelligence business. These investments give us deep insights and learning in adjacent businesses and the different operating models being experimented in the market.

We continue to invest aggressively in areas of technology, product, design, AI and data science to improve the user experience and develop new products in all our businesses. We have started building a healthy pipeline of innovation, new products and features keeping in mind the long term emergence of opportunities in the recruitment and other verticals and we would in fact accelerate its phase in FY 2021. Such investments are mostly in the form of people cost and IT infrastructure and hence likely to pass through P&L as incremental operating expenses .

Moving to the consolidated financial highlights for the year. At the consolidated level the net sales of the company stood at rupees 1311.9 crores versus Rs 1150.9 crores for the last financial year. For the consolidated entity at the total comprehensive income level there is a loss of rupees Rs 248.6 crores versus a profit of rupees 589.1 crores for the last financial year. Adjusted for the exceptional items PAT stood at a loss of rupees 427.8 crores in FY 19/20 versus a loss of rupees 24.4 crores in the last financial year. The aggregate top line of the investee companies in FY 19/20 grew to rupees 3877.6 crores versus Rs 2030 crores in the last year and increase of 91%.

Now we will get on with discussing business results by segment and we will first take the recruitment segment. In Q4 in the recruitment business, on account of lockdowns in the last fortnight of March 19-20 our recruitment segment billings close at rupees 244 crores down by 6% compared to Q4 of FY19 while revenues were rupees 230.6 crores growth of 11.2% year-on-year. The operating EBITDA margins in the recruitment segment were 56.9% versus 52.9% in Q4 FY 19. EBITDA margins readjusted for IndAS 116 stood at 55.5% versus 52.9% in Q4 of the last financial year. EBITDA margins readjusted for IndAS 116 and ESOP non-cash charges stood at 57% up from 54% in Q4 of last year.

For the full year FY 19/20 recruitment billings grew 8% to rupees 915.6 crores while revenue grew for 15.4% to 906.8 crores. EBITDA margin stood at 55.6% compared to 54.7% in FY 19. Margins readjusted for IndAS stood at 54.2% in line with margins of FY 19 at 54.7%. We booked up 14% year-on-year growth in our billing numbers until Feb 20 but due to the lockdown the growth of billing in the last seven days was to the extent of (43%) year-on-year resulting in a degrowth of 6% year-on-year in Q4 of FY 20. The billing for Q1 21 up to May 20 was also short by rupees 69 crores year-on-year.

All sectors of the economy were hit because of the lockdown. Some were impacted more than others. Manufacturing, construction, auto, travel, hospitality, retail were more impacted than IT healthcare and pharma. SMEs were impacted more than large businesses. In Naukri in Q4 of FY 20 we added an average of 13,000 fresh CVs every day and the Naukri database grew to about 69 million CVs. Average CV modifications were at 415,000 per day in Q4. Our traffic share the job portals base continues to be in the 90s.

We are speeding up our product investments in RMS the Recruitment Management System as automation and technology will play a critical role in work from home, remote collaboration and high productivity expectations post-COVID. We also recently launched our Naukri Fast-Forward transition services as a product offering to companies who are laying off people and want to help them with their career transition. Naukri.com has also launched a “step up” initiative to support job seekers who have lost their jobs in the pandemic. Support is also being provided to various customers. We are prioritizing access and discovery of recently laid off and immediately available to join jobseekers by recruiters to facilitate their hiring during this time of crisis. The “step up” micro site also provides a live tracker highlighting active jobs from companies and industries that are currently hiring as well as host of resources around hiring insights, webinars, industry experts, upscaling courses and curated content on work from home productivity, job search, resume, interview preparation tips, etc.

We have an update on iimjobs.com as well. Iimjobs reported a revenue of rupees 21.8 crores for FY 19/20. The business has been growing at 20% plus for the last three financial years. We successfully integrated the sales team of Naukri and IIMJobs in Q4 and we are on track to deliver a record sort of quarter for IIMJobs till COVID hit us in March, we are hopeful that this integration will pay off in the long run for both iimjobs and Naukri.

Moving on to the other verticals. In 99acres, starting in 99acres as stated earlier in the call the real estate segment has been impacted by the long period of lockdown and accordingly the billings in Q4 degrew by 24% Y-O-Y to rupees 50 .7 crores down from the rupees 66.7 crores. This was largely due to the impact of lockdown in the month of March. Revenue for the quarter grew 3.6% year-on-year to rupees 56.4 crores up from rupees 54.4 crores. Our FY 19/20 billing and revenue grew by 3.5% and 18.8% to rupees 213.9 crores and rupees 228 crores respectively. Q4 EBITDA stood at rupees 2.2 crores against a loss of rupees 2.9 crores last year. Q4 EBITDA readjusted for IndAS 116 stood at 0.3 crores compared to a loss of rupees 2.9 crore last year. EBITDA for FY 20 stood at rupees 8.4 crores against full year loss of rupees 22 crores for the last financial year and EBITDA readjusted for IndAS 116 impact stood at rupees 88 lakhs.

For Q4 adjusted EBITDA adjusted for ESOP expenses and IndAS 116 impact stood at rupees 1.8 crores versus a loss of rupees 2.2 crores last year. And for FY 19/20 as a whole adjusted EBITDA adjusted for ESOP expenses and IndAS 116 impact stood at 5.17 crores versus the loss of rupees 19.56 crores last year.

The key business highlights on 99acres, all business verticals of new home, resale and rent were impacted in Q4 due to the lockdown in March. in FY 20 resale and rental businesses grew slightly faster than the new house business in the year. The number of broker clients grew at a healthy rate 15% year-on-year. Broker billings formed 53% of the overall billings in FY 19/20 while builder billings stood at 41% of the billings. Owner billings contributed to about 6 % of the overall billings for the business. We continue to experience a growth of owner listing and broker listings on the platform making the platform more comprehensive and vibrant in Q4. Traffic growth slowed to single digits in Q4 due to the lockdown in the month of March compared to mid-teens growth in Jan and Feb and brand which is our top of mind share versus our nearest competitor continued to be stable at the 56% to 57% levels in Q4 in spite of TV spends by competition.

The extended lockdown has worsened the sentiment in the industry which is already riling under a liquidity issues prior to March and buyer demand is like you to remain muted in both the new home and resale segments for the next three to six months. Billing for Q1 21 upto May has declined by 20 crores year-on-year. However, we are seeing some revival of traffic and demand on our platforms as a lockdown restrictions are being eased in various parts of the country. Emerging markets have been the first to bounce back. Traffic is also slowly bouncing back to places like Bangalore. Markets like Mumbai, Pune and Delhi continue to be impacted because of the lockdown and because of the rising number of COVID cases in these cities. We continue to invest aggressively on improving our core platform experience in this downturn in all our business verticals to come out stronger post the downturn. We are also looking to take appropriate measures to reduce operating costs of the business without impacting our platform experience or client experiences given the slow down.

