

Conference: 7753488

Company: Info Edge (India) Limited (Naukri.com)

Date: January 29, 2007

Operator:

Thank you for standing by. And welcome to the Info Edge (India) Limited Investors Conference Call presented by Mr. Sanjeev Bikhchandani and Mr. Ambarish Raghuvanshi. At this time, all participants are in the listen-only mode. There will be a presentation followed by a question-and-answer session, at which time, if you wish to ask a question, please press "star, one" on your telephone. Please be advised this conference is being recorded today.

I would like to hand the conference over to your speaker, now. Over to you, sir.

Sanjeev Bikhchandani:

Thank you. This is Sanjeev here -- Sanjeev Bikhchandani. Along with me is Mr. Ambarish Raghuvanshi, our CFO, and Mr. Sudhir Bhargava, our Senior Vice President of Finance. We will start this conference call, and we will probably be joined by one or two other colleagues in a little while and introduce them when they come. I won't keep the presentation part very long. I'll just give a quick sort of update, and then we can move to the question-and-answer session pretty quickly.

For the quarter ended December 31st 2006, our total revenue including other income was 37.9 crores and for the nine months ended December 31st 2006 was 99.8 crores.

We don't have a comparable for the third -- for Q3 of last year, because we had not reviewed the accounts for that quarter for at that time we were an unlisted company. But

if you compare the nine months and nine months, it is 99.8 crores versus 58.3 crores roughly.

And if you look at PBT, you know, PBT for the quarter is about 12.1 crores. For the nine months, it's 25.6 crores. And for the nine months last year, that is December 31st 2005 -- it was 15.8 crores. And the company continues to grow fast both in topline and in bottomline. However, you know, with the base effect, the percentage growth is coming down, as was expected, so we've grown total income at about 71% year-on-year and EBITDA at about 62% year-on-year. Two of our businesses continue to be in the investment mode, that is Jeevansathi and 99acres. We are losing money there. This fact then shows that while topline growth is at 71%, EBITDA will grow slightly slower.

As far as our position in the marketplace, we have three businesses concerning the recruitment business, [Naukri], while there is no official sort of documented industry information, which objectively analyses all companies' data and our competitors do not disclose the data, we estimate we have maintained market share but these are our estimates only. We don't have proper industry documentation to do reports on that.

As far as Jeevansathi is concerned, we may -- we believe, once again, we don't have competitive data -- but we believe that we are still number three. We are not yet number two. But we are gradually and slowly increasing in strength as a number three player, both in terms of profiles acquired and in terms of revenue done. In 99acres, what we have is a proof of concept. We've got a business studies and the revenue coming in.

We've got revenues growing. But both in Jeevansathi and 99acres, the base is still very small as compared to Naukri.

So if you look at, what the recruitment businesses are contributing to the total topline of the company, it remains at between 85 to 90%, probably close to 90%, as it was. It's marginally down from a year ago, as the other businesses grow. But it's still predominantly a Naukri and Quadrangle company. In terms of, you know, where we expect Jeevansathi and 99acres to breakeven, it's still a while yet. Now, we expect Jeevansathi should breakeven before 99acres. And we expect in maybe next 12 months or so, Jeevansathi should breakeven, and in next 24 months or so, 99acres should breakeven. However, these are sort of very broad, top of the line kind of estimates. We will have better data and better predictability in these businesses as we go along in subsequent quarters.

Advertising and staff cost remained our major expenses both this quarter and for this financial year so far, as was expected. One word of caution as far as reading this quarter's profit numbers is concerned. This has been a seemingly very, very good quarter, but, you know, our operating leverage is fairly high, so if revenue comes in slightly above what is expected, most of it will fall into the bottomline, or if we spend slightly less in advertising than that spent in previous quarters but if you sort of take full year's numbers, it will more or less in line, so I would urge a word of caution in doing this quarter's numbers. They would seem possibly better than they are, if you look at the fact that we are probably going to spending in the World Cup in this quarter. And therefore there will be a clear advertisement expenditure, which is lumpy. So our profits in Q4 will bring them where revenue comes in and revenue is still out there yet to be done.

I'll end the opening preamble here, and you know we'll move to the Q&A session right now. So we would be happy to sort of address any questions that you may have.

