"Info Edge Q4 FY 20-21 Results Conference Call"

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Anand Bansal: Hi, everyone. Good afternoon. Welcome to Info Edge conference call. We will start in a minute. People are joining. We have opened the virtual call. We have got 70 people with us.

Anand Bansal: Hi everyone. Good afternoon. We will be starting in a short while. People are joining.

Anand Bansal: Hi, everyone. We will be starting now. I'm Anand Bansal along with my colleague, Vivek Agarwal. We will run this call. Vivek over to you. We have 160 people and we can start now.

Vivek Agarwal: Thanks Anand. Hi, everyone. Good afternoon. Welcome to Info Edge India Limited Q4, 21 and Full Year 2021 Financial Results call. As a reminder, all participants lined will be in listen only mode, and there will be an opportunity for you to ask question after the presentation concludes. Should you need any assistance during the conference call, please raise your hand on your screen. Please note that this conference is being recorded.

Joining us today from the management side we have Mr. Sanjeev Bikhchandani, Founder and Vice Chairman. 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 statement made today in today's conference call maybe forward looking in nature and may involve risk and uncertainty. Kindly refer to slide number two on investor presentation for detailed disclaimer.

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

Hitesh: Thank you Vivek and good evening and a warm welcome to everyone for our fourth quarter and annual results conference call for FY 2021. As always, we'll start with the overall financials and then cover each business in more detail. And then we'll have Q&A towards the end.

The audited financial statements and other schedules on segmental billing, revenues etc, along with the datasheet have been uploaded on our website, **www.infoedge.in** So let's move on to the standalone financials.

Billings in Q4 were Rs. 415.7 crores up 25.2% year-on-year. FY 21 billings stood at INR 1150.7 crores down 9.3% year-on-year. Revenue in Q4 was Rs. 290 crores down 10.2% year-on-year. FY 21 revenues stood at 1098.6 crores down 13.7% year-on-year.

Operating expenses excluding depreciation, amortization for the quarter were Rs. 236.8 crores up by 4.7% and for FY 21 expenses stood at Rs. 821.1 crores down 5.6% year-on-year.

Operating EBITDA for the quarter stood at 53.2 crores versus 96.5 crores last year, a decline of 44.9% year-on-year and FY 21 operating EBITDA stood at Rs. 277.5 crores down from Rs. 402.7 crores last year, a decline of 31.1%.

Operating EBITDA margins for the quarter stood at 18.3% compared to 29.9% in Q4 of FY 20. For FY 21 EBITDA margins stood at 25.3% versus 31.6% last year. Cash EBITDA for the quarter, however, rose sharply by 68.3% year-on-year to 179.5 cores. Cash EBITDA for the full year stood at 331.6 crores down 16.6% year-on-year.

Deferred sales revenues stood at Rs. 520.8 crores as of 31st March 2021 versus Rs. 465.6 crores as of 31 March 2020 an increase of 11.9% year-on-year and the cash balance in the IEIL group as a whole stands at Rs. 3592 crores as of 31 March 2021 as against Rs. 1551 crores as of 31 March 2020.

Key snapshots for the quarter, Q4 saw a sharp revival both in terms of traffic and billing across all our verticals. All our operating verticals did very well in Q4. Billings in the recruitment vertical experience growth across most industry segments led especially by IT and IT-enabled services. The growth in the underlying operating metrics signals a strong revival in the recruitment sort of space. In 99acres traffic grew handsomely in Q4 across all our categories residential, commercial and new launches. However, with the onset of the second COVID wave in Q1, 2022 we witnessed a sharp drop in 99acres in terms of traffic in April and May. Since then the traffic has recovered in the month of June.

In Jeevansathi, we continue to invest in brand and marketing and user experience. The higher growth rate in both in terms of volume and value gives us a confidence to continue investing in the business for the next few quarters as well.

Shiksha traffic gains over the last 18 months are now getting translated into higher revenue growth. We continue to invest in improving both student engagement to comprehensive. We continue to invest in improving student engagement both through comprehensive content and more user centric product office.

We move on to the consolidated financial highlights for the quarter. At the consolidated level the net sales for the groups stood at Rs. 296.5 crores versus Rs. 327.6 crores from the corresponding quarter Of March 20. For the consolidated entity at the total comprehensive income level there is a gain of Rs. 309.4 crores versus Rs. 115.2 crores from the corresponding quarter of March 2020. PAT for FY 21 at a consolidated level stood at Rs. 1408.8 crores versus a loss of Rs. 245.7 crores for FY 20. This includes an exception gain of Rs. 1434.2 crores as opposed to a gain of 182 crores last year on account of notional gain arising from fresh infusion by other investors in our JV associated companies such as Zomato and Policybazaar, etc.

Moving on to business wise results. We will first discuss recruitment. In Q4 2021 recruitment segment billings were Rs. 297.9 crores up by 22% year-on-year, while revenues were Rs. 198.6 crores, a decline of 13.9% year-on-year. Operating EBITDA stood at Rs. 99.3 crores down by 24.3% year-on-year. Margins were at 50% versus 56.9% in Q4 of last year. For the full year as a whole recruitment billing was down 11.9% to Rs. 806.9 crores while revenue declined by 15% to Rs. 771 crores. For the full year EBITDA margin stood at 55.4% compared to 55.6% in FY 20 and cash EBITDA for the quarter however, for the recruitment business stood at 198.9 crores up 37% year-on-year.

Naukri had a strong, we saw strong performance in Q4 in recruitment in Naukri India a 22% YoY growth in billings with March billings growing at 54% year-on-year. Overall, we saw secular growth with an increase in billings in platform usage and the number of customers across more segments including IT and ITES and consultants which together account for over 50% of the Naukri India top line.

We saw a sharp upswing in job seeker metrics as well on the platform. New CV registrations per day stood at Rs. 16,000 per day, a growth of 25% compared to Q4 of last year. Average CV modifications per day also reached a record high of 512,000 a growth of 21% year-on-year and 41% in March 2021.

Recruiter engagement with the platform improved further in Q4, majorly led by IT, healthcare and pharma industries. We redefined our marketing strategy for the quarter with very limited expense as per the current business environment. At the same time, we also managed to maintain our market share of 80% plus in the country's traditional online classified recruitment business.

Moving on to IIM jobs and H irist not including the standalone numbers IIM jobs report to the billing of 10.3 crores for Q4 of 2021. This is a growth of 54.9% in Q4 of 2020. For the full year, FY 21 IIM jobs and hirist added 4,300 new customers and EBITDA for Q4, 21 stood at Rs. 1.6 crores up from a loss of Rs. 2.3 crores in Q4 of 2020 and cash EBITDA for Q4 for IIM stood at Rs. 5.4 crores. And for the full year cash EBITDA was 6.3 crores.