Moving on to the matrimony business or the Jeevansathi business billings for quarter 4 stood at rupees 23.8 crores and year-on-year growth of 20.4% on 90.8 crores for Q4 of 19. FY 20 billing grew by 18.4% year-on-year to rupees 87 crores from rupees 73.5 crores FY 19 and revenue grew to 84.7 crores from 72.3 crores in FY 19 an increase of 17%. Aggressive marketing spends during the quarter along with improved realizations helped higher sales throughout the year. We are thus looking to consolidate our position as we penetrate cheaper into our core markets. We plan to spend considerably more on marketing across all our core markets as we move into FY 21 to strengthen our brand presence and increase our profile acquisition rates. Aggressive marketing spend during the year led to an operating EBITDA loss of rupees 63.2 crores for FY 20. This was an increase from the Rs 33.8 crore loss we booked in FY 19. Losses in Q4 FY 20 stood at Rs 18.8 crores compared to the loss of rupees 5.9 crores in Q4 of FY 19. EBITDA readjusted for IndAS 116 and ESOP expenses stood at a loss of rupees 19.2 crores for Q4 of FY 20 versus the loss of Rs 5.6 crores for Q4. For FY 20 operating loss adjusted for IndAS 11 6 and ESOP expenses stood at rupees 65 crores versus rupees 33.22 crores in FY 19.

Moving on to the education vertical Shiksha we made significant traffic shared gains during the quarter in Shiksha. Shiksha continues to gain traffic share despite heightened competition from different players in this segment. In Q4 billings degrew by 8.5% year-on-year to rupees 13.4 crores from rupees 14.6 crores reported in Q4 of FY 19 while revenue grew 2.8% year-on-year and stood at rupees 13.2 crores. FY 20 billings and revenue grew 5.8% and 10.8% respectively and stood at rupees 52.1 crores and rupees 53.3 crores. Q4 we made an operating loss of rupees 1.5 crores against a profit of 60 lakhs in Q4 of 19.

EBITDA readjusted for IndAS 116 stood at a loss of rupees 2 crores. FY 20 operating profit for Shiksha stood at rupees 1.2 crores versus the profit of rupees 90 lakhs FY 19. EBITDA readjusted for IndAS 116 stood at a loss of rupees 90 lakhs and adjusted EBITDA (for IndAS 116 and ESOP charges) stood at a loss for the quarter at rupees 1.4 crores against the profit on rupees

90 lakhs in the last financial year. Adjusted EBITDA for IndAS 116 and ESOP charges FY 20 stood at rupees 86 lakhs down from Rs 1.9 crore last year.

We continue to invest in making content comprehensive and more student-friendly and invest and continue to invest in building deep domain expertise in this vertical. This will help us in generating more response for our users going forward. Moving on to our strategic investments. COVID-19 and ensuing lockdown had a significant impact on the operations of our investee companies like Zomato, shopkirana, gramophone. Shopkirana had a temporary dislocation but has since bounced back. Zomato had serious disruption but it's now bouncing back on top line and has also reduces burden considerably in reception money and has some inbound impact investor interest as well. Gramophone has faced an initial dislocation but has since bounced back. Policy Bazaar on the other hand continues to benefit from the growing digital penetration. This is also helping them to improve the overall profitability of the business. However, Paisa Bazaar has been impacted by moratorium extensions. They are exploring expanding business into non-lending categories. They have reduced their headcount substantially to meet the profitability targets for the year.

During the quarter we also announced the launch of category II SEBI approved Alternate investment fund, the Info Edge venture fund. Since launch we have already made four investments through the fund, Qyuki, Dotpe Fanclash and Truemads through the fund. We also did follow-on rounds in some of our earlier investee companies Medcords and Univariety in Q4 FY 20 and we continue to evaluate new investment opportunities in the light to changes brought in by COVID-19.

That's all from me today. Thank you and now we are ready to take any questions that you may have.

Anand: The question queue is building up. We will start taking questions one by one. So the first question is from Ritesh Bhagavati. Ritesh please go ahead and ask your question.

Ritesh: Hi, thanks for the opportunity. My first question pertains to core business. So how do we see our Q1 and Q2 business shaping like given the current situation in the economy? If you can roughly quantify like one Y-O-Y basis like will it be like 30%-40% down or can we expect like mid-teens like on a ballpark basis? So that's my first question and secondly my second question pertains to our investments portfolio. So during the quarter, during this quarter basically have you done any write offs or are there any write offs in current or upcoming quarter? So these are my questions. Thank you.

Hitesh: So Q1 has been terribly impacted by the lockdown. For most of April and May were shut for business and that's even now sort of things are opening up slowly. So we saw our traffic dip by almost 80% in the month of April in both the in 99acres, 60%- 70% dip Naukri. Traffic has since started recovery. We are back to – 20%, -15% levels in both Naukri and 99acres. In emerging markets we are seeing growth as well. Jeevansathi, there is no impact. I mean traffic has been growing and revenues have been growing even through the lockdown. Its digital goal was not impacted at all. Shiksha what's happened is the education season the admission season has got delayed by three to four months, so that's impacting ad spent in that category. But hopefully business will come back in Shiksha sooner than later as colleges start opening up but in jobs and real estate there are two big verticals. Revenue growth is going to take time, revenue will follow with the lag. So traffic started bouncing back like I said we are down to -15, -20 from where we were before the lockdown and from the same time last year but revenue will take some time to come back. In the month of April for example our job seeker index was down 60% in the month of May it was down 60%. So right now chances are that Naukri business will degrow in terms of billings by more than, close to 50% in the quarter. In 99acres we saw our billings decline by 86% in the month of April. We saw a 72% decline in the month of May. June will be hopefully better but again it's not as if business is going to bounce back immediately once the market starts to open up. So Q1 will be quite bad. Q2 very hard to say because a lot will depend on how much India opens up. Chennai for example opened up but there was a second lock down suddenly now there is a second lockdown and things are shut again. If in Delhi and Bombay it's wait and watch situation let's see what happens. All chances are that things will open up but if the number of COVID cases go through the roof who knows the government may sort of lock down things once again or may slow the pace at which things are opening up. So Q2 is very hard to say what will happen .fingers crossed . Q1 of course have been terrible impacted. Revenues will look little different because a there's some deferred revenue which will come accrue to us in Q1 and what I was talking about was our billing, Ritesh: On the investments?

