" Info Edge (India) Limited Conference Call"

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MODERATORS: MR. HITESH OBEROI-COO
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MR. AMBARISH RAGHUVANSHI-CFO

Moderator: Ladies and gentlemen, good evening, this is Melissa the Chorus call conference operator. Welcome to the Info Edge India Limited Q4 and annual results conference call. As a reminder all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded and the transcript would be available in the next three days at the company's website www.infoedge.in. I would now like to hand the conference over to Mr. Hitesh Oberoi, COO, Mr. Sanjeev Bikhchandani, CEO, and Mr. Ambarish Raghuvanshi, CFO of Info Edge India Limited. Thank you and over to you gentlemen.

Hitesh Oberoi: Good evening. This is Hitesh Oberoi and welcome to our fourth quarter and annual earnings conference call. Q4 performance was in line with expectation with business growing 13% in terms of year-on-year performance. FY'09-10 was also in line with expectations with top line declining about 5% and profit after tax declining by a similar amount. The one time charges in the P&L pertain to the loss on account of sale of investment in Studyplaces.com. The operating PAT for FY'09-10, if we add back the one time charge of Rs. 3.7 Crores, grew 6.6% to Rs. 39 Crores. Sequentially also, sales were up by 11% in Q4. The job market continues to improve and demand is picking up across all sectors at a reasonable rate. Competition in all our segments continues to be impacted. We continue to gain market share in both jobs and real estate and we continue to invest and build for the future. The data sheet has been uploaded on our corporate site www.infoedge.in.

Moving on to the financial highlight for the quarter, for the standalone company net sales grew 13% in Q4 to Rs. 65.2 Crores versus Q4 last year. Sequentially also we are up 11% on top line and 6% on bottom line, this is encouraging. Deferred sales revenue also went up by Rs 4 Crores year-on-year and is now at 53 Crores and up Rs 8 Crores sequentially over last quarter (Q3). Other income comprises mostly interest income on bank fixed deposits. Interest rates on bank fixed deposits this financial year are lower compared to last financial year and accordingly other income would be lower this fiscal. For Q4 operating EBITDA is up 19.5% YOY at Rs.21.6 Crores and 20% QOQ. Operating EBITDA margin is up 1.77% year-on-year at 33%, and is up 2.6% quarter-on-quarter. Operating PAT is at 16.6% year-on-year at Rs. 12.5 Crores, if I add back the one time charge and is up 16.3% quarter-on-quarter. The operating PAT margin is up 0.6% YOY at 19.2% and 0.9% sequentially. Operating margins have improved despite of continued investments in all of the verticals including the newly launched shiksha.com. We have reduced the cash burn substantially year-on-year in the newer verticals. In this quarter we lost about Rs 2.4 Crores compared to 5.8 Crores in the same quarter last year in the newer verticals. Looking at the full year and again for the standalone company as well as consolidated numbers net sales in FY'09-10 declined 5% to Rs.232 Crores versus last year. Other income comprises mostly interest come from bank fixed deposits and will continue to be low next year as well. For the full year 09-10 operating EBITDA is up 2% year on year (YOY) at Rs. 66.6 Crores. Operating EBITDA margin is up 2% YOY at 28.7%, operating PAT is up 6.6% year-on-year at Rs. 39 Crores if I add back the one time charge, and operating PAT margin is up 1.9% year-on-year at 16.8%. We have reduced the cash burn substantially in our non-recruitment verticals; on an annual basis we lost Rs 13.7 Crores at the EBITDA level versus Rs. 27 Crores last year in the other verticals. Total loss at the EBITDA level in Jeevansathi was only Rs. 12 lakhs while 99Acres was Rs. Rs 3.7 Crores. This excludes the allcheckdeals.com (ACD) loss of Rs. 2.4 Crores, which is now a subsidiary. These businesswise loss numbers are business estimates and not audited numbers. The annual consolidated numbers include revenue and expenses on all our subsidiaries including All Check Deals and Applect. On account of the same the revenue number is higher by about Rs. 5 Crores and expenses by about Rs. 11 Crores over the standalone numbers.