As some of you may already know, we announced, we completed the 100% acquisition of Bangalore based Zwayam Digital Private Limited this month, which is this month as in June. Zwayam is engaged in business or in the business of providing SAS based sourcing and screening, recruitment solutions and providing end to end recruitment solutions with configurable plug and play modules. Zwayam revenue for FY 21 stood at Rs. 6.46 crores. The acquisition with Zwayam will leverage our strengthen distribution and complement and supplement our RMS offerings.

Moving on to the real estate vertical 99acres. In 99acres billings in Q4 stood out to be 71.7 crores a growth of 41.5% year-on-year while revenues stood at 50.1 crores a decline of 11.1%. year-on-year. For FY 21 billing was down 13.6% compared to FY 20 and closed at 184.8 crores while revenue declined by 23.8% and we close the year at 117.8 crores. The operating loss for the quarter stood at Rs. 16.6 crores while EBITDA for the full year stood at a loss of Rs. 22.2 crores against a profit of 8.4 crores for the last financial year.

Cash profit for 99acres during the quarter however was 5.7 crores against the cash loss of Rs. 3.8 crores last year. In Q4 99acres new home, resale, commercial showed strong sequential business recovery compared to Q3. Rental recovery was a bit muted though. In Q4 our expenses were higher but 20% increase brand marketing spends and the launch of a new marketing campaign. Daily fresh owner listings posted on the platform grew 14% year-on-year in Q4. Recovery in broker listings lagged a little behind the recovery in owner listings. All India brand top of mind share continue to be strong and traffic in Q4 to 11% quarter-on-quarter and year-on-year. And our responses on the platform grew at an average of about 35% in Q4 versus Q4 of last year.

Going forward we expect the share of online in the overall spend to advertisers and developers and brokers go up further post the second COVID wave subsiding and lockdowns easing out as prices further realize the inherent cost urgency of digital versus print media and printings. Post once a lockdown restrictions are fully removed, we expect to see a broader recovery on all fronts listings, traffic, inquiries, and revenue. Like I said April and May where for 99acres were affected because of the lockdown and because of COVID too. Since then traffic has bounced back in the month of June. But we'll have to wait and see what happens going forward. We continue to invest aggressively in improving our core platform experience in all our business segments within 99acres to strengthen our competitive position further.

Moving on to the matrimony business Jeevansathi. In Jeevansathi billings grew 12.2% year-on-year in Q4 to Rs. 26.7 crores and revenue grew 14.4% year-on-year to Rs. 25.9 crores. Operating EBITDA losses stood at 21.4 crores in Q4 of 21 up from a loss of Rs. 18.8 crores last year.

FY 21 billing grew by 15.2% year-on-year to Rs. 100.4 crores for the full year up from Rs. 87.1 crores in FY 20 and revenue grew to 96.9 crores from 84.7 crores in FY 20 increase of 14.4%. FY 21 EBITDA stood at a loss, EBITDA loss stood at Rs. 95.6 crores against a loss of 63.2 crores in FY 20.

Cash loss for Jeevansathi during the quarter stood at Rs. 21.9 crores up from a cash loss of 18 crores last same quarter. In Q4 growth momentum continued despite a slowdown in March due to rise in COVID cases. The key differentiating features in the platform like online verification, video calling and video based online meetups kept driving user engagement and the app rating on the Google Play Store continued to be one of the best in the category. Jeevansathi continues to consolidate its position as it gets into positional strength in the Hindi speaking markets.

Moving on to education vertical, Shiksha.com. In Q4, billing for Shiksha grew 45.1% year-on-year to 19.4 crores while revenue grew 16.8% year-on-year to 15.4 crores. In FY 21 billing in revenue grew 12.7% and 6.9% respectively and stood at Rs. 58.6 crores and

Rs. 57 crores respectively. EBITDA stood at Rs. 30 lakhs versus the loss of Rs. 1.4 crores in Q4 of 20. Full year 21 operating profit stood at Rs. 4.1 crores versus a profit of Rs. 1.2 crores FY 20. Cash profit for the quarter stood at Rs. 4.3 crores up from a cash loss of 1.2 crores FY 20. We are continuously putting more and more efforts to get more and more relevant content on the platform.

Talking about our strategic investments. Our investee companies Zomato has filed a DRSP with SEBI seeking approval for a proposed hike. Thank you. That's all from us. We are now ready to take any questions that you may have.

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

Anand Bansal: The first question is from Pankaj Kapoor from CLSA. Pankaj go ahead and ask your question.

Pankaj Kapoor: Yeah, Hi, thanks for the opportunity. I have two questions. First, on the bookings, especially in the recruitment business does it also have some element of price increases? Or was it all volume led. And if you can quantify the price component, if there is one. Second, on the cash balance, you used to have almost the entire fund that you raise last year from IPO in the books plus, in the next few months, you will probably get another 750 odd crores from Zomato IPO. So how are you thinking about it? Do you plan to keep it for some more time and wait for a larger acquisition? Or maybe change the investment style and move for late stage funding? Or are you contemplating maybe even returning it back to the shareholders? Any color on your thought process there will help. Thank you.

Hitesh: Yeah let me answer your first question. See, Q4 saw a broad recovery in recruitment. We put a lot of new old customers back into the system. Customers were not renewed earlier. We were of course able to update our existing customers also, because it wasn't actually picked up in Q4 in a lot of segments. So normally, what happens when actually also picks up is that you tend to get more discounts. So while so that may have also helped to some extent. If we take a very aggressive price increase in the quarter the answer is no. We did roll out some new products for a certain set of customers. But that contribution of that to the growth in Q4 was minimal. To answer your other question on resource allocation and so on and what we intend to do with the cash well, see, our strategy remains the same. We continue to invest in different sorts of parts of our business. The four businesses internally, of course, Naukri regenerating a lot of cash. But we continue to invest, and we want to invest aggressively going forward in both Jeevansathi and 99acres and if required in Shiksha as well. We have been making a lot of investments in adjacent areas. We acquired Zwayam for example this quarter. We would like to do more such acquisitions going forward in the spaces in which we operate. So that's the second bucket in which we are investing because the Info Edge AI has continued to invest aggressively in startups. And yes, we are, we will continue to scout for bigger acquisitions as well. But there we like to acquire maybe one company every like two or three years. So we continue to analyze and look at all opportunities in all the spaces we are operating today; jobs, real estate, matrimony, education and if we find something interesting and which is also available at the right price then of course, we will sort of press forward with it. So to answer your question I mean the idea right now is not to give cash back to the shareholders but to utilize it for growth in all the sort of various buckets I mentioned going forward.

Anand Bansal: The next question is from Pranav Kshatriya from Edelweiss. Pranav go ahead and ask your question. Pranav you are there?