Ritesh: And my question pertaining to investments portfolio like have you taken any write offs or are we going to take any write off in current or coming quarter.

Hitest: Chintan you want to take that.

Male Speaker: Yeah Chintan you want to answer?

Chintan: Yeah. So there are some write offs that have happened and that may have happened through a subsidiary companies but ultimately would have impacted our standalone financial results as well. Nothing as a major item. There are three or four companies. Three companies that we have kind of completely written off and there's one small company where we have taken apart to know kind of a writer off. These are all the companies which were invested at least two or three years back. There's nothing which is often near future that we invested that we have to return it off. We also have written of little bit of there is a piece of land that we have in Noida and obviously some of the valuations would have changed in the recent events. So we have kind of taken a little bit hit over there as well but other than that there is nothing significant but we are evaluating and we are assessing the situation as we go and if there is anything that's happening in this quarter and next quarter we will constantly look at what the projections are. We will get the valuation reports and if there is any requirement for write off we will talke this kind of provision for write offs.

Ritesh: Last question if I can squeeze in like we have a good cash and equivalents on our balance sheet. What is the reason for raising QIP of 1800 crores?

Male Speaker: You want me to go first Chintan. And then you can come. So we continue to see sort of like I said opportunities and invest in all our verticals. We have been, there are some operating business to be done inside the company. We see some opportunities to aggressively invest in them once the market starts to recover. Two, we continue to make sort of investments in some strategic sort of startups. In the last few months alone we have invested in Coding Ninjas, TEAL, we did Univariety before that. So Greyt HR. So these are some adjacent areas where we see a long term opportunity. We continue to invest in these areas. In fact, the company like I mentioned we are also sort of piloting a Bigshyft and blue collar job board . Very very early. We have a new test marketing in 1 or 2 cities right now but if these businesses show potential then we would like to scale them up also at an appropriate time and we are also conscious with the fact like I said in talk earlier that there could be a crisis sort of in every crisis there are opportunities. So who knows there could be some M&A opportunities which come our way in the sort of months and quarters to come and if there are such opportunities we would like to be ready to grab them as when they come our way. So that's really the reason more than anything else. Chintan, Sanjeev you want to add anything?

Chintan: Yeah. I just want to clarify that is an enabling kind of a resolution that we have taken from the board. So it says that it is up to whatever 1800 and odd figure that we will raise. It's not necessarily that we are going to raise the entire amount. We will see as we go and I believe that this resolution once approved will remain valid for a year. So we look into it once we get the approval.

Sanjeev: Having said with these things what we do believe in this change environment post-COVID I think the funding environment has changed. I think with Chinese investments being constrained I do believe we will get enough inorganic opportunities to expand and if we see a good one we'd like to be prepared and ready for it. We are expecting some of these in the months ahead.

Ritesh: Thanks for the valuable inputs. Highly appreciate. Thank you.

Anand: Thank you so much. Next question is Mukul Garg, Haitong Securities. Mukul go ahead and ask your question. Mukul are you there?

Hitesh: Mukul are you in mute by any chance I mean?

Anand: Okay we will take the next...

HItesh: I think he was on mute. Yes Mukul.

Mukul Garg: Yes. Sorry. So I think Sanjeev I would probably follow-up with the first question on the QIP. While we understand that this is an enabling resolution if you look historically you generally don't do late stage investments in areas where which are very unrelated to what you are doing and the the amount for which you guys are kind of taking the approval is meaningfully large with very few outlets where you can kind of expense it out. So is it possible to kind of give some color on areas where you see opportunities and where do you think this kind of cash can be invested?

Sanjeev: First of all this is not for investments or minority stakes. I mean this kind of raise will if it's used will be probably be used for acquisitions or at least majority stakes. Now the way we look at is we look at it in concentric circles. The first concentric circle is that we have got to do stuff in the four vertical where we already operate business which is jobs, real estate, matrimony, and education classifieds. Now here we call these strategic investments because they are in the four verticals where we already operate adjacencies or even possibly accusations. The second concentric circle is going to be do we want to diversify into a fifth vertical and make an acquisition there. Now that is a bigger decision and is less likely to happen because these are businesses we have to run ourselves. And we are clear we can run it before we acquire something there. And the third will be stuff we want to do which is not in the four verticals that we are in or not even classified maybe and those are financial investments usually and they will be through AIF but we are not raising money for the EIF. We really money mostly for the concentric circle number one. Are we going to get good acquire meaningful businesses in the four verticals that we operate.

Mukul Garg: So Sanjeev, just to follow-up on this first concentric circle which you mentioned I think that's the point I was trying to ask. If you look at the opportunities to acquire businesses there most of the potentials they are relatively smaller compared to the amount of money which you are trying to raise. So do you think it is you guys will be able to do multiple transactions if the opportunity comes up? Do you have the bandwidth to do it or would you like to focus on just one at a time?

Sanjeev: Well so bandwidth is something we keep on discussing. Certainly we will not do three at the same time. I think one at a time makes sense but you may be surprised by what properties there are out there or can emerge in next six, nine months.

Mukul Garg: Got it.

Sanjeev: Because when money dries up suddenly we have less competition and we are able to then look at acquisitions in a more serious manner.

Mukul Garg: Got it and the second question is for Hitesh. Hitesh can you help us with the marketing expenditure on the Naukri during this quarter and second on the P&L levers on the cost side which you might have fiscal year 21 given that a top line will remain constraint. Do you think it is possible to keep the fixed cost stable at current levels or do you expect them to increase given that you're still kind of investing in your team?

Hitesh: Yeah. So we have substantially brought down our marketing spend in both 99acres and Naukri in Q1. We have in fact opted in Jeevansathi because we are seeing, we are still growing in that vertical. But in both 99acres and Naukri we brought it down substantially over last year. Like I said traffic was also severely impacted in the first two months of the quarter because of the lockdown and now traffic is slowly bouncing back but not because we are marketing but because it appears to be sort of people are coming back into the market. At least jobseekers are coming back into the market. Buyers are coming back in the market for real estate slowly and steadily. But we don't want to advertise in a hurry till the situation stabilizes. So when both 99acres and Naukri our ad spend in Q1 will be substantially lower than last year or even Q4 for that matter. In Jeevansathi we will continue to sort of invest aggressively as far as our other cost go we are not expending our workforce. So but we're not laying off people right now either nor have announced any cut in salary. What we have done is we have frozen salaries. We have not announced any major an increments this year and it's not as if we have said no to not to doing it for the year as well. If the situation improves in the coming months and then we will revisit our sort of decision on this front. Strategic hires to sort of, there's some important positions which we would like to fill and the slowdown is actually a good time to hire people. So the important positions which have been sort of open for a while we would like the opportunity to fill that during the slow down but that's not going to be substantial cost. The numbers, the workforce numbers will, we have some campus of offer hires sort of an offers we made which we will honor over the next few months but otherwise we're not again replacing the people or leaving right now.