Moving on to performance businesswise, the recruitment vertical comprising Naukri, Naukrigulf, Quadrangle, and jobseeker services accounted for about 84% of the company's operating top line in Q4 versus 86% in Q4 last year. Other businesses primarily Jeevansathi, 99Acres, and Shiksha accounted for 16% of the operating top line in Q4 as opposed to 14% last year. The recruitment market continues to improve, companies have started hiring again; attrition levels are also moving up across the industries. The YOY numbers are : Recruitment top line grew 10% in Q4 and over last year but for the year declined by 7.7%. Naukri grew 5% in Q4 over last year but for the year declined 12%. The Naukri Candidate Services business grew 22% in Q4 and 17.5% for the year as a whole. Quadrangle grew 90% in Q4 and 13.5% for the year. The EBITDA margin in recruitment was 43.5% versus 47.8% in Q4 last year. The EBITDA margins in recruitment for the year as a whole were at 41% versus 43.6% last year. In Naukri the EBITDA margin was at 42% in Q4 down from 49.3% in Q4 last year. In Naukri the EBITDA margin for the year as a whole was 41% down from 46.8% last year.

These division wise numbers are estimates and not audited numbers.

On the operating side as on March 31, 2010 the number of resumes in Naukri was 20.7 million versus 19.7 million on 31st December 2009. During Q4 11,300 resumes were added daily. In Q4 resume modifications increased further to 68,000 a day. 20,100 recruiter's paid us this year in Q4 versus about 17,900 in Q4 last year. In the full year 2009-2010 we had 35,500 customers as opposed to 34,000 last year. The share of IT in Q4 as also for the full year was 26%, which is the same as last year. The share of recruitment consultants declined marginally in Q4 to 24.7% versus 25.5% last year, for the full year it was at 24.5%, which is about the same as last year. The share of infrastructure in Q4 was 21.9% versus 21.8% in Q4 last year, for the full year again it was 21%, which is about same as last year. The traffic share based on data from ComScore was at 58.2% in March, it is encouraging. The share has been consistently around 60% mark for the last 12 months.

Moving on to performance in other verticals, in Q4 net sale were up 30% at 10 Crores in all the other non-recruitment verticals year-on-year, while for the year as a whole net sales were up 10% at Rs. 36.8 Crores. If we include All Check Deals, which is now a subsidiary, net sales would be up 48% year-on-year in Q4 and 23% annually. The EBITDA losses in the other vertical in Q4 reduced by 58% in YOY to about 2.54 Crores. If I include the loss in ACD this was down about 40%. The EBITDA loss for the other verticals in the year reduced by 50% year-on-year to about

13.7 Crores. If we include the losses in ACD this number is down by about 40% compared to last year.

Moving on to 99Acres business, the top line in Q4 grew at a healthy rate of 39% YOY and 22% sequentially partly helped by the base effect and partly by the improvements in market conditions in Delhi and Mumbai; however, for the full year the 99Acres top line declined by about 5%. The EBITDA loss for the year reduced by 60% to about 3.8 Crores. There is now sustained traction in the real estate market. We are seeing new projects being launched in markets like Delhi and Mumbai. The markets in the South have also started recovering. We expect real estate market to keep improving gradually quarter-on-quarter as the liquidity improves. We continue to increase our market share in the real estate business and are now touching 40%, 41% on a consistent basis on Comscore data while the number two players is in the mid 30% range. We have a leadership here in traffic but we need to improve our market position further and consolidate as we go ahead.

In the Jeevansathi business, in Q4, net sales grew at 12% year-on-year and for the full year sales grew by about 17%. We broke even in the last quarter with EBITDA at Rs. 14 lakhs but were marginally negative at about 12 lakhs for the full year, so we broke even for the year as targeted. However, we have decided to get a little more aggressive in this business going forward and we are investing more in online brand building and in off line center's and this may lead to additional losses in the business in the medium term. The number of profiles ever added increased to 3.7 million as on 31st March 2010. Competition continues to be challenged for cash and capital. Product improvements and site improvements continue.

We saw good traction in the Shiksha business, the product is now looking good, and the sales team is in place. We have customers renewing and new customers signing up every quarter. We got significant revenue in Q4 and we expect this business to grow going forward. In the Brijj business we now have over 3 million profiles growing at about 3000 a day; however, there is not enough engagement and networking happening on the site and this continues to be a challenge. We do not expect any significant revenue from Brijj in the near future.