Pranav Kshatriya: Yeah. Thanks for the opportunity. My first question is regarding this pandemic and the phase two of the pandemic ,has there been any impact on Naukri business for non IT verticals because of this and for other verticals if you want to call out for any specific impact which has happened?

Hitesh: Yeah. So surprisingly COVID two has had no impact on the overall Naukri business. In fact, you're taking a bit by surprise give it impacted the 99acres business like I said, because the lockdown meant that people could not go out to look for houses but hiring has moved online. Hiring is now all digital. Interviews are happening at home. In fact it's becoming easier to hire now because you don't even need to travel for an interview. So COVID two had no impact on our, has had no impact on Naukri till now. Even job seeker metrics continue to be healthy, recruiter metrics continue to be healthy. Of course, there was a lull in hiring for some time in between, because maybe there was a point in time when the entire a lot of recruiters were down with COVID. A lot of candidates were down with COVID. But on the whole, we've not seen any major impact of COVID two on hiring, or at least on our business. Yes hiring has been mostly IT and ITES led that part of our, those sort of segments or those industries have grown, grew much more rapidly for us than the non IT sectors which were impacted a lot more which have been impacted a lot more by COVID.

Pranav Kshatriya: Okay. Thank you.

Anand Banal: Yeah. The next question is from Sudhir Guntupalli from ICICI Securities. Sudhir go ahead and ask your question.

Sudhir Guntupalli: Yeah. Thanks Hitesh. Just want to check if you want to call out any one offs or so in employee expenses or other expenses during this quarter because it looks a TAD higher than our usual run rate.

Hitesh Oberoi: Well, you know, we gave an increment to some employees, in, I think the second half of last year. So partly, maybe that and partly you see, we were not expecting the company to do so well in Q4. So almost all our sales teams met and exceeded their targets. So there was a maybe a huge variable payout as well in Q4. So that may have accounted for the part of the increase.

Sudhir Guntupalli: So is it fair to understand, I mean, is it a fair understanding that this would have otherwise been spread out over four quarters and probably it would have gotten accounted for in only one quarter?

Hitesh: Not over four quarters, because see the salary increase is what it was, I mean, everybody, I mean, most many people in the company got a salary increase. And what you saw, I mean, what is there as is only there's salary increase for that quarter. And also the variable payout is also only for that quarter. It's not as if there was a variable payout which was made for the entirety. But yes because the way our variable play plan works is that if you exceed your targets, you end up making a lot of variable. So most people must have 110, 120, 130% of what the target was. On the other hand, in the previous quarters because most people ended up making less than doing less than their target, they may have ended up with 70, 60, 80% of what was their target in total.

Sanjeev Bikhchandani: Yeah, may I just add to that, just to help you understand it better? So when COVID first came in March 2020 and the economy which was shut down we did not let go of any people in April 2020. But we defer the increments. And those increments were given I think in December if I am not wrong, if I'm correct. But they were not given retrospectively. When are they given to them?

Chintan Thakkar: December 1 we gave some part of it.

Sanjeev Bikhchandani: 1 and they were paid prospectively, not retrospectively.

Chintan Thakkar: Yeah.

Sanjeev Bikhchandani: And therefore that tended to depress the people payouts in the first nine months of the financial year because we were unsure what will happen and when business began to come back we gave the increments but prospectively. So the increment that should have happened in April, actually happened for some people in December and for some people didn't happen in December. We were being very cautious.

Sudhir Guntupalli: Yeah, yeah. Got it sir and Hitesh just one more question on recruitment. You alluded to the fact that surprisingly it had no impact on, COVID second wave had not much of an impact in the June quarter also. So is it fair to expect that we have been seeing a period of depressed white collar hiring in the country for some time now even before the start of COVID and over the last 12 to 14 months also? So is it fair to expect that we are kind of looking at a strong recovery in the white collar space and probably one of the green shoots of that is the fact that despite such a lot of panic and fear around second wave it has not really impacted our March/June quarter links? Is that a fair way to look at it?

Hitesh: Yes, hard to say what is going to happen going forward. But what I hear from anecdotally from our sales team, and what we are seeing in our company, also, if there is any indication, hiring, least of people with digital skills, and IT scales back to the bank. I think that digital transformation stories playing out as we speak, and every company wants to add digital talent and attrition rates are moving up across companies, salaries are going up like crazy for people with the right skills. Now, this is not happening in all parts of the economy. Like I said, it's only in some parts in some industries is where we are seeing this, but so I don't know if this is going to sustain. But right now, it's almost impossible to hire people in this market it's that bad if you have if you know, in the digital sort of world. In the non-digital world I mean things are not as good.

Sudhir Guntupalli: Got it. Just one last question. So maybe an extension of another previous questions. We already have around 3600 crore cash on the balance sheet, maybe more than sufficient for any of our future M&A/early stage investment options. So how do we look at the monetization plan from, let's say, Zomato listing standpoint? Are we going ahead with that monetization of that stake? Or because we already have 3600 crore kind of cash on the balance sheet. What is the thought process behind monetizing that stake in Zomato at this juncture?

Hitesh Oberoi: Yeah see just one point I want to make 3600 crores a lot, not a lot of money in the digital world anymore. Right? You routinely hear of companies in the digital world making $200-$300 billion acquisition that will be right of companies you might even heard of. So just letting you know that if you want to make a big acquisition, there's money may not be enough. Now Sanjeev can talk about what we want to do on the Zomato stake. Sanjeev you are on mute.

Sanjeev Bikhchandani: Sorry. Look, it's the only DRSP that we will monetize up to 750 crores worth of stock. We stay with that as of now upto 750 crores. We will of course, the final, the RFP that we filed. And, you know, let's see what happens there.

Sudhir Guntupalli: Sure sir. Thanks. That's it for my side. All the best.

Anand Bansal: The next question is from Satvik. Satvik seems dropped out. So I think next question. Next question is from the Vivekanand Subbaraman from Ambit Capital. Vivekanand go ahead and ask your question.

Vivekanand: Hi, thank you very much for the opportunity. I have a couple of questions. One, Hitesh you mentioned about a month, month and half back that a large part, I mean 20-25% of your employees are also impacted by COVID. So does this second wave the suddenness and the sharpness, does this change your outlook towards just having one office in NCR? I mean, would you want to change the way you operate? That's question one. Secondly with respect to the previous question on Zomato Sanjeev I heard that you mentioned there is an option to monetize up to 7.5 billion rupees worth of shares.

Sanjeev: 750 crores I said.

Vivekanand: Right 750 crores. So does this necessarily mean that you will need to go ahead with it or could be potentially not sell?

Sanjeev: I mean, we have no further announcement to make on this right now. it's in the DRSP that we will monetize up to 750 crores. Let's see how the IPO proceeds.