Mukul Garg: Got it and just a follow-up on that especially on the Naukri business given that the condition of Q1 and early Q2 in the hypothetical scenario if Naukri sees a decline in top line for the full year do you think you will be able to maintain the profitability in the business or based on your past experience how much of it cut in cut in margins can happen? What are you rough numbers indicate?

Sanjeev: Hitesh you are on mute. You have gone mute.

Hitesh: Yeah. Sorry. Very hard to say what's going to happen this year. It's very uncertain sort of situation. In business if billings fall by 5-10-7-15% year-on-year we can still sort of maintain margins but if we see a drop of 30-40-50% this year over last year it's going to be very very hard to maintain margin. I mean even if we cut down all our discretionary expenditure. So a lot will depend on how things play out over the next few quarters. Q1 of course like I said is over and we know what happened in Q1 and we are hoping that every subsequent quarter will be better than the previous quarter. And if you get back to sort of base at least by Q4 I think we'll be happy but very-very hard to say how things are going to play out in the next few months. Like I mentioned to you what we are seeing at least in the real estate business and this may be true for India as a whole is that the emerging markets, the smaller cities are bouncing back faster. The markets in the south are bouncing back like Bangalore and Hyderabad are bouncing back faster but markets like Mumbai, Pune Delhi which are seeing a lot of COVID cases are still very very impacted. Now if these markets bounce back faster then of course we will be a good wicket in the second half of the year but if it takes a few more months for this is the COVID situation stabilized then we don't have thing to play out.

Anand: Okay the next question is from Vivek from Ambit.

Vivek: Yes. Hi, thank you very much for the opportunity. First question is on the category of real estate. So we know we actually shared one sub-segment of the business All Cheque Deals a few years back and given the opening commentary on opportunities that could emerge in the strategic businesses could you talk about the real estate category? Do you think that there are new opportunities emerging there? And how do you expand the addressable market there? We've seen that the fixed costs of the business have grown over a period of time but monetization hasn't caught up. So how should we think about the category and are there any strategic opportunities there? That's question one. I'll ask the others after this answer.

Hitesh: Yes. So real estate at a very macro level is a very vast category. I think in any country maybe 10- 12% of GDP is based real estate. What has unfortunately happened in India over the last few years is the real estate sector has been through a terrible slump and that has been compounded by stuff like GST, RERA, demonetization, the NBFC crisis and now of course COVID and the lockdown. In fact the lockdown hurt the most in April and May because how do you buy a house without even visiting it or how do you rent a house without visiting it. So almost all activity came to a halt for a couple of months. Long term of course there's a lot of opportunity we believe still in real estate. It's not as if all the advertising spend has moved online. Only a fraction of the spend of the ad spend in real estate is on portals. There is enough money being spent on Facebook and Google as well which we think will get migrated to online portals over a period of time number one. Number two, with real estate the online portals today companies like ours portals like ours and Magic bricks mostly operate in the buy sort of segments. So we play a little bit in new homes. We play a little bit in resale. Entire segments like rental for example we don't really have a big play in. Segments like commercial real estate we don't really have a big play in. Over time as you get more and more data on our platforms there could be placed there possible in real estate sort of information services but unfortunately the sector has been through so much that all the companies in the sector; the builders and the developers and the brokers have been very very badly hit for the last few years. Many of them have shut down shop. Many of them have restructured. Many of them are short of capital. Many of them have, you know they are struggling and we are hoping and waiting for the market to stabilize a bit because once you have stable market is when people start investing more. Even buyers sort of quit the market a few years ago because of all these. Investors and buyers quit the market for these very reasons real estate India was expensive. It's unaffordable. Projects were delayed. A lot of people lost a lot of money and the quality of real estate was also not great. Interest rates were high but what we see now is that one interest rates have started falling. Real estate is because the prices haven't gone up for the last ten years and have become affordable than it was five years ago or seven years ago. RERA has brought some stability into the market. Builders are consolidating the ones who are left are sort of are more sort of are substantially sort of capitalized and so on. So our sense is that the real estate sector may start slowly start bouncing back. So and you know real estate is deeply cyclical. So the cycles are long and we've been through a terrible cycle for the last few years and hopefully once things stabilized we will be in an up cycle for the next few years and once that happens buyer interest will be back, new projects will get launched, real estate spending will go up and hopefully by then the portals would have also established themselves well and they'll be able to capitalize on the surge in demand for real estate.

So that's the long-term sort of view. In the short term the business is very impacted like I said especially market like Bombay and Delhi and Pune which are almost which are now which are still shut for business.

Vivek: Okay. The second question is on the work from home and business continuity plan you mentioned that you were quite fast in adapting to this and secondly we've also seen that businesses seem to be more willing to renew or invest in mission-critical services like connectivity. Do you think this applies to your business also for example companies being very dependent on the database product and does that have any implication on the number of accounts that your current salespeople can service or possibly give you opportunities to retool some of the sales to other projects or improve productivity and maybe thoughts on hiring also in this new work from home world for your own business.

HItesh: Yeah. So it's early days. We could say of course all of us have been reading about various articles in various publications about how the new world could be different. Now see as far as our business concern see we are mission critical if companies want to hire. If companies won't want to hire we are not so into essential. What tends to happen in the slow down like this is that attrition rates fall and companies postpone sort of hiring plans and that's why a business has been hit but once the market sort of starts to open up once again I think attrition rates will start going up. Job seekers will look for new opportunities and companies will start expanding and start hiring and start sort of spending on new projects and that's when hiring will go through the roof once again and we become even more critical which is why in a slow down like this of the nature we are seeing right now the database product most companies continue to use because it's the most sort of essential application for them when it comes to hiring but products, our branding products for example take a hit because it now become building a job seeker brand is important to companies to at this point in time. So once the market bounces we'll come back hopefully and come back stronger. In 2008/9 we saw or 25% decline in billing for about three or four quarters and then in the subsequent year we saw 45% growth in billings because once companies start hiring again business came fast. Now I don't know how this pandemic or this sort of crisis pan out but that is what happened in 2008/ 2009/ 2010. To your other question on sort of was it around work from home and what do you think is going to happen?

Vivek: I think for your own business how do you look at productivity of your own sales staff and does work from home have any implications on your future tech hiring also given that you no longer have any NCR constraint possibly?