The All Check Deals business did quite well last year; about 540 deals were closed in Q4 alone. The business has started to pick up with sentiments improving in the real estate market and lots of new projects being launched. ACD had been spun off as a separate subsidiary in Q3 FY 08-09 and we are now consolidating its accounts at the end of every financial year. As a subsidiary it has a top line revenue of about 4 Crores last year and incurred an EBITDA loss of about 2.5 Crores. Shiksha, firstnaukri and ACD revenue (part of the revenue of All Check Deals was booked in Info Edge for businesses done earlier when it was a division) earned a top line of about 3.7 Crores and lost 9.8 Crores at the EBITDA level during the year. On the FirstNaukri site the product is now looking good and we have started selling the product to both recruiters and campuses and the initial response is encouraging, we got some margins revenue in Q4 but we believe that this will take at least a couple of years to reach any substantial size and scale.

As far as our external investments goes, Applect is now a subsidiary and EtechAces is an associate company in FY'09-10 accounts. In Applect, which runs the site meritnation.com. We are putting in a second round of funding of Rs. 5 Crores. The start of this year has been encouraging for Applect and we are confident that this business will do well going forward. EtechAces site policybazaar.com has continued to build traction and is now a leader in the space. Revenues here are primarily from new generation and fulfillment is also happening at the back end. We continue to evaluate other investment opportunities on an ongoing basis but I have no more announcements to make in this regard.

So to summarize the economic environment is improving the job market continues to get better, attrition rate and new hiring are picking up by the companies. Jeevansathi broke even by the end of last fiscal year but we will invest little more going forward in this business. Our traffic share in all our business continues to improve, in Naukri we been steady at about 60% for the last 12 months, in 99Acres we are now clear leaders with about 40%, 41% share of the traffic. We continue to invest in our businesses and continue to chase growth and we are more confident of our growth next year. Thank you very much. We can now take questions.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Rishi Maheshwari from Enam Asset Management. Please go ahead.

Rishi Maheshwari: Thanks, and congratulation for a good set of numbers. I would like to understand your view on the competitors' stance now. I understand that over the last few quarter you have gained market share because the competitor was lying low and cash crunch was also there with them, but with renewed aggression in the markets, what are you reading from the market, how many new competitors are jumping up and what is the stance by the existing competitors like Monster and jobs DB?

Sanjeev Bikhchandani: We are not seeing very much new aggression just yet from our competition and so we will have to wait and see, naturally we expect as market revives, there will be some aggression coming in from competition but we have not seen it yet.

Rishi Maheshwari: Similar to LinkedIn what are the other possibilities of unforeseen competition that may arise in your business?

Sanjeev Bikhchandani: So, we are keeping our eye on LinkedIn and it is a matter of some concern but it has not made an impact yet in India, naturally we are keeping an eye on it in the US to see what is happening there and we believe that that may pan out to India in the future and we are taking on product innovation and also other things to address the gap in senior management profiles that we have. But there are a few things we believe about LinkedIn where we believe we have an advantage; one is on LinkedIn while in many profiles the intent is unclear how many are looking for a job and that tends to impact the recruiter productivity should they use LinkedIn. The second is that India is a country where there is lot of mass hiring and LinkedIn is more of a sniper kind of product for head hunting and therefore we believe LinkedIn will get some traction but we do not believe it will eat into our revenue.

Rishi Maheshwari: Can you give us some view on what is the kind of expected growth you might see in FY'11, can we go back to our range of about 40% 50%, which you used to do and about 2006, 2007, 2008?

Sanjeev Bikhchandani: Predictability is poor. I think we have come out of a situation where you have seen negative growth in the first two quarter of the last financial year then flat quarter three, and plus 13% in quarter four, so we were kind of hoping and expecting that every quarter will be better going forward but we cannot sort of see three or four quarters forward, so we will take it quarter-on-quarter and so along with the economic recovery, continues to gain momentum. What we are currently saying is that if all goes well we should see of course a 20% growth but obviously we will assess this quarter-on-quarter it could be higher it could be lower depending on how the quarters unfold.

Rishi Maheshwari: How do you expect margins to behave?