Hitesh Oberoi: So I don't know if I got the first question. Right. But basically, you were asking whether we will intend to go back to working from one office in Noida. Right?

Vivekanand: My question was more about your operations being focus on one city, right, NCR? I mean, most of your overall central team sit there. Is there a plan to possibly change the way you operate given how badly NCR was impacted during the second wave? I'm just asking the same question that I asked some time ago on tech hiring being so difficult in NCR probably will you consider being operating from other cities like Bangalore, Pune?

Hitesh Oberoi: Correct. Correct. So, listen, so we have close to 4500 employees. And many of our employees, we have in sales roles. So we have sales office in over 40 cities. So I think close to 1500 people, or maybe 1200, 1300, 1400 people operate out of these cities and these offices in the cities. In NCR also we have multiple offices. So we don't operate out of one physical location of course, for the last 16-18 months we've been operating from home and that is what we intend to do for the next few months as well till this sort of COVID is behind us. It's had no impact on our business. We're doing okay. We see no reason to go back to working from office in a hurry. Will we hire remotely answer is maybe yes because this the way we are working seems to be working out well for us now. Now maybe will we be very aggressive on remote hiring, maybe no to start with, but we will experiment for sure with remote hiring. Take Zwayam for example, the company we acquired the base out of Bangalore. So now we have a base in Bangalore as well. So if you want to expand our operation in Bangalore, we can always add more people in Bangalore as well.

Vivekanand: Okay. Understood. Thank you.

Anand Bansal: The next question is from Neha Dakhneja Neha go ahead and ask your question.

Neha Dakhneja: Thank you so much for the opportunity. Sir my questions are in line with the online matchmaking business that you have Jeevansathi. So where do you see the business going forward from here and do you see the business being profitable in the coming years and what are your current marketing expense?

Hitesh Oberoi: So the plan is to keep growing Jeevansathi at 20% plus per annum for the next few years, and now this will require investment, substantial investments in marketing if you have to be in shape. So we believe that we'll have to keep investing in the business and mostly marketing for the next three, four years at least. So that's the current plan, I mean, last year, we lost 60 crore, 90 crores, year before last lost 60 crores going forward also we may have to because the market very competitive, we are number three, number two in the north, but number three nationally. If we have to gain share, then we have to maximize marketing spends of our competitors who today are spending 120-130 crores a year on marketing. So if you have to gain share, we'll have to spend at least as much if not more.

Neha: Do you have plans for consolidations in this market? And where do you see yourself?

Hitesh Oberoi: No, it's a 3 player market unfortunately and therefore no player makes a lot of money. And we are all fighting each other and prices are also depressed, pricing also depressed. So ideally, it makes a lot of sense for players who to sort of come together. But whether it's doable or whether in the next one or two years is hard for me to say I mean, we are open to the idea, but it may or may not be practical and feasible.

Neha: And will you be on the buying side or this?

Hitesh Oberoi: Yes, yes, we were we would rather buy than sale.

Neha: Okay. Thank you so much. Thank you.

Anand Bansal: Thank you. Next question is from Krishna from Capital Mind. Krishna go ahead and ask your question.

Krishna: Yeah hi. Good evening, and thanks for the opportunity. I just have one question. On our balance sheet we have 2329 crores categorized as other financial assets. So can you throw some light on what these assets are actually?

Rajesh Aggarwal: So these are the FDs lying with the banks more than one year with horizontal maturity. So one category is up to three months. Second is 3 to 12 months and third category is beyond one year.

Krishna: Okay. So these are essentially FDs only.

Rajesh Aggarwal: That's right.

Krishna: Great, great. Just any and Hitesh any light on Policybazaar IPO when can we expect it maybe year end or next year?

Hitesh Oberoi: Chintan want to take that?

Chintan Thakkar: So Policybazaar is preparing themselves for the IPO. When they will have I think that's little follow up. Board has not really approved any plans. But we can certainly tell you that they are preparing for it. And as you know that IPO preparation takes its own amount of time. So I think they are going through that. So as and when we are kind of ready for that and the DRSP is filed. I'm sure there will be an announcement on that.

Krishna: Okay. Thanks. Thanks for the opportunity.

Anand Bansal: Yeah the next question is from Mayank Babla from Dalal & Brocha. Mayank go ahead and ask your question.

Mayank Babla: Thank you for taking my question. My first question is about the other expenses. Quarter-on-quarter there's been a sudden spike from 15.7 crores to 20.5 crores. Could you please explain that?

Hitesh Oberoi: Sorry, other expenses?

Mayank Babla: Yeah. On the standalone and others.

Rajesh Aggarwal: Sorry I missed the question.

Chintan Thakkar: The other expenses lying the entries.

Mayank Babla: The standalone sir. Yeah quarter-on-quarter increase.

Hitesh Oberoi: The question is other expenses have gone up substantially compared to last quarter.

Mayank Babla: Yeah.

Sanjeev Bikhchandani: Yeah okay.

Mayank Babla: Hello?

Hitesh Oberoi: Yeah just a minute.

Mayank Babla: Can I go ahead with the second question?

Hitesh Oberoi: Yeah please go ahead.

Mayank Babla: Yeah. So Hitesh my question was around like for us Zomato and Policybazaar it took 8 to 10 years patient capital to become so big or the next Now, going ahead over the next 8 to 10 years or 15 years, which segments or which sectors are you seeing potential and or where you see it can be the next Zomato or Policybazaar.

Hitesh Oberoi: Sanjeev you are on mute.

Sanjeev Bikhchandani: May I take that question? So look we don't do it top down. We don't do sectors. We don't, we prefer to see companies and entrepreneurs. And if we like something, we invest in it. So we'd like to see what's bubbling up, we would bottom up. We believe that the best way to invest as opposed to pre-deciding, hey, you know, we've got four classified sectors, we don't have automobile, we got to do it. That's not the way we do it. Now if you if I talk about companies that are promising, I think, in the direct investments Info Edge makes balance sheet or subsidiary balance sheets, there are, I think, two or three companies that are looking promising. Right. But of course, they're much, much smaller, and much much less valuable than Zomato and Policybazaar right now. So this would be gramophone, Shop Kirana, Shipsy right? We are hopeful that one or two more may emerge which will be really valuable but look early stage you can't say for sure. We'd love all five or six to make it. But our past experience tells us that look, if you've got six promising, in all likelihood not all six will make it. So wait and watch and we continue to support, continue to invest, continue to work with them. As far as the AIF portfolio is concerned that's very, very new. So it's too early. It's still emerging. But yeah, we've got some promising investments there also, but it's emerging. As far as the investments in the strategic spaces are concerned which is investments in jobs, in real estate, in matrimony and in education classifieds, the consideration there is not necessarily to build unicorns, industry unicorns and have this great financial upside there. I think a big part of the intent would be to complete your offering to build your moat, to tackle a new segment. So you've got to look at it from that strategic prism. So for example, with Zwayam acquisition, on its own may or may not become a unicorn or separate business, but definitely complete the offering of Naukri. For example, does it make your job listings product much more useful because it's enterprise response management service. Maybe it does. Then what IIM jobs do? Does it create a gap in your portfolio? Yes, it probably does. Now, will it become a 1000 cr company on its own or may not be. but does it cover a gap in the market with Naukri, answer is yes possibly. So the prism for evaluating strategic investments is different from merely valuations.