Operator:

Certainly, sir. At this time, if you wish to ask a question, please press "star" "one" on your telephone and wait for your name to be announced. If you wish to cancel your request, please press the "hash" or the "pound" key.

Our first question comes from Mr. Jason from Citigroup. Please go ahead sir.

Mr. Jason from Citigroup:

Thank you. Good evening, Sanjeev and Ambarish and congratulations on this quarter.

Ambarish Raghuvanshi:

Thank you.

Sanjeev Bikhchandani:

Thank you, Jason.

Jason:

I'll ask a couple of questions and then will see if any other analyst wants to ask, if not, I'll get back at the end in the queue. The first one is just a kind of a large overview, could you maybe describe how the overall recruitment market in India is faring, kind of like what's going on? And then maybe talk about the online portion, [Infotech] in particular? I am only much interested in just kind of the underlying demand characteristics of the market?

Sanjeev Bikhchandani:

Demand for people continues to be bouyant, if anything else, you know, it is probably -- the attrition rates are continuing to climb and -- in companies. And companies continue

to grow fast, if the economy continues to grow at 8 to 10% as it has been in the past. If it continues for two or three more years, there will, you know, in our opinion a fairly serious supply side constraint on talent. And all this will mean companies will spend much, much more on hiring people than they have in the past.

The companies in the IT services sector, in the BPO sector, in the telecom sector, in the retail sector, in the financial service sector, they are all growing very, very fast, and they are requiring more people, and the attrition rates are climbing. So on an overall sense, the demand for the services of those organizations that help companies hire people will remain high.

As far as the online recruiter is concerned, we don't have a very accurate competitive data, but -- both for online and/or print -- but our sense is both print and online could grow with online growing significantly faster than print, and therefore, getting a bigger share of recruitment media. But print is still much, much larger than online, and that will remain so for a while. Broadly, you know, this is how it is at top level. Is there anything more specific you want, and we know it, we'll be happy to tell it to you.

Jason:

Great. Can I just ask you as you mentioned a couple comments about competition, may I ask you about one in particular, which is Monster India. They seem to have in the last, let's say, 9 months to 12 months have revamped their site. It appears they've tried to localize it to India more than say in previous years. And it goes that anecdotally, but it seems like their marketing spend is up from what it was previously.

Could you maybe just qualitatively comment on some of those things and do you think they've taken share from other competitors in the market? Do you think that their efforts

may have been or not? And are there any things that you feel that you may have to do differently going forward to compete against them in your markets right now?

Sanjeev Bikhchandani:

See, Monster has localized its site. Monster is spending a lot of money on marketing a lot more than it was before. But the flip side of this is I think it is really not backing the JobsAhead brand at all. And if you look at the ALEXA ratings of the sites, you know, of JobsAhead versus Monster versus Naukri, you will find that JobsAhead has been declining substantially.

However, having said that, yes, we know -- we respect Monster as a strong competitor. And we expect JobsAhead, Monster sort of traffic sense, sort of on a combined basis, be where it is or possibly grow slightly. But having said that, what this increasing spend level does and what increasing sales activity does in the marketplace, whether it's from Naukri or from Monster or from TimesJob, it will expand the market.

As far as we are concerned, you know, what we believe is that being the more recent brand and being the not so strong brand, Monster will have to outspend us in order to sort of maintain its levels. But having said that, while we will spend money advertising, we will not get into a spending battle with Monster. Rather, we will focus more on product and technology innovation, while maintaining our advertising interests.

Jason:

Great. And maybe one last question, and then take any questions and get back in at the end of the queue. Can you maybe comment on what the pricing environment is out there for your various services, thus maybe help us understand where your pricing is compared to those two competitors?

And have you seen a pricing environment strengthen near term? Is it becoming more competitive or really no change? Thanks.

Sanjeev Bikhchandani:

You see, well, in our opinion, all the job sites are leaving enough value on the table for pricing not to be an issue for clients. But having said that, what competitive pricing does do is it increases the customers' power to negotiate. And definitely, there is pricing pressure in the market.

But, you know, as our numbers will show, you know, our growth is intact, which means that we are getting more clients. We are winning more clients. We are, you know, developing new solutions to sell to existing large clients. So this is something while it is worrying at one level, at another level it's expanding the market.