Hitesh Oberoi: It depends on what kind of growth we get. If we get 20% growth, margins should sort of stay stable according to us, if it goes down to 15% margins will decline, if we get 25% margins work marginally, if it goes 35% it will be more substantial, we do not know but right now what we are seeing is we are being conservative and cautious and we are saying 20% plus sound reasonable growth in top line, as of now.

Rishi Maheshwari: All the best. Thank you.

Moderator: Thank you Mr. Maheshwari. The next question is from the line of Tejas Sarvaiya from Trust Capital. Please go ahead.

Tejas Sarvaiya: I was looking at Jeevansathi, I guess we have gone down in terms of average number of daily profiles on that parameter, jeevansathi is supposed to be non-cyclical business, so why we are seeing this go down ?

Hitesh Oberoi: What we are now focused in Jeevansathi is the quality of profiles and our conversion rates, so what used to happen previously is that we used to spend a lot of money on online advertising, which used to lead to a lot of profiles and a lot of these profiles used to get knocked off the site because they are not active, so what we have started doing the last three months is focusing on the quality of profiles, so the number of profiles has gone down but we expect our conversion rates to improve going forward.

Tejas Sarvaiya: Do you see 10% quarter-on-quarter growth this quarter; can we see next quarter do we have that visibility?

Moderator: Thank you. The next question is from the line of Radhika Merwin from IFCI. Please go ahead.

Radhika Merwin: Good evening sir. Congrats on good set of numbers. Just a few clarifications - on your recruitment side you see a very good growth especially on the volumes front. What is the sense you are getting in terms of the price realization because if I just do a rough calculation it also seems to have improved this quarter, so have you seen the kind of long-term commitment coming back from clients, do you see some uptake in price realizations going forward?

Hitesh Oberoi: Definitely, we are seeing improvement in all fronts. Customers who had stopped using our services have come back. The customers who had downgraded are slowly sort of upgrading and customers are getting added as well, but it is still very early, it has only been about a quarter since the recovery really started but we are confident about the year ahead.

Radhika Merwin: Okay, great. On your matrimonial business if I got that right you have broken even this quarter?

Hitesh Oberoi: Correct.

Radhika Merwin: Okay, so what would be the EBITDA, you just broken even and the other losses of the 24 million is from the other businesses right?

Hitesh Oberoi: From 99Acres and Shiksha primarily.

Radhika Merwin: Okay great, and what was the number of deals you mentioned in your All Check Deals?

Hitesh Oberoi: 540 this quarter.

Radhika Merwin: 540 as against last quarter?

Sudhir Bhargava: About 450.

Radhika Merwin: Okay. So, even in the real estate if you see the price realization as well as the volume has gone up, so do you see some sort of recovery or is it just one off thing that you are seeing this quarter?

Hitesh Oberoi: The real estate market is recovering for sure I mean both Bombay and Delhi market are doing well and I think in the last quarter even the Bangalore market picked up, so we are seeing a gradual recovery in real estate and that is reflected in both our number in 99Acres and in All Check Deals.

Radhika Merwin: Okay great. What is the kind of investment you said you are going to make in the other subsidiaries and associates for the next year?

Sudhir Bhargava: Amounts that I think will go into subsidiaries and associates would probably be in the range of about 7 or 8 Crores.

Radhika Merwin: For the next full year, right?

Hitesh Oberoi: Yes.

Radhika Merwin: For your other matrimonial and 99Acres you plan to invest next year?

A. Raghuvanshi: In Jeevansathi we want to up our investments and that I mean making a loss in the medium term, we want to now go aggressive and gain little more market share. In 99Acres we cut our losses substantially in Q4 and if the real estate market continues to grow and continues to improve then the losses in 99Acres may come down little bit, but it all depends on how the market behaves.

Radhika Merwin: Okay great sir. Thanks a lot sir.

Sudhir Bhargava: Radhika just to interrupt investments in Applect and EtechAces would probably be more than what I said probably in the range of 12 – 14 Crores or so.

Sanjeev Bikhchandani: Applect and EtechAces alone will be about 12 Crores.

Radhika Merwin: Okay, great. So, what was the investment that was made the last year, this current year FY'10 in all these vis-à-vis the 12 Crores that you are stating?

Sudhir Bhargava: It would have been about 8-9.

Radhika Merwin: Okay, great sir. Thanks a lot.