Mayank: Thank you sir.

Rajesh Aggarwal: Other Expense has increased because of CSR spend which has increased and also for bad debts primarily.

Mayank Babla: Okay. Thank you sir. Thank you.

Anand Bansal: Our next question is from Kaushal Shah. Kaushal go ahead and ask your question.

Kaushal: Hi, am I audible?

Male Speaker: Yeah go ahead.

Kaushal Shah: Do you look any competition coming from LinkedIn, or any big thing in professional networking in your recruitment vertical? And again, one question, as Hitesh said that you are not willing to give back any money via dividend. So any bonus plans on your list? Thank you.

Hitesh Oberoi: See LinkedIn has been around for maybe 12-14 years, we have been competing with LinkedIn. Has anything changed on that front? Has anything material sort of happened on that front which we would want to report? The answer is no. We continue to compete with LinkedIn like we have been competing for the last few years.

Kaushal: Okay and –

Sanjeev Bikhchandani: As far as the bonus issue is concerned, look we haven't discussed it really but my personal sense is that look we will be prepared to give a bonus when your EPS is high enough and there is predictability. Now given COVID and the uncertain environment there isn't so much predictability and therefore which is why we haven't considered it so it's not even, it's not even been discussed.

Kaushal Shah: Okay okay. Thank you.

Anand Bansal: Next question is from Vivekanand from Ambit Capital. Vivekanand go ahead and ask your question.

Vivekanand: Hi, thank you for the follow-up opportunity. So Hitesh, Sanjeev would you like to share any update on the recruitment areas or segments where we are not that dominant especially the non IT side or PFSI and if you could give us a bit more qualitative color on the kind of customers that IIM jobs and hirist have signed on? That's question one. Second we were talking about the management reorganization I think in fiscal 2010 or mid of fiscal 19 with respect to the real estate vertical there we wanted to focus on a few new revenue segments. Any update on that?

Hitesh Oberoi: Yeah. Okay. Let you take your question on IIM jobs and hirist and segments where we are not as strong. See basically Naukri is a dominant player across segments. So whether it's IT companies or non-IT companies every company uses Naukri to hire. IT companies of course hire a lot of people and they see a lot of, lot more value in Naukri. It's a lot of hiring is skill based but where Naukri, where LinkedIn comes in its where it gives sort of used for more passive hiring, of hiring of seekers or not looking for a job where Naukri will be used more for active job seeker hiring or of job seekers who are looking for jobs and that continues to be the case. Now where IIM jobs made some inroads was in management hiring. So hiring of management graduates and good institutions, premier institutions which companies like for example if you take some of the top companies in India they hire a lot of, they go to the best sort of B-schools they hire from those schools, they do a lot of campus hiring. They have very high quality talent from the IIMs, from the other sort of good business schools and that's where Naukri was lagging a bit because see while had all these jobs and they had all these job seekers some of the because we had a lot of them the premium guys were getting lost on the platform and IIM jobs that built a good brand in this segment. So we managed to use IIM jobs to get a lot of these customers who are not using Naukri aggressively for hiring this kind of talent into our fold. That's been the effort till now. Hirist is still tiny. Hirist is still very very small compared to IIM jobs and compared to Naukri but it's emerging as a decent tech brand. Again our intent, our intention will be when we have to see how it plays out in real life will be to position Hirist as a premium tech hiring brand unlike Naukri which is like a mass tech hiring. So let's see how that goes early days on that front.

Vivekanand: There is the second part.

Hitesh Oberoi: Second part of the question was on I think 99acres management organization. Yeah so we are, so what we've earlier we used to look at 99acres as one business with one team managing everything. So over time we realized that we are actually in maybe three or four different verticals in the real estate business. So the jobs, the resale vertical is very different from the commercial vertical which is very different from the new home vertical which is very different from the rental vertical. So what we've done at least for the time being is we've reorganized a product team at least. So we have separate teams working on each of these verticals. So separate platform teams for each of these verticals. We are now moving towards reorganizing the engineering team also platform wise or vertical wise. Right now we have one sales team which sells to all our customers but there also we have separated out the new home piece to a large extent so that we have a separate set of people who work on customers who sell new rooms. So it's largely done. We are 60-70% there. We continue to of course have one brand 99acres. We are not launching separate brands. Right now that's not the intent but that's where we are on that journey.

Vivekanand: Thanks a lot. Any comments on the debate, perennial debate with respect to 99acres the debate between remaining a classified player and a full stack operation? And secondly do you have anything to report in respect to the collaboration with some of the investees that operate in the same area? You had made those investments a couple of years ago.

Hitesh Oberoi: Yeah. So full stack versus classified see of course classified is our core business and we are primarily a listing and marketing platform and that's where 95%, 98% revenue comes from today about maybe 1 or 2% of our revenue today comes from services we provide to owners. And yes the plan is to grow this peace over time faster if possible to provide more and more assisted services to owners. Are we looking to go the whole log and become brokers? Definitely not in the resale segment, definitely not in the rental segment. I mean that's not the current plan. Could we invest in companies outside which do stuff like this? Maybe we could but that's I mean we experimented with all check deals a few years ago and we then shut it down. So all check deals was supposed to be a like a channel partner for selling new homes. It did not work out for us at that point in time. Could we revisit that idea? Maybe we could at some point in time. Let's see. Let's see how it evolves. Not saying no. We've invested like you said we've invested in a couple of startups in the real estate space outside. Teal is one of them. It's a real estate analytics company. We did some integration trying out some integration with Teal right now in 99acres early days. So nothing much to report on that front. The other investment we've made is in Rahul Yadav's company but that is very, very recent. So again not much to report on that front.

Vivekanand: Thank you very much.

Anand Bansal: Any more questions please. This was the last question we had for today. The next question is from Hari. Hari go ahead and ask your question.

Hari: Hello sir thank you for taking my question. My question is on Jeevansathi. So this year we have I think burnt 93 crores last year so we burnt 65 crores and I think if we sum up for the last five years I think we'll burn around 220 or 230 odd crores. So I was just wondering from the outside in it doesn't seem like a super exciting market that's growing very quickly. So what is that we are seeing in this market that we are continuing to invest so much money here?