Jason:

All right. I'll get in at the end of the queue then. Thanks.

Operator:

Thank you, sir. Next in line, we have Mr. Hitesh Zaveri from Edelweiss. Please go ahead sir.

Mr. Hitesh Zaveri from Edelweiss:

Yes, thanks. Hi. Congratulations on good set of numbers to the management team. And my question pertains to competition, you know, it's on the competing properties where you discussed Sanjeev in your first part of the discussion.

Let me take the rest of this part. What kind of competition do you see from, you know, the likes of MSN, Yahoo! and Google effect on -- in the job market for you over the next 12 months?

Sanjeev Bikhchandani:

Well, you see, if you look at the aggregated space then, you know, you have sites which aggregate jobs from a large number of job sites, so whether it's a Rediff, whether it's Bixee, or it's a Yahoo! HotJobs or it's a Google Base, we are giving our feed to all these four aggregators.

Hitesh Zaveri:

Sure.

Sanjeev Bikhchandani:

Okay. So at one level, you know, aggregators are opportunities, because we can drive traffic towards you. At another level, if we get very successful, you know, we can take traffic away in the long run. So it's an opportunity and a challenge. It's a double-edged sword.

We recognize that. We are keeping an eye on it. But if you look at what aggregators are doing around the world, whether it's overseas or in India, you know, no aggregator seems to be getting a lot of traction in terms of traffic and giving traffic or getting traffic and giving traffic to job sites.

Look at, you know, what we are doing, I know all the traffic we are getting from aggregators, it is not significant. That could lead us believe that aggregators so far, you know, have not yet made a significant impact in the market whether or they will, going forward, you listed out. We use to watch that space.

But having said that, our task obviously has to be to continue to invest in the brands and to continue to offer differentiated value and deeper value than an aggregator will. So

that you are able to retain a customer franchise. But lot will depend on product and technology, once again.

Hitesh Zaveri:

Sure. That's helpful. Could you give a couple of examples of the product and the technology innovations in the recent months. We did talk about, use of the mobile technology for being in touch with the applicant. Is there any -- are there any developments on this front?

Sanjeev Bikhchandani:

See, we are continuing to sort of push, you know, it does take customer evangelizing. The service is being used by a few hundred companies. And the few of them have become heavy users. Clearly the service seems to have traction between bulk hirers, large volume hirers.

We are there for designing and focussing on few companies, and try and to build it there. But it's not immediately going to sort of contribute to a very large chunk of our revenue.

And having said that, I know, there are other innovations we are working on, which we're not, sort of, in a position to announce right now. But a lot of the innovation that we already have rolled out may not be visible, whether it is in, you know, resuming search or ranking algorithms.

Whether it is in a new Jeevansathi website, the revamped one or whether it is in Job Search rank algorithm. So these are not immediately visible to the sort of -- to the naked eye observer. And not every innovation works. So we try many things, some work. So this is something which, you know -- which we will keep working on.

Hitesh Zaveri:

Okay. A couple of questions on your number's side. It was a biggest surprise to see the magnificent rise in the staff cost. And also, can you talk on clarification on tax rates going forward would help, given the sharp rise in the current quarter, as well?

So on staff first, I mean, what are the reasons for the sharp increase in the numbers there and how do you see that trend going forward?

Sanjeev Bikhchandani:

See if you look this quarter versus nine months, not -- this quarter is not disproportionate, it's Rs 94 million versus Rs 267 million.

Hitesh Zaveri:

Right.

Sanjeev Bikhchandani:

Okay. When it grew in nine months versus nine months due to a significant rise. So some of it is, you know, is increments. And the other is hiring more people in current businesses, but more importantly you see, you have businesses like 99acres and Jeevansathi for staffing up and the staff -- the revenue is not yet catching up immediately, but it takes time.

Hitesh Zaveri:

Sure.

Sanjeev Bikhchandani:

Okay. So it has to do with that. So you know, there's -- if the same staff levels over time in Jeevansathi and 99acres will do a lot more revenue for headcounts than it is doing today.

Hitesh Zaveri:

Sure. I have.