Moderator: Thank you. The next question is from the line of Anup Upadhyay from SBI Mutual Fund. Please go ahead.

Anup Upadhyay: Good evening sir. We were doing a pilot of setting a brick and mortar center for Jeevansathi since last many quarters. If you could provide an update on how successful that channel has been and if there has been any learning or patterns that you would have observed?

Hitesh Oberoi: We have setup l4 centers in places like Delhi and Mumbai and we tweaked the business model little bit towards the second half of the year. The results are encouraging. Now, we plan to invest more in the offline piece whether it will mean more centers or whether it will mean more people at the call center we are still figuring that out, but we plan to increase our investment in the offline piece whether it is tele sales or centers or franchises going forward for sure.

Anup Upadhyay: Okay sir and typically how many footfalls does it normally take for a brick and mortar center to break even?

Sanjeev Bikhchandani: The running cost of an average center is about Rs 1.5 Lakhs a month.

Anup Upadhyay: Okay sir. Do we plan to open more such centers in other cities because Delhi and Mumbai seem to be more of metropolitan areas where Internet penetration would anyway be high?

Hitesh Oberoi: We do not have a firm plan at this point of time like I said we have been investing more in the offline channels, centers which are one of them. We have a tele sales team as well, so we plan to increase the number of people calling up as well. We are looking at setting up some new channels as well.

Anup Upadhyay: Okay. If you look at naukri.com then the number of unique customers has stagnated at around 32,500 to 35,500, so it has been growing slowly over the past two, three years, but in terms of the penetration into corporates have we reached a level of saturation or is there opportunity for more?

Sanjeev Bikhchandani: It really began to slowdown after the meltdown happened and around the time economy was slowing down so if you look at the last several years we moved up from around 13000-14,000 to 20,000-21,000 to 27,000 to 32,000 and then to 34,000 and now 35,000. Now as the economy picks up we expect this number go up but it is kind of hard to predict where it will walk to and that is something we will discover as our sales team goes out and sells. But the slowdown in growth of the number of clients has coincided with the slow down the economy and we do believe it as a cause effect

Ambarish Raghuvanshi: Also when you look at this in a little more in depth a lot of the increase or the top line increase comes from not just the increase in the number of clients it also comes from price increases it also comes significantly from upgrades. Now those have slowed down in the last year-and-a-half to two years in line with the economic sort of slowdown and as the economy picks up it is not just the growth in the number of clients but it is also the average, which a client pays because once the client is in the system then you find ways on how to upgrade them especially if their hiring needs continue to increase or intensify.

Sanjeev Bikhchandani: Also it is important to remember the top 10% of our clients (around 3500 this year) in the past and even currently who have paid around 60% of the revenue and in the last year it was about 58%, so really it is about 3000-4000 clients who give the bulk of the revenues.

Anup Upadhyay: Okay sir that was helpful. You said that it is difficult to exactly say at what stage of the recovery will should one a expect consequent increase in the number of such customers, but if one were to take a long-term view of let us say three years, four years then what kind of opportunity is there in this number in terms of growth, in the number of unique customers?

Sanjeev Bikhchandani: It is very hard to predict, we cannot really say what we would like to do focus on is not going to target a number of clients. We focus on the process, we focus on putting up the best sales team, increasing sales efficiencies, and going out and doing activity of selling and servicing and the numbers that we achieve are a consequence.

Ambarish Raghuvanshi: It is in line with a little bit of economic growth, internet penetration, and our whole sales team effort, so it is a function of all three, so if economic growth picks up we will get that. What is within our control is the tech, the channels we used to sell, for example the tele sales have now become a significant way to add new clients and that has continued to grow, so all that will continue to happen, but like I said it is not just about an increase in number of clients it is about how you sell to the clients you have.

Anup Upadhyay: Sure sir, that was very helpful. Thanks a lot sir for your answers.

Moderator: Thank you Mr. Upadhyay. The next question is from the line of Kunal Sangoi from Edelweiss. Please go ahead.

Kunal Sangoi: Thanks and congratulations on a good quarter. Sanjeev I would like to know your thoughts on the Internet penetration in India at this point in time and with the expected rollout of 3G and Wi-Max in FY '11 itself how will that change the dynamic for Info Edge?