Hitesh Oberoi: Well see we are a really strong player now in the North. We are strong number two in the Indy belt we have close to 40% share. Why we are spending this much money right now is to gain share and we've gained share over the last few years. We believe that if you keep investing this kind of money for the next two three years we become a leader in the north. And hopefully at some point in time there will be consolidation in this space. So that's the idea right now. Why are we spending this much money because our competition is also spending a lot of money. So we are also forced to spend. It's a competitive market. If we don't then of course then it's like exiting the market but I think do believe that this market can grow continue to go at 15-20% per annum or 15-17% per annum for the next few years. It's not and if there was to ever be consolidation in the space then the margins also could be healthy for the players who are left in the business.

Hari: Understood. That's super helpful. Thank you.

Anand Bansal: Next question is from Swapnil from J M Financial. Swapnil go ahead and ask your question. Swapnil you are there?

Swapnil: Hello can you hear me?

Anand Bansal: Yeah. Please go ahead.

Swapnil: Yeah. A couple of questions actually. One is with respect to the merger of IIM jobs with the standalone business. So is that complete and going ahead will you be reporting the numbers as a merged entity? And second question is a bit on your investment strategy with respect to the investee portfolio. So in the food delivery space we have Zomato as an investment and you also have investment in Dotpay which in a way cater to the same category of, they address the same problem actually which is delivery of food to the customers and they are in a way competitors to each other. So any thoughts on any rational behind these investments and how do you look to these investments from your perspective? Thank you.

Sanjeev Bikhchandani: If Chintan you want to answer the first part first.

Chintan Thakkar: Let me answer the first part. So we are in the process of carrying out the legal integration. We are in the midst of it and we have had our shareholders meeting and credit [Inaudible] [00:50:25] meeting. The second motion is also passed. Probably somewhere in July, mid or maybe in August I think the legal merger should be complete and after that it will become part of stem.

Sanjeev Bikhchandani: As far as Dotpay is concerned look it is not just a restaurant billing or improvised billing, remote billing app, a contact lens billing app. It's horizontal play. One use case is restaurants but they're going to be several other use cases. So as the company evolves we'll see more and more of this happening but yes what has caught the media attention and they've been a couple of articles is because NRAI is pushing Dotpay and promoting as an alternative but no Dotpay does not deliver. We do not have a delivery fee. Dotpay is a contactless billing app and it will deliver the menu card and you can do it.

Swapnil: Right. Thank you.

Anand Bansal: The next question is from Nancy Desai from Marcellus Investment Nancy go ahead and ask your question.

Sahil Desai: Sorry sir. This is Salil from Hornbill Capital. Thanks a lot.

Anand Bansal: Okay.

Sahil Desai: So the question is any thoughts on how the blue collar hiring space is shaping up and if say the two COVID phase had any impact on the way hiring takes place in this segment? And what would be your strategy to play here?

Hitesh Oberoi: So we've been test marketing a product Job Hai in the NCR market for the last few months. Results have been encouraging early days but clearly what has changed in the last few years that everybody has a smartphone and as people have become digitally savvy. So it's very easy to get job seekers in the blue collar space onto your app, onto your platform. The harder part is actually getting the SMEs to use the platform to hire which is what we've been working on but I think that will also sort of become easier once SMEs also start digitizing that will also become easier. So I think fundamentally now is there a viable business there? Is it possible to make money? Time will tell but yes I think the market is ready for blue collar, I mean for a blue collar business now. Of course there's a lot of competition but like I said we've sort of been test marketing in Delhi, NCR we are happy with the results. Right now we're not focusing on revenue. We are not. We're basically trying to get the product market fit right and once we are confident then we will roll it out nationally as well which I expect to happen over the next few months.

Salil: And just to clarify you're saying the supply side is fine? It's the demand side that is where the problem is or?

Hitesh Oberoi: Yes.

Salil: So that's an interesting problem. It's better. Great. Thanks a lot.

Anand Bansal: The next question is from Manik Jaktiyani. Please go ahead and ask your question Manik.

Manik Jaktiyani: Hi, good evening. it's very nice to talk to all of you again. There was just a small question it's probably a little off the real subject. There is the whole retail market of a lot of investors who would like to invest in Info Edge but it's at 5,000 rupees it's not really within the reach of a whole lot of retail investors. So has there been any plan or is there any idea at all that you would like to split the stock and make it more accessible to the broader market?

Sanjeev Bikhchandani: Okay we haven't discussed this but look it's a thank you for the suggestion. We will certainly at least discuss it. I'm not saying we'll do it but I think we'll discuss it whether it's a bonus or it's a stock split we'll have to just figure out or maybe do nothing. Let's see. But thank you for the suggestion..

Manik Jaktiyani: Thank you.

Anand Bansal: Next question is from Arnav Kapoor. Arnav go ahead and ask your question.

Arnav Kapoor: Thank you. Can you hear me?

Anand Bansal: Yeah.

Arnav Kapoor: Thanks for the opportunity. I just wanted to understand given that we have so many B2C and also B2B businesses and given the trend around super app which has been working in China and many corporates and large corporates in India trying to replicate given that we work on the spectrum of basically the entire life cycle of a human being. Do you see an opportunity to integrate them even though they're investments in different companies and strategic investments and some of them are our own to build that kind of an ecosystem where you are able to monetize cross leverage cross-sell upsell across the various businesses? That's it. Thank you.

Hitesh Oberoi: I mean to answer a question there is no such plan. We don't think given the nature of our businesses which are sort of life events actually in the lives of most people it's not as if people are on our platform every day of their lives or on one of our platforms every day. We don't think they sort of lend themselves to the idea of a super app and we would therefore rather sort of let each business figure out its own strategy rather than distract them and sort of get them to work together at the back end. So I mean we've discussed it several times in the past but it's not on the agenda. And by the way in my view it's very very hard to build a super app for anybody not just for us.

Arnav Kapoor: Thanks. I totally agree I mean there could be just opportunities in cross-selling like in insurance and other things but you can come from building a database. Thanks so much. The other question was answered on.

Sanjeev Bikhchandani: Actually I will just comment on that. See in the past we also thought you can sell , you know in your resume form and Naukri who's single and who's married so you pick up that data. Maybe you can sell Jeevansathi the services but when we actually promote it when we acquired Jeevansathi first and we tried to promote it people got mad at us. So although we technically do it we have the rights we stop doing it. So the truth is when you're looking for a job you're not looking for a house and you're not looking for a spouse. No it's someone even though your demographic may be the same and it's about what you're doing when you're looking for it. So cross-selling is harder than it sounds is what we have learned.