Hitesh: Yeah. So like I said you were able to successfully migrated 4,600 people to working from home almost overnight and it's now been almost 3 months and when I talk to people in the various sort of verticals we have what I hear from them is that the product intake and data science and UX guys are saying listen we are probably even more productive than we were when we were in office. So as far as they're concerned of course they miss office and they miss the benefits of working together but they're saying at least they are claiming to be more productive than they were while they used to work from office. But not all sort of, we have all kinds of people in the company. There are, for example, lot of people in tele sales and operations and many of these people don't have access to the best connectivity at their home. Many of them don't have big houses. So they're forced to operate out of small rooms. So there I suspect you know productivity has been impacted to the extent of 5% to 10% and this is a large part of our workforce and then you have the field salespeople. Now the field sales people not going out and meeting customers. So for them to sit at home and make Zoom calls is maybe not what they love to do but they've been fast to adapt to how the scene has changed and clearly there are some long-term opportunities here because if this becomes a new normal I mean like sitting today we have on our previous investor calls, on analyst calls we used to have maybe 100 analyst. Today we have more than 300 analysts people that are sitting everywhere are able to log in this experience is far better than the experience maybe on the voice sort of system. Similarly when it comes to making sales calls previously for example if I wanted to meet a customer in Bangalore I would think twice and thrice about traveling to Bangalore for one meeting or our sales head would think twice about going to Bangalore for one meeting. Today sitting in Delhi you can talk to virtually any customer at anywhere on Zoom and have a very productive meeting and what would have otherwise taken two days can now be done in maybe two hours. So there are long term sort of implications of this and now a lot will depend on how fast, how long this crisis lasts. If things come back in a hurry then people have a very short memory. They may go back to working like they used to work earlier. On the other hand if this crisis continues for a while we will all be forced to innovate in terms of the way we work. We are already training for example our sales team on how to make some calls, how to present through Zoom, how to conduct client meeting, how to engage more sort of on Zoom meetings and so on and so forth. Clearly if the Zoom calls becomes the new normal then you don't need branch offices everywhere. We pretty much operate from anywhere and make calls to customers. Hiring also could in many ways to come both more local and more global at the same time. Global because today and for so many years we thought of opening an office in Bangalore to hire to set up a second development center. We've never done it but today we don't mind hiring a lot of people in Bangalore and making them work out of Bangalore because we've got used to the idea of working from home. At the same time the low-end jobs will become more local because if this COVID sort of thing continues for a long time people may not want to commute for long to get to their place of work. So in the jobs which don't pay a lot people would rather hire even more locally than they do today. So many things could change but a lot will depend on how long this crisis last in my view.

Vivek: That was very useful. Thanks a lot. All the best.

Anand: Thanks Vivek. So the next question is from Kunal Sangoi. Please go ahead and ask a question.

Kunal: Yeah. Thanks. Hi Sanjeev, hi Hitesh. My question is with regard to the in-house vertical, education vertical. So there is always a change in new change environment basically do you see what kind of opportunity do you see within this vertical that currently would present? There is always a trigger for the change. Do you think the current crisis presents some acceleration or in terms of the product investments what do you think would be the adjacencies that we would like to expand into over year?

Sanjeev: Yes. So the education vertical has, we see a lot of opportunity in the long run. If there are two sectors which are benefited of COVID they are Ed tech and health tech as you all know. So inside the company we continue to sort of focus on our Shiksha business which is like marketplace for discovering and colleges and courses. Now of course what is likely to happen going forward is that online courses will also become very very big. All our services are showing that job seekers in this pandemic are spending a lot of time and money in upscaling themselves and by doing courses online. So inside the company we are actually working on building the Shiksha type of platform for online courses as well. So that's the next thing on as far as Shiksha or the education business is concerned. A lot of Indians are also going overseas for education and of course things keep changing but the general trend is that more and more people go over overseas every year for education. We've also started sort of building a small study abroad business in Shiksha.com where we are playing the role of an online counselor and everything's being done online. So we're using technology to sort of counsel and coach people and get them to apply to colleges in universities overseas. It's very tiny sort of business again baby steps but that's something we are sort of doing right now inside the company. Outside as you know we have made a lot of strategic investments in a lot of education businesses, like No paper forms- They are looking at how to the make billing software for colleges and universities, how to make them paperless to make admission process paperless. We have "Univariety", they are focused more on schools. The counseling and coaching and careers through an alumni sort of stuff through the school network and then we just invested in Coding Ninjas as well which is the IT sort of courses online, teaching stuff to students and working professionals. So let's see how this evolves. It's very-very early. We are sort of still figuring things out. Internally like I said we are focused on more discovery and study abroad and courses and colleges and counseling and stuff like that. Outside we are sort of investing in sort of more sort of areas which have to do with education as well.

Kunal: Great. Second question is with regards to the QIP potentially. So Sanjeev you did mention the restriction because of the Chinese investment probably. There could be opportunities. Would that also include defending our percentage stake in some of the investee companies also. Would that be a major percentage.

Hitesh: Sanjeev you are on mute.

Chintan: You are mute.

Sanjeev: Sorry. The two big ones Zomato and Policy Bazar they both are well-funded enough and they've got enough investor interest. We're unlikely to be required of call to investor. The others we will take it on a case-by-case basis and the ones but we don't need to do QIP for that. It's not large sum of money. The QIP is because we sense strategic opportunities will emerge over the next six to nine months. So we want to be ready to raise as soon as whenever we want to.

Kunal: Okay. Thank you so much.

Anand: Yeah. Thanks Kunal. Next question is from Salil Desai. Please go ahead and ask your question.

Desai: Yes. Thank you. Sir two questions. One is on 99acres. We have seen market traffic share rather dip through the whole of last year and all first up to May 2020. Now the overall market is bad is one thing but how do you view market share in defense in this?

Hitesh: You know a lot of these changes that you see market share are because of often because of the changes in the way similar web reports traffic share. So periodically they revise algorithms and the data starts looking very different. If you look at brand share which is searches on Google for our brand name versus let's say our closest competitors then we have been averaging 55% to 60%. I do agree that we lost a few percentage points in the last 3-4-5 months because people not aggressive on the advertising front and our competition is very aggressive both Housing and Magic Bricks are very aggressive for the last 3-4 months on advertising. Since then they have cut back on that spend. And we are hoping now that they've cut back on advertising spent our share will come back. These gains of 3-4-5 these sort of changes of 3-4-5 % we can get back in time when we restart our marketing spends. So I would not worry too much about that. I would not read too much into that.

Desai: Alright. And secondly one clarification you are saying Zomato has sufficient interest from investors I mean who are not currently invested. So..

Sanjeev: So both. It has got interest from both internal investors and from external investors.

Desai: Okay. So if there are restrictions on internal investments investors upping the stakes you will have opportunities from external also. Right.