Sanjeev Bikhchandani:

One more thing, we are also in the process of strengthening our leadership gradually since nine months of last year versus nine months this year. We believe that to move the company forward, we need some leadership hiring also, so we can -- and this hiring is slightly expensive.

Hitesh Zaveri:

Sure. I also had a question on tax rates, if you could clarify that please?

Sanjeev Bikhchandani:

Tax rates. Can you just repeat the question in details, what was the tax rates question?

Hitesh Zaveri:

No. Basically that question is that the tax rates, as a percentage of income are unsubstantial in the quarter whether if you could give us some outlook about the rest of the remainder of the year and FY '08, where do you see that tax rate settle in?

Ambarish Raghuvanshi:

Yes. I think -- yes, this is Ambarish, Hitesh.

Hitesh Zaveri:

Yes. Ambarish.

Ambarish Raghuvanshi:

And basically, what has happened is that the CA Institute has come out with a new guidance note. Basically, it's saying that, for any period tax has to be in relation to the total year and not relating to just that period alone.

Hitesh Zaveri:

Yes.

Ambarish Raghuvanshi:

You know, for nine months of last year it was for that period, whereas for this year the figure is much higher. We believe that this year's figure reflect accurately what the year end figure will be in terms of our tax rate will be around 33.6% -- 33.5%.

Hitesh Zaveri:

Okay. And should there be at similar number for FY '08 as well?

Ambarish Raghuvanshi:

Correct, correct. Because we really don't have too many tax shelters, Hitesh.

Hitesh Zaveri:

Sure. I agree with you. I have a couple of more questions and hopefully we'll get chance one more time. Thank you so much.

Ambarish Raghuvanshi:

Yeah.

Operator:

Thank you, sir. Next we have Mr. Anurag Purohit from Brics Securities. Go ahead, sir.

Mr. Anurag Purohit from Brics Securities:

Good evening to the management and congratulations on the quarter. My question is regarding shifting the topline like, could we just assume what would be the kind of customer base that you will have as corporate.

Sanjeev Bikhchandani:

Can you put the phone on mute please, there is background noise coming in?

Anurag:

Okay. My question was regarding the customer base that we have existing, and how the trend has moved up since our prospectus has been published with Q1 results. So how the customer base has increased over the past six months?

Sanjeev Bikhchandani:

It is really simply.

Sanjeev Bikhchandani:

I got the question.

Anurag:

Okay.

Sanjeev Bikhchandani:

Now, you know, if you look at corporate customers, they -- currently, they now stand at, in nine months, excess of 22,000 unique customers. Now, this is in nine months. So this number is likely to go up for the year. Our number for the full year last year was approximately 20,000. So you know it is going to be higher than 22,000 definitely this year. But how much higher, we don't know yet. We have to see what happens in the next three months. If you look at total resumes, which are searchable in our resume database, it's in excess of 8 million, right now.

Anurag:

Yes. And regarding the competition scenario like in the past four, five months, you have seen two more competitors coming into the market. And basically it's ClickJobs. So how does the management feel that the competition would turn out in coming quarters?

Sanjeev Bikhchandani:

No. We expect competitive activity to increase. But we expect that because of the strong fundamental growth in the economy and more jobs being added and the higher attrition rates, we'll not expect this to impact our growth. At the same time, you know, what we do expect is the market will expand faster because of more competitive activity. And as long as, you know, we retain our leadership position in terms of most number of jobs and most number of clients, you know, we believe we will not be affected.

Anurag:

Okay. And how much deferred revenue would we be having, right now, on our balance sheet?

Sanjeev Bikhchandani:

If you just give us a couple of minutes, we'll sort of get back to you. How much deferred revenues ?

Ambarish Raghuvanshi:

We will just give you this.

Sanjeev Bikhchandani:

We will just get back to you on this.

Anurag:

Sure.

Operator:

Thank you, Mr. Anurag Purohit. Next in line, we have Mr. Shekhar Singh from ICICI Securities. Please go ahead, sir.

Mr. Shekhar Singh from ICICI Securities:

Hi, sir. Congratulations on a very good set of numbers. Just wanted to know like there seems to be some wide fluctuation in your margins between Q2 and Q3 numbers -- so if you can just touch upon them?