Arnav Kapoor: Thanks for the answer. Thank you.

Anand Bansal: So, in case there are more questions please raise your hand. That was the last for the moment. So Vivek there are no more questions coming in. So you want to take it ahead.

Vivek Aggarwal: So on behalf of Info Edge we conclude –

Anand Bansal: One question is coming, sorry. So I am taking that. So question is from Ajay Tyagi. Ajay go ahead and ask your question.

Ajay Tyagi: Hello. Yeah hi, just one quick question. We've been hearing about the fact that even the private sector will have to post their jobs on a government portal now. Can you throw some color on that? Is that expected to have any impact on our business?

Hitesh Oberoi: Not really. We've been carrying stuff like this for the last 15 years. It's not really materialized till now and of course every state has its own sort of plan and we continue to engage in some of these governments. Now it's possible that some sort of states would take it more seriously than other states but right now we don't see any impact on us and I guess if they do it they'll probably do it for blue collar jobs.

Sanjeev Bikhchandani: Ajay where did you pick this up from?

Ajay Tyagi: I think it was there in some of the newspapers recently.

Sanjeev Bikhchandani: Okay.

Hitesh Oberoi: Over the years we've engaged with many state governments on subjects like these. I mean nothing's ever materialized and my sense is whenever we engage with them they're more focused on the idea of blue collar job seekers and sort of helping them get jobs than on white collar sort of job seekers.

Ajay Tyagi: Sure. No it was I think in one of the dailies maybe Sanjeev I'll forward that to you just to see if it's again like –

Sanjeev Bikhchandani: Yeah. Thanks so much.

Ajay Tyagi: One of those things which has been happening on and off or is there anything more tangible.

Sanjeev Bikhchandani: See actually in many states there already is a law that if you have any vacancies it's mandatory to notify the local employment exchange but nobody does it because they don't see too much value in doing it and the government does not go after them. So that seems to be an arctic provision which is there but is not used or implemented. But I mean different states are different and who knows tomorrow is new day.

Hitesh Oberoi: And by the way in the past we've also helped state governments put some of these platforms together. I don't want to name them but we work with a couple of them to sort of help them also but for some reason these things are never taken off.

Ajay Tyagi: Right. Sure. Thanks.

Anand Bansal: We have one more question from Zaharah Sheriff from Fedwinteg. Zara go ahead and ask your question.

Zaharah Sheriff: Hello.

Anand Bansal: Yeah. Please go ahead.

Zaharah Sheriff: Sorry I was on mute. Can you hear me?

Anand Bansal: Yeah yeah. Please go ahead.

Zaharah Sheriff: So I had a couple of questions. When you think of your core business is it just the verticals you're in right now or are you open to the larger universe if you will of the classifieds business like are you open to other segments?

Hitesh Oberoi: Yeah. So right now we are mostly focused on the segments we are in which we think are very large. Jobs and careers for example is a large category. We mostly play in the white collar job seeker space. We are now, we need to look at blue collar, maybe look at equipment software, equipment services but right now most of our business comes from the white collar sort of sourcing space. Similarly 99acres like I mentioned earlier we are now beginning to look at 99acres as four different verticals. The rental business is very different from the resale business, the resale business is very different from new homes. It's very different from commercial. In Shiksha which is the education business we have started a study abroad sort of business within the Shiksha business which is a separate sort of game altogether. So I think in the verticals we operate so there are sort of many opportunities which we would rather go after first but yes but we are not close to the idea of starting a vertical especially if it's in if we have if you understand this space. So classified something we understand and appreciate and we know we can run classified businesses. So if a good opportunity comes our way in the classified sort of space we will definitely evaluate it.

Zara: So if you were looking at it when you say that's your specialized scale if you will how does that actually translate for a new space if at all it had to like if you were looking at the space what are the sort of necessary conditions if you will for a classified business to succeed. Some of these, sorry, go ahead.

Hitesh Oberoi: Sorry do you want to complete your question?

Zara: No, because like some of the business I mean in fact most of the businesses that you're in your classified space they are growing at a certain scale at a certain rate if you will and they've always been sort of markets of scale but it's not like you're able to rush the pace of growth beyond a point and organic and a nice slow and steady not slow but like relatively speaking compared to the size it has been your style forever. So I'm just sort of trying to understand just that and is it inherent in the nature of classifieds for it to not be pushed to grow beyond a point and also like I said what would be the necessary conditions if you will when looking at another space.

Hitesh Oberoi: So every category is different. So let's take jobs for example. Now if India starts growing at whatever 70% per annum for the next few years the Naukri business could start growing at 30-40%. I mean we are already seeing that kind of growth for example in IT because IT markets are hard right now. So it's not as if classified business cannot grow it -

Zara: No, I've been sure of tracking your company since you listed at some level. So I understand that. I'm just sort of yeah trying to sort of understand I mean you can, it does not constrain your ability to grow in other areas is what I'm trying to get at and therefore if you're looking at other markets.

Hitesh Oberoi: So we are not actively considering entering other sort of verticals right now. like I said our focus we are more focused on entering adjacent vertical adjacent to the ones we already operated right now. So we would rather do a careers platform than do a car portal. We would rather do spend more time and money on building a rental platform inside 99acres than something else.

Zara: So when you say than what sort of, why are you rejecting it is it simply because you feel that the bandwidth you have is adequate only to cater to what you're in right now or is it because you keep saying cars but cars is probably more sort of from a capital allocation perspective is not the kind of business you'd be in. So I'm just wondering if there's an evaluation criteria there or is it just no let's stick to adjacent stuff.

Hitesh Oberoi: So we are not like I said we're not close to the idea but see two or three things have to happen have to sort of be being placed before we start a fifth vertical. One is that the market should be large, addressable market should be large. We don't want to enter into too many small markets. Two, we don't want to, I mean it's very very hard to displace an incumbent which is, if the incumbent is already very strong. So we would not want to enter markets where there are strong sort of players already and any space we enter into we should have something you need to offer to the customer, something unique something relevant which others are not doing otherwise it doesn't make any sense. So the truth is that there are lots of startups today and they're all trying a bunch of things. Most regular or sort of categories are already taken. They're already established players and they've been added for a while and they're pumping in tons of money. So for us to enter a new category like I said the offering has to be unique. The market has to be large. We have to be early. There should not be too many established players because that makes it virtually impossible. So these criteria have to be met for us to before we start a fifth vertical.

Zara: Okay. All right. Fair enough that's helpful. Thanks and just on the other side on the investment the AIF fund or just wondering if this is I know it's again very early days and you've talked about how you need patient capital and it takes 10 years to build a business but are you all really looking at possibly having a venture fund business as a vertical sometime in the future.

Sanjeev Bikhchandani: Look the AIF is a venture fund business. It's just that we only have two LPs.