Sanjeev: Yeah but I am not talking about those restrictions. I am talking about internal investors who don't have restrictions also.

Desai: Perfect. Great. Thank you very much.

Anand: Yeah the next question is from Sagar Dhawan. please go ahead and ask your question. Sagar are you there?

Vivek: Sagar is on mute.

Sanjeev: May I add on sorry to the last answere I gave, so overseas investors seeing in Zomato is that globally delivery has really picked up post-COVID. In India there were logistical issues where Delhi boys were on our travels restaurants are still, many of them are still shut. But once those are over, delivery is expected to be a big big big business. Now that's what people are saying but we don't know right until it happens and India could be different logistically. Now having said that this is the understanding some investors have

Desai: Thank you.

Anand: Thank you Sanjeev. Sagar you are there or we move to the next question? So while Sagar is able to connect back we move to the next question. Next question is from Abhishek Jain. Please go ahead and ask your question.

Vivek: I think Abhishek is also on mute. Abhishek could you hear us?

Sanjeev: Abhishek is on mute, Sagar is on mute.

Anand: Okay. We move to next question then.

Abhishek Jain: Hello?

Anand: Abhishek is back. Yes. You can ask your question Abhishek.

Abhishek Jain: Yes. I have two questions. First question is now we are seeing NRAI is coming up it will own delivery platform and I have read in newspaper. What kind of competition do you see? What challenges do you see from NRAI coming up with own platform first thing. Second question what kind of volumes you've seen in current quarter i.e in last three months? You should throw some light also specially on the Zomato platform and third question what is the liquor because now the liquor business we have got the platform in liquor so liquor may what kind of opportunities we are seeing sir because now Zomato and other players are also coming.

Sanjeev: So look Zomato is focusing on food delivery from restaurants and cloud kitchens. They did groceries for a while and then they stopped after crisis was over. They were trying to help out. Liquor hasn't really been done yet and liquor is a tricky business, it's a tricky business given the nature of the business but we will deal with that as well should it happen. It's highly regulated. It requires government clearances. It's got different distribution and trade. So we don't know what will happen there. But really it is a food delivery company, food from restaurant and cloud kitchens. There has been substantive, there was immediate substantial hit because restaurants are closed, delivery boys don't travel out, some delivery boys have gone home to their hometowns. Now as restaurants come back and enough have come back there has been a bit of bounce back. It's still way below what it was let's say a year ago or what it was in February not a year, what it was in February. Having said that the burn is substantially down and that people are moving to a better unit economics model. People discounts are less. And they are making a positive money above after meeting all variable cost in each quarter. Now specific numbers the company has not disclosed to public. So we can't give it to you but company is kind of hoping next two, three, four months every month they will come back more and more. Of course if COVID make a comeback, a strong comeback then there might be some stop/ start right now it's been coming back steady.

Abhishek Jain: And what is your view on NRAI coming up its own...?

Sanjeev: We have got to see what the efforts will be but it's going to be kind of hard to have 10,000 or 20,000 restaurants collaborate for delivery platform is owned by NRAI. NRAI is Industry Association and they allies with Zomato and Zomato depends on them. They'd been on Zomato and all these restaurants are their channel partners. I think that what they will be able to do with their own delivery platform remains to be seen. I'm a little skeptical.

Abhishek Jain: Sir have you paid larger amount, larger incentives or salaries to the delivery boys during COVID period last two months?

Sanjeev: Wherever there has been delivering the short supply it has happened but Zomato has been, has passed those extra cost on to customers. Their margins have actually improved a lot.

Abhishek Jain: Okay. Thank you sir. My questions have been answered. Thank you sir.

Rajesh: Anand you are on mute.

Anand: Yes. So the next question is from Deep Singla. Deep go ahead and ask your question.

Deep: Yes. Thank you sir for this opportunity. My first question is for Hitesh. Basically before this quarter Naukri always had an over-dependence on IT and in 2007-8 we saw billing cycle drop by 25% to 30% because of this over-dependence. What is your view going forward that we will able to diversify our dependence from IT to different industry and how do you see this pan out?

Hitesh: Well our dependence on IT is high because a lot of the white-collar jobs are in IT. And if the other industries start like for example the infrastructure sector if we produced publishing Jobspeak index which we've been publishing for last 12 years. Jobs in sectors like infrastructure, real estate, construction, mining, oil and gas, I mean they've been sort of these sectors which is not adding jobs. These companies have not been adding jobs for years now. Telecom was also very badly hit for a long time. So if these parts of the economy start to recover manufacturing I mean nothing much to talk about India as far as manufacturing is concerned. So because 65-70% of economy is services most of our revenue came from services and of IT services is a very large part. Now even as we stand today actually some of the domestic companies have been hit much more than the IT companies when it comes to business. If you look at our Jobspeak for April and May we are down 60% but IT is down 30-40%. Sectors like auto, real estate all these sector are down around 80%- 90%. We cater to anybody who wants to hire and our product works for everybody and where there is hiring is where we go. So more hiring happens in IT and allied industries that's where our revenue will come from. On the other hand if the other industries become faster if they start creating jobs faster than IT companies can create jobs then our revenues mix will change. So we are a barometer of in some ways of what's happening in the job market in the white collar space more than anything else.

Deep: Makes sense. Sir my last question is more about Naukri was always a cash cow for us as a business and we were always as a winner in this industry from last like decades like, now LinkedIn has come into this space and you look around and you see a lot of high quality hiring where you hire a software developer for above 10 lakh and 12 lakh is going through LinkedIn and through AngelList and they have a lot of cash to burn now because Microsoft is backing them like what do you think like will be the future of LinkedIn and Naukri co-exist in this space because they killed monster.com in US like.

Hitesh: That's not true. I think people think that Naukri killed Monster but sorry LinkedIn killed Monster in the US but that's not really true. See LinkedIn has become a big player only in the last 3 or 4 years and you know Monsters started going down post 2008 and Monsters lost in the US lost share to Career builder and then to Indeed. So indeed became big player in the US. People sort of miss out the fact that Indeed is now very in the US. And both Indeed and LinkedIn co-exist in the US. Monsters also continues to be around. So we of course continue to see LinkedIn as competition and we are aware of the fact that LinkedIn is now backed by Microsoft which is one of the probably the most valuable company, one of the most valuable companies in the world today. Lot of resource and lot of technology at their disposal. However, we believe that for a certain sort of type of type of hiring our platform works better than other platforms. We are cheaper, faster, more efficient way to hire certain types of talents. We are not seeing that everybody is getting hired through Naukri.com. In most cases companies do about 30 to 50% from the Naukri. The rest they source from other platoform still. So there's a lot of scope for us to improve our offering to our clients to help them up they're hiring through Naukri from 30 % to 40 to 50 to 60 to 70 or wherever we can get to. At the same time we are conscious of the fact that there's a lot of the premium hiring that's not happening from Naukri and which is why you are seeing the efforts one of course we are trying to improve our experience and our platform. Two, we are investing in new area, in new portals. So we just acquired IIMjobs.com. So the premium sort of hiring in the non-tech space a lot of it actually you'll be surprised happens to IIMjobs, a very popular brand in that segment. Internally also we are experimenting with BigShyft. Now Bigshyft is positioned as a platform for hiring high end technical talent. Early days, but we are seeing what we can do to disrupt that space. And there is some sort of hiring which will not go through us. It's a very large market, a billion dollars maybe $2 billion a year on hiring. We today get 800 crores, 900 crores out of that. So we still have a long way to go and I'm sure both LinkedIn and us can coexist in this market for a long, coexist not just coexist but also grow in this market for a very long time.