Sanjeev Bikhchandani:

You know, like I said earlier, our operating leverage is high in respect -- with respect to revenue, and our advertising expenditure is not consistent across quarters. It is lumpy depending on the deals we get. So if you will notice in our Q2 numbers, although we have not separately announced, but you can work on the arithmetic, because we had published our Q1 in Prospectus and we published our 9 month numbers and Q3 number.

Shekhar:

Yes, sir.

Sanjeev Bikhchandani:

You know, the profit in Q2 was, in fact, lower than in Q1. And you know, this is basically because we had a lot of advertising expenditure in Q2. And we expect to lower advertising expenditure in Q3. So you know our advertising depends on opportunity -- it's opportunistic, it depends on the options available and various things. And therefore, you know, what I said initially was, I know it's a good idea to take the average for the nine months and extrapolate, if you want to sort of project, you know what we're doing in the full year, rather than take this quarter's profit in the run rate and then extrapolate it. It will be onetime quarter-on-quarter, depending on -- depending on, where sales revenue comes in, slightly extra comes in. And you know it all goes to bottomline minus the sales commissions.

Shekhar:

Okay. So can you like on the revenue side, is there some amount of seasonality in your business, like...

Sanjeev Bikhchandani:

A bit.

Shekhar:

Some quarters are better.

Sanjeev Bikhchandani:

Maybe growing quarter-on-quarter.

Shekhar:

Yes.

Sanjeev Bikhchandani:

We have not noticed seasonality.

Shekhar:

Yes.

Sanjeev Bikhchandani:

So if it exists, you know, we have not noticed it, because we are -- essentially growing quarter-on-quarter. But quarter four every year, collections are so far, historically have been higher than in the other quarters. And by more than, you know, what Q3 is greater than Q2 or Q2 greater than Q1 because we suspect this because, you know, with most companies the financial year ends in March and if budgets are expiring, they would rather utilize this year's budget rather than buy next year.

Shekhar:

Exactly.

Sanjeev Bikhchandani:

However, this -- what this does is, you know, it doesn't necessarily constitute all the big revenue this year. It can be different. If you buy towards the end of March, you know, the bulk and a 12 month solution, the bulk which wouldn't extenuate anyway as far as expense is concerned.

Shekhar:

Okay. And so lastly like any data point that you can provide in terms of client concentration and all? How many clients are contributing to say around 80% of the revenues and all those things?

Sanjeev Bikhchandani:

We've not run those numbers once again, you know since we did it last time.

Shekhar:

Okay. Any major change even if you don't want to?

Sanjeev Bikhchandani:

First, we do not expect any change.

Shekhar:

Okay.

Sanjeev Bikhchandani:

Having said that, you know, there are two clients this year whom we have the cross billing of over Rs 1 crore. Okay. You know, I cannot name those clients. But these are two clients with whom we crossed billing of 1 crore in Naukri we sort of, you know, the highest client was within Rs 45 to Rs 50 lakhs around that much. So you know,

obviously this is a reflection of much, much greater demand for people to spend more online.

Ambarish Raghuvanshi:

And also our ability to, you know, use products and services which you know, meet their needs and therefore people are willing to pay more for it.

Shekhar:

Exactly Ambarish. All right. Thanks a lot and congratulations once again.

Operator:

Thank you, sir. And next we have Mr. Sudhakar Prabhu from Sun Capital. Please, go ahead sir.

Mr. Sudhakar Prabhu from [Sun] Capital:

Can we have the breakup of your revenues between all the three segments, I mean, do you provide this breakup?

Sanjeev Bikhchandani:

What we do provide is what we provided in the prospectus.

Sudhakar:

Okay.

Sanjeev Bikhchandani:

There's recruitment and others, okay. Now recruitment in this quarter was -- for the nine months was 88.95%.

Sudhakar:

Okay.

Sanjeev Bikhchandani:

Others was 7.13% and other income was 3.92%.

Sudhakar:

That's helpful. Thanks.

Ambarish Raghuvanshi:

Anurag, this is Ambarish. Well, your question about the level of deferrals, in Q1 of this year, which was there in the prospectus, we had about Rs 27 crores of deferred income on the balance sheet. You know, the figure right now is correspondingly higher. It's somewhere in the mid 30s.