Sanjeev Bikhchandani: So I think there are two or three things happening, one is the increase in penetration of broadband, when I say broadband I do not mean very high bandwidth because broadband in India is not very high bandwidth, but I think there is a migration from dial-up to always on. Now typically user behavior seems to suggest that look there is a significant change in behavior and what people will do on the Internet, the moment you migrate from dial-up to always on. I think while the numbers are behind what the government had targeted but there has been steady increase and that is fairly encouraging because if you assume that the average broadband connection is shared by five or six people you are talking about 50 or 60 million internet users now with always on internet access. So I think that is the first significant thing so if the broadband penetration continues to increase and especially with telecom companies now coming under pressure on profits from voice, they will definitely have to focus on data access, I think that is good for internet penetration in the country. The second thing is yes with 3G coming in, with broadband wireless coming in, with smart phones becoming cheaper we do believe that perhaps the Internet penetration in India is reaching its inflection point, now this is not the event on one day, this will be a process over the next two to three years but we do think there is going to be a significant change and we do believe that mobile space needs to be focused on and we are working on it and we already have our offerings on the mobile and we continue to improve them, so I think over the next two to three years we will see more action over here.

Kunal Sangoi: Sure, that was helpful. Second is with regards to the same, taking it a little ahead, in terms of maybe new ways to monetise this Internet penetration what would be some of the other areas that we would look towards expanding in to?

Sanjeev Bikhchandani: I think the first thing we would like to do is make sure that our current offerings work well on the mobile because there are different ways users will interact with the sites and different things they will do in a moment with the small screen and therefore we need to focus on that first and then new ways of monetization will come later.

Kunal Sangoi: With regards to Monster launching semantic search technology in the US, do we see that any of that being a risk to us in terms of any…

Sanjeev Bikhchandani: We do keep tracking competition and we are conscious of the fact that Monster has launched Trovix. It is as yet unclear as to how much traction Trovix has actually got response from the US, but we have been continuously improving our product and we continue to do that and we expect that we will have enough things in place over the next few months to be able to tackle that.

Kunal Sangoi: Okay, thank you and all the best.

Moderator: Thank you. The next question is from the line of Ankit Kedia from Centrum Broking. Please go ahead.

Ankit Kedia: There are couple of questions, one is if we are doing around 10-12 Crores of more investments in our associate companies and investments we have made, will we see the losses in the associate companies and minority interest also rising, so on a consolidated front the PAT could seem muted for the next couple of years?

Ambarish Raghuvanshi: In the near term yes, I mean there will be an impact on the consolidated P&L in terms of the losses we are incurring. Some of the investments may be going into creating a little bit of CapEx so that obviously will not hit the bottom line but yet a substantial portion of what we are investing like other Internet business is most investment goes into OpEx at the operating level so yes, you will see a direct impact on P&L but both those businesses are beginning to show a sort of revenue building up so if revenue continues to increase and that is the hope then overtime this will correct itself but in the near term yes certainly we will be taking losses on account of that.

Ankit Kedia: Right. My second question is you have guided for 20% growth…

Ambarish Raghuvanshi: Actually lets correct that, that is not a guidance we are not issuing guidance, one because the pace of the recovery is still somewhat unclear and Sanjeev was mentioning that in the near term for the first quarter that is the number we can look at beyond that there is very little visibility and there is very little clarity but please continue Ankit.

Ankit Kedia: Right. You said that the margins would be static at that percentage of growth. This quarter we have done the best ever margins in our history….

Sanjeev Bikhchandani: Ankit, I will not look at our margins on a quarterly basis simply because of our advertising expenditures are lumpy. Secondly, we will be taking increments in April and therefore that will tend to push down the margins but if we were to grow the full year at 20% we could expect margins to stay static, if we were to grow at 15% for the full year we expect margins to decline somewhat, if we were to grow at 25% for the full year we would expect margins to go up a bit. Now because visibility is poor on account of what the momentum of the economic recovery will be in the next 12 months we will have to take it quarter-on-quarter in terms of what kind of growth we are going to get and expect and naturally we will revise our own internal targets and estimates as we go along.

Ankit Kedia: Right. Are we ourselves seeing any consolidation not on the recruitments front but on the other 99Acres or in Jeevansathi in the sense competition looking to sell out after the slowdown or approaching us or some other sort of activities happening on that front?