Deep: Thanks a lot sir. Great.

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

Vijit: Hi, can you hear me?

Anand: Yes. Please go ahead.

Vijit: Yes. Hi, so my question is on Jeevansathi and in context of that comment you made on the QIP now. Within Jeevansathi my understanding is that the market is always being quite fragmented. There are three large players. You are one of the three large players but your market share in the revenue side on that would be probably less than 10%. So my question is, A, do you think the elevated marketing would just get you higher market share in that segment or are you also looking at making a number of acquisitions? So in that context are there smaller matrimonial businesses out there that you think you could just acquire? Could that be like a series of acquisitions here and there wherever you see a different business? Thank you. That's my question.

Hitesh: Yes. You are right that we are the smallest of the three large players in this category. We have a market share for maybe about 12-13% nationally but all our revenue comes from the north and west. So when you sort of let's just look at the north and west the market share is maybe closer to 25% or so and if you look at the north our market share is closer to 35-40%. So we had a reasonably strong player in the markets in which we compete as nationally we are smallest of the three large players because we don't have anything coming from the south and marriages in India happen within the same caste and community and linguistic groups and often and therefore it's possible to build a large distance the northern without building a business in south unlike jobs for example. So we are committed to this space. We see an opportunity in the long run to build a large business. If there are companies available for acquisition we are more than open to the idea of acquiring them provided they sort of we think they can create value for us in the long run and help us get to the number one position or the number two position over a period of time. If that is not an option then we are committed to investing and growing the business organically as well. That may take longer and it's probably more on uncertain route but will probably cost a lot less also if we are successful.

Vijit : Got it. Thank you. That was my question. Thank you.

Anand: Yes. The next question is from Utkarsh Solapurwala from Damos Capital. Utkarsh go ahead and ask your question.

Sanjeev: Sorry Anand which capital?

Anand: This is from Damos Capital.

Sanjeev: Okay. Thank you.

Anand: Utkarsh go ahead and ask your question.

Utkarsh Solapurwala: Yes. So what are your views on Amazon entering the food delivery business?

Sanjeev: I mean it's too early to say anything. It just runs a small operation in Bangalore. Let's see what happens there. We are waiting and watching it and Zomato is pursuing its business plans independently but just one thing I want to say the nature of the logistics operation when you delivering food is very different from delivering the production Amazon or Flipkart sense because food is delivered 45 minutes and that's it. Somebody orders, deliver in 45 minutes. It means it's very local. The network is much more intense and it's immediately and there are two peaks in the day; there is lunch and there is dinner. And then there is a bit of sort of a not much demand over the rest of the day. So whereas in e-commerce or other products you can club your orders, you deliver tomorrow, day after, one day, two days, three days and there's a route you can plan and then the guy can carry ten packets and deliver them in sequence. So the nature of the operation is different. It's not as if the current Amazon networks and therefore will be very very useful here and I had asked Deepinder Goel about a year ago how many delivery boys do we have versus let's say e-commerce people like Amazon. He said we have what eight times more because we have to deliver only in those 45 minutes twice a day and that's why it's different. So let's see what happens. I mean Amazon is a big company. It's a cash rich company. It's good at execution. It's good logistic company. All of that is there but I think restaurants need a special focus.

Utkarsh Solapurwala: The second question is what would be the structure of AIF you have created?

Sanjeev: Well I mean it's CAT2 AIF. It was announced in January. So there's AIF. There's a AMC. There is a trust. And there's a fund and we are now looking to get an external investor to the fund one or two, probably one and take it forward from there.

Utkarsh Solapurwala: Sir, do you have created a separate management for AIF or it would be internally managed?

Snnjeev: No, there will be separate management for the AIF but it's the same management team running our current investment strategy.

Utkarsh Solapurwala: Okay.

Anand: Thanks Utkarsh. Next question is from Siddharth Vora, Reliance Nippon Life Insurance. Please go ahead and ask your question. Siddharth are you there?

Vivek: Seems he got logged off. Maybe we can take Dhiresh's question now.

Anand: Dhiresh's question now. So Dhiresh go ahead and ask your question.

Dhiresh: Yes. Thank you for the opportunity. Hitesh. you mentioned the job market is $2 billion, our revenue is only 800. What is the $billion number?

Hitesh: This is not gone for many research. I took a number maybe it's billion and half, maybe it's two and half billion, I don't know what exact number is but this is basically if you look at how much companies spend on recruitment. So there are for example 8000 recruitment at least they were before COVID which were all sort of profitable and generated, making money and then there is spend on us and then there is spend on referral hiring programs and then there is spend on recruitment audition and then there are in-house recruitment team companies spend. So the total spend on recruitment for a lot of companies it's often a percentage of their revenue and it's substantial. Now what I meant to say was we are sort of, we just get 800 crores, 900 crores a year out of them. And this market will only grow over the next few years as more and more people enter, get employed in the private sector and therefore there is room for both us and some of our competitors also go for a long time and of course we are attempting to like I said get into adjacent areas, as well, to enhance to grow our share of the wallet.

Dhiresh: Okay. But a lot of this also would represent the money that the consultants key get while using your website as a tool, a hiring tool, right. So you cannot capture all of it because they are using you as a tool to capturing bulk of the value add.

Hitesh: Yes. So this includes spend on recruitment firms. This includes spend on advertising. This includes spend on recruitment automation. All the stuff put together.

Dhiresh: Okay. And you also earlier you said that substantially reduced the advertisement and marketing spend. So in a scenario where COVID sort of continues to affect the core businesses can you like any quantify what do you mean by substantial reduction because that can help us reduce the impact on the profitability quite a lot.