Sanjeev Bikhchandani:

We'll have next question.

Operator:

Definitely, sir. Next in line we have we have Mr. Ajay Nandanwar from Indea Capital.

Please go ahead, sir.

Sanjeev Bikhchandani:

Okay.

Mr. Ajay Nandanwar :

Hi. This is Ajay Nandanwar from Indea Capital.

Sanjeev Bikhchandani:

That's right.

Ambarish Raghuvanshi:

Hi, Ajay. We meet again.

Ajay:

Yes, we met. Good to speak to you again. Had a couple of quick questions about, you know, what sort of your cross marketing strategies -- you know, you said that you have much larger base in Naukri.com compared to 99acres and Jeevansathi, and you know if there are any cross marketing issues that you guys are thinking about?

Sanjeev Bikhchandani:

Okay. See what we believe, and that if you have sort of cross marketing where you are sending mailers proactively to Naukri and registered users from Jeevansathi, they'll be perceived to be spam and it's not good for the image of your site, so we won't do that. Having said that, we do promote, you know, by branding sites across verticals. But really -- but the strategy in the fee businesses comes not in cross marketing. It comes in the fact that we know the online space. We know the technology and product space. We know UI ability. We know what works more importantly for 99acres. We know how to run a B2B sales team. They have been growing. We know from the Naukri experience we know how business can scale up, what processes need to be put in, what kind of automations needs to be put in. So really the advantage 99acres and Jeevansathi comes from all that knowledge a lot more than it comes from cross marketing.

Ajay:

Okay. Also another question regarding 99acres and Jeevansathi, could you give us some idea about how much your profit for the nine months would have been had 99acres and Jeevansathi were, say -- have been profit neutral?

Sanjeev Bikhchandani:

You know, we will give that indication of that at yearend. That number has not been reviewed by the auditors, so we can't reveal it.

Ajay:

Sure.

Sanjeev Bikhchandani:

But having said that, you know, they are in investment mode. And, you know, we have invested more in them this year than we did last year. And then therefore, you know, while our overall margins may appear to have moved down because our topline has grown by 71% and you know EBITDA by 62%, A lot of it is because of more investments in these new businesses.

Ajay:

Okay. Great. Thank you.

Operator:

Thank you, sir. The next question comes from Mr. Rakesh from ILFS Investmart. Please go ahead sir.

Mr. Rakesh from ILFS Investmart:

Hello sir, this is Rakesh [Gadhwal] here from ILSS Investment Mark.

Sanjeev Bikhchandani:

Hi.

Rakesh:

Hi. Actually, just some details points like can you give me some flavor about Jeevansathi as compared to last year's. How many profiles, how many profiles are paying you and something of that sort for nine months FY '07 and as compared to FY '06?

And maybe for 99 acres, what are some data points, which you can provide, if you can provide? And apart from that, can you please repeat the number for that recruitment and others percent of revenue coming from that line?

Sanjeev Bikhchandani:

Recruitments in nine months FY '07 was 88.95%. That is about 89%.

Rakesh:

Okay.

Sanjeev Bikhchandani:

Others was 7%, and other income was 4%.

Rakesh:

4%? Okay.

Sanjeev Bikhchandani:

I'm rounding it off. Okay?

Rakesh:

Hello?

Sanjeev Bikhchandani:

I'm rounding it off to the nearest one.

Rakesh:

Yeah. That's fine. That's fine. And what about Jeevansathi and 99 acres, if you can provide some data point on that?

Sanjeev Bikhchandani:

One second. Let me just give it out, and let's see what best I can do. From 99 acres, you know, we may not sort of announce any data.

Rakesh:

But anyways, what has been the development on 99 acres, let's say --

Sanjeev Bikhchandani:

I'll let you know, one second. Now, we will talk about you know about Jeevansathi.

Rakesh:

Yeah.

Sanjeev Bikhchandani:

Okay. Now, we --

Rakesh:

Hello.

Sanjeev Bikhchandani:

Just sort of one second.

Rakesh:

Yeah. Fine.

Sanjeev Bikhchandani:

We are now at the end of quarter one.

Rakesh:

Yeah.

Sanjeev Bikhchandani:

There were you know more than 8 lakh profiles.