Zara: Sorry.

Sanjeev: We have only got two LPs that's Info Edge and Temasek.

Zara: Right but is that –

Sanjeev Bikhchandani: We are, as of now the thinking is that we are unlikely to go down the path of raising larger and larger funds with 20 LPs and 10 LPs and 30 LPs. We want, we're happy with one like-minded LP in addition to Info Edge where both are patient, both are perceptual capital and both have a long-term view in India. So see if you look at historically exits in early stage investments in India have been hard and difficult. So strategy if you leave out Flipkart strategic sales have not happened at any kind of valuation which will give investors a lot of joy and will return the whole fund or something. That doesn't happen. And from early stage from first check to IPO often takes 12, 13, 15 years. We were the fastest at six years and we were good and lucky. I think make my trip to 10 years I think Justdial would have taken about what 17, 18, 20 years. I think IndiaMART took about maybe 20 years. I think Matrimony took 20 years. So you've got to have really patient capital. Now if your regular venture fund is eight plus two years it doesn't cover the distance from first check to IPO and therefore venture funds in India very many of them had a hard time if they invest early stage in getting great exits and that's not so easy which is why our fund is 12 plus two years and which is why our funds only has two LPs and both have a long term view in India. So tomorrow if you don't want to exit at the end of 14 years then you can just dissolve the shares to the LPs if the assets are good.

Zara: Yeah. No. I get that Sanjeev but I just wanted to know if what happens five years later or I mean just what is the, if at all there is or this is still just the first fund and you will see how it plays out or is there some kind of within the framework that you've created in terms of eight plus two is not enough and so on your terms but is there an intent to then venture into that space or is it always.

Sanjeev Bikhchandani: We have already ventured into the space.

Zara: No I mean in terms of growth.

Sanjeev Bikhchandani: Well look the intent is obviously we will likely do more funds should the experience be good.

Zara: Okay. All right. Fair enough. All right. Thank you. That's it for me. Thanks.

Anand Bansal: The next question is from Arpit Shah from Stallion. Arpit go ahead and ask your question.

Amit Jaswani: Hello. Sir this is Amit Jaswani here for Arpit Shah. Sir my question is about the reinvestment. We're sitting on 3000 crores of cash on books and we've not been able to reinvest. The opportunity corona now coming to an end hopefully and yet we're not able to reinvest the cash flows the interest that we would be getting with 5% yields about 150 crores we'll be getting 750 from Zomato. Your cash next year will be near 4000 crores keeping in FDs is not good capital allocation. What is our capital allocation strategy and how are we not, how are we controlling our former when other people are making so much money.

Sanjeev Bikhchandani: Chintan you want to address that? I think Hitesh already addressed it but let's have your version now.

Chintan Thakkar: So look cash has always been central to our strategy. We can use it as a defensive strategy. We can also use it as an offensive strategy. Last year when we went ahead and did the QIP the thinking about raising money, about trying to do an inorganic growth has always been there in past two, three years inside the organization. We have been thinking about it. We have been preparing ourselves for it and accordingly it was not so much about COVID but that thinking was already there so we went ahead and we raised money and we are still open. We have kind of sent out the messages saying that yes we do want to look at the large acquisition if that happens in any of the four verticals that we operate in we are happy to look at it. We are also happy to look at it some of these strategic minorities take in adjacencies or any of the differentiated business model which can help us to re-address the market that we are addressing or kind of create some kind of synergies with the product that we are offering or create more modes for our businesses we are open to look at that as well. Now as that this type of strategic investments or acquisition does take time and we have been saying that we need to be patient about it. So that's what it is all about. So certainly we are open to look at on the ideas and we are open to look at the inorganic growth opportunities and then and that's why we are keeping the capital.

Amit Jaswani: So Chintan is just one question since like we've seen companies like BYJU'S on the edtech space which you're present in they have scaled up well. You've got so many startups which are like something which is outside your space I'm like dream level why, what is stopping us to buying these unicorns as well like what is our thinking behind it? Do we want to make this 50, 100 crore acquisitions or we are open to 100 200 million dollar acquisitions as well? I just want to understand the reinvestment strategy exactly.

Chintan Thakkar: So look as long as anything is around our four key verticals that we are operating in now it could be an early stage or it could be later stage as long as it makes sense and the asset is good. Again I'm saying that the idea of raising money was not to look at some distress asset and do some kind of financial arbitrage and gain value out of it but it's all about how do we build strong businesses and each of these categories that we operate in we think that in the long run they are all large multi-billion kind of categories and we want to gain leadership in that. If something is going to help us to gain leadership in these four verticals we are open to look at it. As earlier Hitesh also indicated we are not close to fifth vertical idea but that's right now not on the table.

Amit Jaswani: So just last one question sorry. What is our expected IRR on 3000 crores of cash that we already hold and probably 4000 next year if we don't invest. So what is the IRR we investors should expect from that kind like what's your expected IRR on the reinvestments that you have right now, the cash that we are sitting on?

Sanjeev Bikhchandani: It depends what we do with it. If we actually deploy it to buy assets or to invest in companies or to invest internal business there is me one IRR. Now quite honestly that's a hard spreadsheet to pull off because it'll be fiction. You write any number it'll be fiction. However, if you don't utilize it it'll be fixed an IRR which is whatever post tags 3.5% I don't know what it is.

Amit Jaswani: Got it sir. Got it sir. Thank you so much. I wish you all the luck.

Anand Bansal : So that was the last after gap of many questions. So we may wait for a minute or so in case there are any questions as we'll wrap it up. And we have one question. Okay. So next question is for Aniruddha Sengupta go ahead and ask your question.

Aniruddha Sengupta: Yeah, hi. I just wanted to check do you have anything in the healthcare vertical?

Sanjeev Bikhchandani: Look we have invested in one company called MedCords from the balance sheet which is into rural healthcare. We keep looking at healthcare but healthcare it's a hard business model most business model healthcare are, I mean we can't we still trying to figure out how they'll make money, how we will do it financially viable and when we see something good we'll do it. So it's not as if we are close to it but we haven't made a big, big deep foray into healthcare.

Aniruddha Sengupta: Thank you.

Anand Bansal: So we don't have any more questions as of now.

Sanjeev Bikhchandani: I would like to add one more thing. We have also made an investment from the AIF from the company called TrueMeds healthcare it's a pharmaceutical distribution company.

Vivek Aggarwal: So with this last question on behalf of Info Edge we conclude this conference. Thank you everyone for joining in. You may now disconnect your lines.

Sanjeev Bikhchandani: Thank you so much. Bye-bye.

Chintan Thakkar: Thank you everyone and have a good evening.

Vivek Aggarwal: Thank you.

Chintan Thakkar: You are welcome.