Sanjeev Bikhchandani: We are not expecting to consolidate anything in the next few months atleast.

Ankit Kedia: Okay, in the long term you would be willing to?

Sanjeev Bikhchandani: We are always open, but there are no announcements we have made in this regard right now.

Ambarish Raghuvanshi: Multiples still continue to be prohibitively high which is what makes doing the deal difficult here.

Ankit Kedia: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Avinash Wadhwa from M3 Investments. Please go ahead.

Avinash Wadhwa: Thank you for taking my question. This is not a prepared question so I might sound a little incoherent. I just heard about a site called Hoonur by Balaji.com now this is a site for performing artist and they are attempting to do something of your variety as in Naukri for the performing artist and I am thinking like as the marginal cost of distribution falls then you should increasingly start seeing these niche websites coming up because it is really more efficient for a performing artist to go on a site such as that than go on naukri.com or a more general website. Is that a logical way that we can expect evolution to take place in this line of business and do developed markets throw any such trend where you get missed out?

Sanjeev Bikhchandani: There are niche sites in the US and some of them are doing equally well but really it is all about market size so the big question really is, are niche sites going to be viable in India in the short run, and so we looked at ourselves and we could have figured that we are doing our niche site ourselves for example, First Naukri is an entry level hiring site. One, niche is by levels in the organization, second, niche is by functions, third niche by industry, fourth niche could be by geography. We ourselves would look at these sites going forward over the next several years but we will pick and choose and be selective about it.

Ambarish Raghuvanshi: It may be a little early right now for niche sites to develop in what in any case is a relatively small recruiting market compared to the more developed markets.

Sanjeev Bikhchandani: But the other thing is that the recruitment business is not just about job listings and domain names, it is also about database access and we have got multiple variants of database so we already have sliced a niche so by geography, by function, by industry we have already done it and if you say 60% revenue in Naukri comes from the resume database then 60% of market we have already reached.

Avinash Wadhwa: Okay, thank you.

Moderator: Thank you. The next question is a followup from the line of Ankit Kedia from Centrum Broking. Please go ahead.

Ankit Kedia: I just happened to notice that the exceptional item on the consolidated basis and on standalone basis there is a difference of around Rs.50 lakhs could I know the difference why?

Sudhir Bhargava: Ankit, the one I had mailed you had an error so I have re-mailed it. The number is exactly the same in consolidated numbers.

Ankit Kedia: Okay, I will just check it again.

Sudhir Bhargava: That is why I resent the mail wherein I directed to the data sheet and some 3.78 Crores on both consolidated as well as standalone.

Ankit Kedia: I have not seen the mail, I will check it again.

Moderator: Thank you. The next question is from the line of Krupal Maniar from ICICI Securities. Please go ahead.

Krupal Maniar: If you see the EBITDA losses in the non-recruitment vertical it has come down from 27 Crores to around like 13-14 Crores; going ahead like the EBITDA losses would continue at this level or it would increase?

Sanjeev Bikhchandani: We are planning to up investments in Jeevansathi this year, so Jeevansathi broke even this last year and it will go up in Jeevansathi and Shiksha will continue to be in investment mode and 99Acres a lot will depend on the growth we get so if the growth momentum continues, losses will come down. Right now we are unable to predict what the total losses will be in the new verticals in the coming year.

Krupal Maniar: Okay. Sir, in terms of pricing for the recruitment client whether the pricing discount, which we had offered maybe last year are all over or that is still continuing?

Hitesh Oberoi: Definitely discounting increased last year because clients were not hiring as many people as earlier and therefore they put pressure on our sales team, but as the hiring market improves our bargaining power with customers will also improve and therefore the discounting levels will go down compared to last year.

Krupal Maniar: Okay, thanks a lot.

Moderator: Thank you. As there are no questions I would like to hand the floor back to the InfoEdge Management for closing comments. Please go ahead Sir.

Hitesh Oberoi: Thank you very much. If there are any further queries please write to us. You can also access all data on our website at www.InfoEdge.in.

Moderator: Thank you gentlemen of the management. Ladies and gentlemen, on behalf of InfoEdge India Limited that concludes this conference call. Thank you for joining us on the chorus call conferencing facility and you may now disconnect your lines.