Rakesh:

8 lakh profiles at Q1 FY --?

Sanjeev Bikhchandani:

At the end of quarter one, total profiles. I'm not saying added in quarter one.

Rakesh:

Okay.

Sanjeev Bikhchandani:

Then 8 lakhs has moved to almost 13 lakhs.

Rakesh:

13 lakhs? And how much of them are paying you?

Sanjeev Bikhchandani:

We are not disclosing that number for competitive reasons.

Rakesh:

Okay.

Sanjeev Bikhchandani:

But that number is steadily sort of increasing.

Rakesh:

Okay. Okay. That's fine. So you will not be anyways declaring the separate like how much percent is coming from Naukri, jeevansathi, 99acres -- if you are not...

Sanjeev Bikhchandani:

That we are revising right now, recruitment and other verticals.

Rakesh:

Okay.

Sanjeev Bikhchandani:

This is purely for competitive reasons.

Rakesh:

Okay.

Sanjeev Bikhchandani:

We do not want a competition, sort of, get a fix in exactly how much we're doing well and...

Rakesh:

Any kind of idea on that jeevansathi market shares? Is it moving or what is the future?

Sanjeev Bikhchandani:

We don't have competitive data.

Rakesh:

Okay.

Sanjeev Bikhchandani:

We don't know exactly, how much Shaadi and Bharatmatri are doing. But we suspect we are moving up steadily.

Rakesh:

Okay.

Sanjeev Bikhchandani:

In terms of share.

Rakesh:

Okay, Okay. Thanks a lot sir. Thanks a lot.

Operator:

Thank you sir. There is again a follow up question from Mr. Jason from Citigroup.

Please go ahead sir.

Jason:

Right. Thank you. Most of my questions actually were answered, but I do have one. You mentioned in your IPO prospectus that one of your – you said proceeds, would possibly be to do acquisitions. I can understand, you may not want to give us any specific names and targets.

But could you, could you tell us how close you think, you are to doing with deal? And maybe describe some of the parameters of what type of company you are looking for? And finally do you, do you have a firm policy on whether you would do dilutive deals or will you only look at acquisitions that are accretive types?

Sanjeev Bikhchandani:

Okay. You know, we are not in serious discussion with anybody so far on acquisitions. Acquisitions are going to be opportunistic. You know so far, you know -- so we'd be looking at good management teams, you know, with producing business idea, where we can make a difference and the price should be right. So we won't make any rash acquisitions in a hurry.

And at the same time, you know, we'll keep our eyes and ears open and see a good opportunity we look at. The kind of opportunities where we look at or will, you know, we are unlikely to do any e-commerce site where we're selling products. We are not strong in inventory logistic managements.

And we don't want to get in a business. We are in the information exchange business. We will be & we look at, you know, information based sites, rather than -- rather than you know, e-commerce sites. And our most single most important thing is management team must be good, you know, and it must actively run the business.

And it did not be 100% acquisition we could take a look at State logistics or we could look at sort of taking minority with the vast majority, we could look at majority. And -- so we have nothing in mind right now, but -- we'll sort of wait and watch and then make our moves accordingly.

Jason:

Right. Thank you very much.

Operator:

Thank you, Mr. Jason. Once again if you wish to ask a question, please press "star one" on your telephone, and wait for your name to be announced. I repeat, if you wish to ask a question, please press "star, one" on your telephone, and wait for your name to be announced.

At this time there are no further questions. I would like to hand over the floor back to Mr. Sanjeev Bikhchandani, for final remarks.

Sanjeev Bikhchandani:

Okay. We've said what we have to say. But I'll just repeat one thing. A word of caution while this quarter results have been good. I would like to temper it with the fact that, you know, our results vary on -- with the advertising, and it all goes straight away from bottomline if we sort of advertise a little bit more.

And if revenue comes little bit less, you know, when expected then it all goes away from the bottomline again. So it's a useful thing not to sort of extrapolate this quarter's results as a run-rate. And wait one more quarter before coming to a firm conclusion of where our profits are headed.

Thanks very much and bye-bye.

Operator:

That does conclude our conference for today. Thank you for participating. You may all disconnect now.

END OF TRANSCRIPT