Hitesh: Yes. So like a lot will depend on how the situation develops. What I said was if you cut down or spend substantially in Q1 because there was a lockdown and the markets were shut and there was no point in spending money. It was sort of no customers out there. On the other hand if the market bounces back quickly if you get back to even 70-80% then we will start spending on marketing once again. Right now because of the lockdown and because things are slowly getting back to normal, we have cut down our spend in both real estate and jobs by substantial amount. I don't remember the number for last year but I know it's substantially lower than what we normally spend. In matrimony on the other hand we continue to spend aggressively because there the business is growing for us. We don't see a slowdown.

Dhiresh: Billings are down 60-70 %. So our spends would also be down in that magnitude?

Hitesh: I am sure ballpark, maybe even more.

Dhiresh: Okay. Thank you. Thank you for taking that.

Anand: Thanks Dhiresh. The next question is from Sudheer Guntupalli.

Sudheer Guntupalli: Yeah.

Anand: Sudheer go ahead and ask your question. He is from Motilal Oswal.

Sudheer Guntupalli: Yes. Thanks Hitesh. Thanks for taking my question. If I were to benchmark Naukri with competing platforms like Monster or Shine or Times and if I were to look at on a per resume basis what is the price of resume. It is almost there is, there's almost 8x sort of a differential. So Naukri it works around 8 rupees per resume, while on other platforms it works out to be more or less around one rupee per resume. So in the current kind of context are you facing explicit or implicit push backs from clients in terms of a price a reduction demand or request for a price reduction? That's it from my side. Thanks.

Hitesh: Yes. Of course. See in every slow down because client requirements go down they tend to dip and they have, they are not sort of in a hurry to hire they negotiate harder. So that happens in the slow down but that's got nothing to do with pricing for that matter because the data available on our platform are not available on the platform. So even if companies want to hire they use our platform, they are not able to hire. Some small customers who have maybe one requirement or half a requirement they may sort of try out our some of the smaller players.

Anand: Sudheer anything further?

Sudheer Guntupalli: No. No. That's it from my side. Thanks.

Anand: Thank you so much. So the next question is from Prince [PH] . Please go ahead and ask your question.

Prince: Hi sir. A couple of questions. First one on Naukri billings. So are there –

Sanjeev: Prince can you speak up a bit. Just closer to mic.

Prince: Yes. Can you hear me now sir?

Sanjeev: It's same. doesn't matter. Carry on.

Prince: Okay. My first question sir is that have many clients come to you back saying that we need a smaller duration of the billing? And is that likely to be a new normal if that is the case?

Hitesh: Yes. We have all kinds of product. So we have a usage based model you can buy it for something for three months, six months, one month. You can also buy something for seven days. We have all kinds of products. You can top up what you buy over time. And yes what you are saying is to some extent right. In a good year see if clients know that business is going to be good for the next 12 months they just buy for the year. But if they're uncertain if they don't know how things are going to play out then often they don't sometimes think why not to buy for three months and then say okay once things start looking up and we buy again. So that tends to happen to some of the and specially to the smaller customers. So it's likely to happen this time as well.

Prince: And a couple of questions on Zomato sir. First one being the last round which was announced in that if I understand correctly all the amount from Alibaba was not yet come. So...

SAnjeev: And financial.

Prince: Sorry, Ant financial was yet to come, $100 million was yet to come. Is that amount still yet to come or what is the view, what is the status of that amount?

Sanjeev: No, balance amount is yet to come.

Prince: Okay. Any view on, is there I mean because of that government you have to seek approval for that amount to come? Is there some issue regarding that amount or nothing.

Sanjeev: We are still evaluating but the company has got inbound investor interest from other investors also who don't need permission.

Prince: Right. Okay. And about that and earlier question from other participant about Amazon if I understand correctly Amazon was not directly trying to target the food delivery businesses. What we understand because they are just targeting to give extra service to their Prime customers. And in fact if you open Amazon app you can see Swiggy, Dominos all kinds of services over there. So is that really something that Amazon is trying to...?

Sanjeev: You know the problem is because of the patchy opening up off the lockdown and stop/ start, people not having confidence. People are not going to office. Offices are not opening. It's hard to say what's, we don't really know what will happen there. So we are waiting and watching.

Prince: Okay. That's all from y side. Thank you.

Anand: If anyone wishes to ask question you may please raise your hand. Yes. The next question is from Nitesh Poddar. Please go ahead and ask your question.

Nitesh Poddar: Hello. Can you hear me?

Anand: Nitesh you are not audible.

Nitesh Poddar: Hello? Am I audible?

Anand: Yes it is better.

Nitesh Poddar: So I have couple of questions and listing them together. First, can you please throw some light on reviving our initiative in the past bridge networking site like in new avatar for example multilingual feature? Second are there any plans to enter the professional networking site like LinkedIn or blue collar segment or any other niche segment? And third what are our thoughts on matrimony and allied services in marriage and do we plan to enter something similar in Jeevansathi?

Hitesh: So bridge is something we stopped working on a few years ago and there is no to divide bridge at the moment. Of course we are working on bunch of other things like I sort of keep mentioning we have ambition box. We are working on content. We are working on building data products. We are working on a bunch of other things on the Naukri, sort of thing. But there is no plan to revive bridge or enter into professional networking in any form or avatar. Blue corner we have a small experiment going on inside the company. It's called JobHai.com. It's more yellow collar or gray color or whatever. It's not exactly construction workers and but it's directed it targeted to people who are net savvy, but you don't need a profile. You don't need a resume to get onto the platform. Profile is enough. And early days we're sort of to test marketing in NCR. So you can check it out but this is something which we think will play out over 8-10 year period. It's not as if it's going to start generating revenue from tomorrow because it'll require investments. What was your last question? I missed that. There was something on Jeevansathi.

Nitesh Poddar: Yes. Allied services on matrimony.

Hitesh: So allied services in matrimony see weddings are a big market. but right now our focus is on gaining market share in the matrimony space, in the matchmaking space. Once we get to a certain size and scale then of course we will look at adjacent sort of areas and categories like wedding services but right now we are focused more on getting, acquiring profiles and gaining market share in this category because like we discussed earlier we are number three and we need to get to a certain size and scale before we start looking at adjacent stuff.

Vivek: Participants if you have any questions you may raise your hand on the screen. Now I hand over the conference to Mr. Hitesh Oberoi for his closing comments.

Hitesh Oberoi : Yes. Thank you Vivek and thank you Anand for moderating this and thank you everyone for taking time out to be on this call with all of us and this is a tough time for everybody. So please stay safe and have a great evening. I look forward to meeting you again month and half from now.

Vivek: Ladies and gentlemen on behalf of Info Edge India Limited we conclude this conference. Thank you for joining us and you may disconnect your lines now.